
ORDINARY MEETING

OF

ECONOMIC GROWTH AND ARTS COMMITTEE

AGENDA

Time: 9.15am
Date: Tuesday, 2 June 2015
Venue: Committee Room 1
Ground Floor, Council Offices
101 Wakefield Street
Wellington

MEMBERSHIP

Mayor Wade-Brown

Councillor Ahipene-Mercer
Councillor Coughlan (Chair)
Councillor Eagle
Councillor Lester
Councillor Marsh (Deputy Chair)
Councillor Peck
Councillor Young

Have your say!

You can make a short presentation to the Councillors at this meeting. Please let us know by noon the working day before the meeting. You can do this either by phoning 803-8334, emailing public.participation@wcc.govt.nz or writing to Democratic Services, Wellington City Council, PO Box 2199, Wellington, giving your name, phone number and the issue you would like to talk about.

AREA OF FOCUS

The Economic Growth and Arts Committee will focus on delivering sustainable long-term economic growth, increased employment, promote the city's visitor attractions, deliver high-quality events and support the development of smart businesses in the city. The Committee will also work to build Wellington's unique identity, bolster business confidence, raise the city's international profile, and ensure Wellington continues to be New Zealand's arts and culture capital by supporting a range of opportunities for entertainment and expression. There will be a continuing focus on the ICT and Digital sector.

Quorum: 4 members

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1 Meeting Conduct

1.1 Apologies

The Chairperson invites notice from members of apologies, including apologies for lateness and early departure from the meeting, where leave of absence has not previously been granted.

1.2 Conflict of Interest Declarations

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

1.3 Confirmation of Minutes

The minutes of the meeting held on 21 April 2015 will be put to the Economic Growth and Arts Committee for confirmation.

1.4 Public Participation

A maximum of 60 minutes is set aside for public participation at the commencement of any meeting of the Council or committee that is open to the public. Under Standing Order 3.23.3 a written, oral or electronic application to address the meeting setting forth the subject, is required to be lodged with the Chief Executive by 12.00 noon of the working day prior to the meeting concerned, and subsequently approved by the Chairperson.

1.5 Items not on the Agenda

The Chairperson will give notice of items not on the agenda as follows:

Matters Requiring Urgent Attention as Determined by Resolution of the Economic Growth and Arts Committee.

1. The reason why the item is not on the agenda; and
2. The reason why discussion of the item cannot be delayed until a subsequent meeting.

Minor Matters relating to the General Business of the Economic Growth and Arts Committee.

No resolution, decision, or recommendation may be made in respect of the item except to refer it to a subsequent meeting of the Economic Growth and Arts Committee for further discussion.

2. General Business

REPORTS FROM COUNCIL CONTROLLED ORGANISATIONS FOR THE QUARTER ENDING 31 MARCH 2015

Purpose

1. To provide reports from Basin Reserve Trust and the Wellington Museums Trust for the quarter ended 31 March 2015.
2. The annual report from Wellington International Airport Limited for 2014/15 is also to be considered.

Summary

3. This report includes the quarterly updates from the above Council Controlled Organisations (CCOs) and affiliated entities for the quarter ended 31 March 2015, and the Annual Report for Wellington International Airport Ltd for the year ended 31 March 2015.

Recommendations

That the Economic Growth and Arts Committee:

1. Receive the information.
2. Note any issues for the Chair to raise with the entities covered by this report.

Background

4. It is a requirement of the Local Government Act 2002 (the Act) that where the Council is a shareholder in a Council Organisation it must regularly undertake performance monitoring of that organisation to evaluate its contribution to the achievement of:
 - the Council's objectives for the organisation;
 - the desired results, as set out in the organisation's Statement of Intent; and
 - the Council's overall aims and outcomes.
5. The organisations included in this report are:
 - Basin Reserve Trust (BRT)
 - Wellington Museums Trust (WMT)
6. WRST submits written reports half-yearly. WRST is not a CCO but is included in this reporting framework because of the materiality of the Council's financial commitment to the entity and because of the entity's contribution to Council outcomes.
7. The annual report from Wellington International Airport Limited (WIAL) is also included.
8. The Wellington Regional Stadium Trust and Wellington International Airport Limited are not CCOs, but are included in this report because of the materiality of the Council's financial commitment to the entity and/or because of the entity's contribution to Council outcomes.

Discussion

9. If the Committee needs to clarify the information presented or requires additional assistance with its monitoring role, it can ask officers or the Chair of the Committee to seek responses from the Board Chair.

Attachments

Attachment 1.	Basin Reserve Trust Q3 2014/15 Summary and Report	Page 10
Attachment 2.	Wellington Museums Trust Q3 Summary and Report	Page 18
Attachment 3.	Wellington International Airport Ltd 2015 Annual Review	Page 32

Authors	Richard Hardie, Portfolio Manager Warwick Hayes, CCO Project Manager
Authoriser	Derek Fry, Director City Growth & Partnerships

SUPPORTING INFORMATION

Consultation and Engagement

The organisations in this report consult with the Council on a wide range of matters as part of our “no surprises” relationship.

Treaty of Waitangi considerations

This report raises no new treaty considerations. Where appropriate the entities do consult with the Council’s Treaty Relations unit as part of normal operations.

Financial implications

The CCOs work within the context of the Council’s overall Long Term Plan and Annual Plan framework.

Policy and legislative implications

This report complies with the legislative requirements of the Local Government Act (2002) and is consistent with existing Council policy.

Risks / legal

Not applicable.

Climate Change impact and considerations

The CCOs work with the Council and other organisations in considering the environmental sustainability of their operations, including with the Council’s Our Living City programme.

Communications Plan

Not applicable.

BASIN RESERVE TRUST

Q3 REVIEW TO 31 MARCH 2015

QUARTER PERFORMANCE	YEAR TO DATE PERFORMANCE
<ul style="list-style-type: none"> Work continued on the Basin Reserve Masterplan in preparation for formally presenting the plan to the Council's Economic Growth and Arts committee in April. In February and March, the Basin hosted 18 training sessions for teams as part of CWC2015. The Trust has received overwhelmingly positive feedback with respect to the quality of the facilities and ground, and the operational management of the training sessions. The Trust facilitated a meeting in February between the Chief Executive of NZC and Council executive management, to discuss the ongoing use of the Basin Reserve for international cricket matches. In response to the Trust's Masterplan, David White, NZC CEO, has committed to providing a schedule of premiere test matches to the Basin. 	<p>Events</p> <ul style="list-style-type: none"> 1 x 5-day test match (Sri Lanka January 3-7) 2 x 4-day first class cricket matches 4 x 1-day Firebirds cricket matches 1 x T20 club match <p>Training</p> <ul style="list-style-type: none"> 38 uses of the venue as a practice facility (28 by international teams and 12 by domestic teams) <p>Repairs and Maintenance</p> <ul style="list-style-type: none"> The Trust continued to deliver its planned maintenance programme, including the advancement of plans to address deferred maintenance issues on the Vance Stand and to upgrade the ground keeping facilities.

SUMMARY FINANCIALS							
(\$,000's)							
FINANCIAL PERFORMANCE	Q3 Actual	Q3 Budget	Variance	YTD Actual	YTD Budget	Variance	FYE
Total Revenue	347	303	44	638	614	124	548
Operating Expenses	252	175	(77)	622	435	(187)	568
Net Surplus	95	128	(33)	16	79	(63)	20
FINANCIAL POSITION							
Total Assets				946	927	19	843
Total Liabilities				165	40	125	55
Equity				781	887	(106)	788
CASH FLOWS							
Total Net Cash Flows				48	124	(76)	70
Opening Cash				110	80	30	80
Closing Cash				158	204	(46)	150
<ul style="list-style-type: none"> The Trust had an operating profit for the quarter of \$95k after allowing for depreciation of \$22k, \$33k behind of budget. Income and Expenditure for the year vary from budget in part as a result Turf Management costs, the arrangements for which were put in place after the Statement of Intent had been agreed. Income of \$347k was \$44k ahead of budget partly as a result of ground hire revenue for Cricket World Cup 2015. However, this is offset by lower than expected revenue from Domestic Cricket as a result of fewer games due to CWC2015 After normalising for Turf Management revenue, expenses were \$77k over budget, partly due to event management costs for the January Test match being higher than expected and to consultants costs associated with the development of the Masterplan 							

CONTACT OFFICER

RICHARD HARRIS

BASIN RESERVE TRUST

Q3 REVIEW TO 31 MARCH 2015

KPI DASHBOARD					
MEASURE		Q3	YTD	3 Year	Comments
		31 Mar 15	31 Mar 15	Trend	
Cricket Events	Target	8	10	Steady	The 2014-15 SOI was agreed before the summer programme was confirmed by NZC, hence the lower than budgeted figures for event days, and spectators. Also, only one test match was scheduled in the summer, and held in January (Q3).
	Actual	7 ✗	8 ✗	→	
Other Sports Events	Target	0	4	Steady	Most 'other sports' events take place outside the cricket season, in Q1 and Q4.
	Actual	0 ✓	6 ✓	→	
Community Events	Target	0	0	Steady	
	Actual	1 ✓	1 ✓	→	
Cricket Event Days	Target	21	27	Steady	This figure relates to the late release of NZ Cricket summer cricket schedule noted above.
	Actual	17 ✗	21 ✗	→	
Other Sports Events Days	Target	0	4	Steady	
	Actual	0 ✓	6 ✓	→	
Community Event Days	Target	0	0	Steady	
	Actual	1 ✓	1 ✓	→	
Practice Facility Usage Days	Target	40	70	NA	This was a new measure in 2013/14 so no trend data is available.
	Actual	38 ✗	71 ✓		
Numbers attending events	Target	18,200	22,800	Steady	
	Actual	18,706 ✓	19,506 ✗	→	

ISSUES & OUTLOOK	
<ul style="list-style-type: none"> Funding for the Master Plan for the Basin Reserve is included in the Council's draft 10-year plan to be agreed in Q4 The Basin will be utilised for ANZAC Centenary events in April 2015 to support events at Pukeahu national war memorial park. Work on the upgrade of the Ground Keeping Facilities will begin in April 2015. This project has been funded through the mid-term capex review. A concert by Robbie Williams has been confirmed for 31 October. The Trust is in discussions with the Wellington Rugby Union and Old Boys University Rugby around the future of senior rugby matches being hosted at the Basin. The Trust is also working with soccer and rugby to host more junior sports over the winter. The Trust is working with the Wellington Phoenix on using the Basin as a training ground. 	

CONTACT OFFICER

RICHARD HARTUP



BASIN RESERVE TRUST

2014-15

Prepared for Wellington City Council

For the 3rd Quarter 2014-15

Signed _____

Date _____

**Basin Reserve Trust
WCC Monitoring Subcommittee**

For the quarter to 31 March 2015

1. **OVERVIEW**

The three month period under review generally heralds the busiest period of operation for the Basin Reserve, as this is the period of heaviest cricket activity.

The Trust has been active as follows:

Trust Meetings

The Trust met on 3 March, as part of its regular cycle of meetings.

The Trust facilitated a meeting on 20 February between the Chief Executive of NZC and Council executive management, to discuss the ongoing use of the Basin Reserve for international cricket matches.

The Trust also informally presented its proposed "Master Plan" to the Council on 23 February, developing further some of the earlier-reported key objectives.

Master Plan

There were regular meetings held to develop and confirm the Trust's "Master Plan" for the Basin Reserve. This Plan supports the Trust's submission for investment funding in the Council's next LTP 2015-25.

Cricket Programme

The Basin Reserve hosted a very popular test match between NZ and Sri Lanka, in early January (3-7 January). The timing was not ideal from an 'events' perspective, however somewhat surprisingly and pleasingly there was very strong support from the Wellington market through this period.

The Basin also hosted 8 half-day practice sessions for the NZ and Sri Lankan teams, in regards to the test match and also the ODI in late January (played at Westpac Stadium).

The Basin also hosted four one-day games for the Wellington Firebirds, ahead of the ground being passed over for the exclusive use of Cricket World Cup organisers.

Cricket World Cup 2015

The Basin Reserve was utilized as an exclusive training venue for teams visiting Wellington for CWC2015 matches. A total of 18 separate (half-day) training sessions were scheduled for international teams.

Feedback received from these teams was universally positive as regards the quality of the facilities, the assistance of the groundstaff, and the operational management of the trainings themselves.

Other Events

While heavily immersed in CWC throughout this period the Trust was also involved in preliminary discussions and arrangements as regards:

- ANZAC Centenary Events, April 2015;
- AFL visit, April 2015; and
- Potential concert event, October 2015.

2. OPERATIONS

2.1 *Performance Analysis*

Events

- 1 x 5-day international test match
- 2 x 4 day domestic first-class matches
- 4 x 1-day domestic matches
- 1 x T20 club cricket final
- 38 uses of the venue as a practice facility (28 x international teams & 12 x domestic team)
- 1 x CWC Volunteer Recognition function (in association with Wellington City Council)

2.2 *Performance Measures*

The actuals against budget are attached.

3. FINANCIAL REPORT

Financial accounts are attached.

Basin Reserve Trust Financial Results 2014/15

(\$,000's)	Actual Q3 2014/15	Budget Q3 2014/15	Variance Q3 2014/15	Actual YTD 2014/15	Budget YTD 2014/15	Variance YTD 2014/15	2014/15 Budget Full Year	2013/14 Actual Prev Q3
Statement Of Comprehensive Income								
Income								
<i>Grant Income</i>	229	177	52	488	355	133	355	177
<i>Ground Hire Income</i>	109	91	18	129	119	10	122	79
<i>Other Income</i>	8	34	(26)	17	37	(20)	68	37
<i>Interest Income</i>	1	1	-	4	3	1	3	1
Total Income	347	303	44	638	514	124	548	294
Expenditure								
<i>Building Expenses</i>	9	21	12	32	61	29	81	15
<i>Ground Expenses</i>	107	45	(62)	277	111	(166)	141	15
<i>Occupancy Expenses</i>	39	31	(8)	98	95	(3)	120	28
<i>Event Running Expenses</i>	46	29	(17)	65	37	(28)	40	34
<i>Administration Expenses</i>	21	21	-	72	63	(9)	98	41
<i>Other Expenses</i>	8	8	-	13	8	(5)	8	8
<i>Finance Costs</i>	-	-	-	-	-	-	-	-
<i>Depreciation</i>	22	20	(2)	65	60	(5)	80	102
Total Expenditure	252	175	(77)	622	435	(187)	568	243
Total Comprehensive Income (Deficit) for the Period	95	128	(33)	16	79	(63)	(20)	51

Basin Reserve Trust Financial Results 2014/15

(\$,000's)	Actual Q3 2014/15	Budget Q3 2014/15	Variance Q3 2014/15	Actual YTD 2014/15	Budget YTD 2014/15	Variance YTD 2014/15	2014/15 Budget Full Year	2013/14 Actual Prev Q3
Statement of Financial Position								
Total Non Current Liabilities				-	-	-	-	-
Total Current Liabilities				165	40	125	55	80
Total Trust Funds				781	887	(106)	788	892
Total Trust Funds and Liabilities				946	927	19	843	972
Assets								
Non Current Assets				665	688	(23)	668	714
Current Assets				281	239	42	175	258
Total Assets				946	927	19	843	972
Statement of Cash Flows								
Net Cash Flows from Operating Activities				64	174	(110)	120	177
Net Cash Flows from Investing Activities				(16)	(50)	34	(50)	(24)
Net Cash Flows from Financing Activities				-	-	-	-	-
Net Increase (Decrease) in Cash Held				48	124	(76)	70	153
Cash at the Beginning of Year				110	80	30	80	82
Cash at the End of Period				158	204	(46)	150	235

Basin Reserve Trust Performance Targets 2014/15

	Actual	Budget	Variance	Actual	Budget	Variance	2014/15	2013/14
	Q3 2014/15	Q3 2014/15	Q3 2014/15	YTD 2014/15	YTD 2014/15	YTD 2014/15	Budget	Actual
							Full Year	Prev Q3
Administrative								
<i>Achieve targets within allocated budgets</i>		Annual			Annual		Annual	Annual
<i>Comply with financial, technical and regulatory standards</i>	Achieved	Quarterly		Achieved	Quarterly		Quarterly	Achieved
<i>Asset management plan carried out</i>	Achieved	Quarterly		Achieved	Quarterly		Quarterly	Achieved
Operating - Number of Events								
<i>Cricket</i>	7	8	-1	8	10	-2	11	16
<i>Other Sports</i>	0	0	0	6	4	2	10	0
<i>Community</i>	1	0	1	1	0	1	2	1
Operating - Number of Event Days								
<i>Cricket</i>	17	21	-4	21	27	-6	27	23
<i>Other Sports</i>	0	0	0	6	4	2	10	0
<i>Community</i>	1	0	1	1	0	1	1	1
<i>Numbers attending events</i>	18,706	18,200	506	19,506	22,800	-3,294	27,300	22,214
<i>Practice facility usage</i>	38	40	-2	71	70	1	70	41
<i>Hirer satisfaction with venue and events</i>	Achieved	Quarterly		Achieved	Quarterly		Quarterly	
<i>Playing surface to be maintained to an international standard</i>		Annual			Annual		Annual	
<i>Council subsidy per visitor</i>								
Financial								
<i>Results within budget</i>	Not Achieved	Achieved		Not Achieved	Achieved		Achieved	Not Achieved
<i>Capital expenditure - within budget</i>	Achieved	Achieved		Achieved	Achieved		Achieved	Not Achieved
<i>Council % of revenue ratio</i>	66%	58%		76%	69%		65%	80%
<i>Event income</i>	\$109,000	\$91,000		\$129,000	\$119,000		\$121,500	\$79,000
<i>Non-event income as a % of total income</i>	68%	70%		79%	77%		78%	73%
<i>Business plan developed</i>		Annual			Annual		Annual	

WELLINGTON MUSEUMS TRUST

Q3 REVIEW TO 31 MARCH 2015

QUARTER IN REVIEW	QUARTER IN REVIEW (cont.)
<p>Museum of Wellington City & Sea Phase One (the Attic) building works are underway. The building works will be completed in June in time to mark the 150th anniversary of Wellington as Capital city and the Attic exhibitions will open in September.</p> <p>The Yvonne Todd: <i>Creamy Psychology</i> exhibition at City Gallery Wellington closed on 15 March with total attendance for the exhibition of 42,767 and 316 copies of the Yvonne Todd book sold in the Gallery shop. The exhibition was well attended by high school students – a demographic that is often hard to reach.</p> <p>The Museum of Wellington City & Sea launched a public fundraising campaign for the Development with the <i>What Year Are You?</i> campaign which will run until all 150 years (since Wellington became Capital City) have been sold.</p> <p>The upgrade/replacement of the Planetarium projectors at Carter Observatory was completed and will significantly improve the visitor experience.</p>	<p>The Great Anniversary Weekend Scavenger Hunt attracted 1,800 visitors to the waterfront to experience activity presented by Capital E with all Trust institutions, and selected other institutions and precinct businesses.</p> <p>The Capital E National Arts Festival boosted visitation figures for Capital E, while the exhibitions and public programmes at City Gallery continue to attract good visitor numbers. The Capital E 2015 National Arts Festival ran in March across 14 days, showcasing 11 New Zealand and international productions, four world premieres, one mini Film Festival, and 196 performances.</p> <p>In a first for the Capital E 2015 National Arts Festival the schools programme included work made by children: Young & Cinematic featured 3 short films made by local school children with assistance from Capital E's Digital Team and industry professionals. The Festival was a good platform to showcase the children's work alongside the work of adults, bridging that gap.</p> <p>Capital E launched a 2015 Schools programmes in OnTV and MediaLab including a new format, <i>Across the Trenches</i>, which is proving to be the most popular of the script offerings in the OnTV Studio this year.</p>

SUMMARY FINANCIALS (inc) Carter Observatory							
* Variance (Actual minus Budget). % Favourable variance to budget % Unfavourable variance to budget							
FINANCIAL PERFORMANCE	Q3 Budget	Q3 Actual		YTD Budget	YTD Actual		EY Budget
(\$000)	31 Mar 15	31 Mar 15	%	31 Mar 15	31 Mar 15	%	30 Jun 15
Total Revenue	2,877	2,875	2 %	8,631	8,508	123 %	11,506
Opex before Depreciation	2,801	2,907	106 %	8,403	8,282	121 %	11,207
Depreciation	95	109	14 %	285	317	32 %	381
Net Surplus (Loss)	(21)	(141)	120 %	(63)	(93)	30 %	(82)
FINANCIAL POSITION							
Total Assets	6,212	9,452	3,240 %				4,642
Total Liabilities	2,721	5,553	2,832 %				1,171
Equity	3,491	3,899	408 %				3,471
CASH FLOWS							
Total Net Cash Flows	1,613	3,422	1,809 %	1,564	3,194	1,630 %	(24)
Opening Cash	42	825					92
Closing Cash	1,654	4,247					67
<p>Revenue for the quarter was close to target although YTD is tracking \$123k behind budget. In Q3 and despite virtually achieving the revenue target for the quarter, the Trust recorded a net loss of \$141k, or a \$120k negative variance to the budgeted loss of \$21k. The YTD result shows a negative variance to budget of \$30k. The Trust advises that these are timing variances only and that it remains on track to achieve budget inclusive of an \$82k deficit attributable to Carter Observatory. The larger variances (unders and overs) are discussed further below.</p> <p>At 31 March Carter Observatory recorded an operating profit of \$22k. Revenue from venue hire and retail is better than budget but the Trust is forecasting up to a \$100k shortfall against the full year admissions revenue target. This plus programming for the Matariki festival including the purchase of at least two new planetarium shows, is expected to contribute to result in an overall deficit for the year close to the budgeted deficit of \$82k. Note: Separate financials for Carter Observatory are not supplied with this report.</p> <p>At 31 Mar 2015 the Trust held cash on hand of \$4.2m – a positive variance of \$2.6m above the projected cash balance of \$1.6m at 31 Mar 2015. The large cash balance is related to funding the Attic Project at the Museum of Wellington City & Sea and is timing related with an increase in payables (\$3.0m above budget) relating to Phase One of the development.</p>							

WELLINGTON MUSEUMS TRUST

Q3 REVIEW TO 31 MARCH 2015

The following table outlines the larger YTD variances between actual versus budget.

OPERATING REVENUE (\$000)	YTD Budget	YTD Actual	Variance*	% Variance
	31 Mar 15	31 Mar 15	31 Mar 15	31 Mar 15
Trading income	1,179	1,082	(97)	-8.2%
Other grants, sponsorships & donations	411	143	(268)	-65.2%
Cultural Grants	642	887	245	38.2%
OPERATING EXPENSES (\$000)	YTD Budget	YTD Actual	Variance	% Variance
	31 Mar 15	31 Mar 15	31 Mar 15	31 Mar 15
Exhibitions & programmes	1,533	1,309	(224)	-14.6%
Occupancy costs (excl. rent)	996	789	(207)	-20.8%
Personnel costs	3,672	3,850	178	4.8%
Professional fees	30	266	226	753.3%

* Variance (Actual minus Budget).

Strong retail and venue hire is helping to off-set lower than forecast admissions revenue resulting in trading income being below YTD budget by \$97k. This follows a good Q3 performance (\$54k above budget).

The table shows that the Trust has exceeded its budget for cultural grants revenue by \$245k due to timing and unbudgeted funding received from Creative New Zealand to support the Trust's operation of Hannah Playhouse while other grants, sponsorships and donations are \$268k behind the Trust's YTD budget. This is a timing variation and the Trust confirms that it is on track to achieve its sponsorship and donations target at year-end.

Timing variances due mainly to the 2015 Capital E National Arts Festival account for a \$224k YTD underspend (or 14.6%) on exhibitions and programming. Professional fees includes a range of project related costs many of which are externally funded (including WRAF and CNZ funding) and account for this expenditure line being over budget by \$226k.

YTD personnel costs are \$178k over budget and will exceed budget at year end, but this sum will be covered by savings elsewhere in the budget.

ISSUES & OUTLOOK
Nothing to report.

EFFECTIVENESS INDICATORS						
The Trust operates the following facilities; City Gallery Wellington, Capital E, Carver Observatory, Museum of Wellington City & Sea, Cable Car Museum, Colonial Cottage Museum and the New Zealand Cricket Museum (jointly with the New Zealand Cricket Museum Trust).						
EFFECTIVENESS 30 JUNE	2009	2010	2011	2012	2013	2014
Total Visitors	538,950*	629,697	653,344	607,613	649,021	601,743
Operating & Rental Grant / Visitor	\$11.64	\$10.85	\$11.83	\$13.06	\$12.66	\$13.30
Non-Council Revenue / Visitor	\$3.78	\$3.79	\$4.96	\$5.22	\$5.36	\$4.90
Average Spend / Visitor	\$1.79	\$2.11	\$2.41	\$2.36	\$2.92	\$2.66
*reduced visitation due to refurbishment and upgrades at City Gallery.						

WELLINGTON MUSEUMS TRUST

Q3 REVIEW TO 31 MARCH 2015

KPI DASHBOARD					
✓ Achieved ✗ Not Achieved. The 3 Year Trend = year on year actual/nominal performance → Steady ↗ Improving ↘ Declining					
The table contains a selection of KPIs and measures and is not a complete list.					
MEASURE		Q3	YTD	3 Year	Comments
		31 Mar 15	31 Mar 15	Trend	
Council grant/visit	Actual	\$8.92 ✓	n/a	↘	Ahead of target due to visitor numbers exceeding forecast. The 3yr trend is negative due to increasing Council grant and relatively static overall visitor numbers.
	Target	\$14.10	n/a		
Full cost subsidy*/visit	Actual	\$10.33 ✓	\$12.67 ✓	n/a	This measure is owned by Council and includes property costs which the Trust does not control plus grant funding.
	Target	\$12.64	\$15.18		
Average spend/visit	Actual	\$2.44 ✗	n/a	→	Below target for the quarter due to visitors exceeding target by 46,514 in Q3.
	Target	\$3.11	n/a		
Total visits	Actual	221,623 ✓	542,648 ✓	→	Strong visitation performances to all facilities except Carter Observatory have contributed to an overall strong aggregate performance in visitor numbers.
	Target	175,109	452,670		
Cable Car	Actual	85,844 ✓	191,713 ✓	→	The quarterly targets do not accurately reflect the phasing of visitation and Q3 is traditionally a strong quarter. In 2013/14 Q3 actual was 77,139 based on the same target.
	Target	59,987	170,486		
City Gallery	Actual	40,930 ✓	130,298 ✓	↗	Tuatara Open Lates are proving a popular monthly event. A strong offering of public programmes has also contributed to visitation figures.
	Target	35,000	105,000		
Capital E	Actual	52,395 ✓	85,803 ✓	↘	The Capital E National Arts Festival took place during Q3 and had strong attendance in addition to strong attendance at other programmes during the quarter.
	Target	41,000	67,000		
MoW City & Sea	Actual	33,727 ✓	104,154 ✓	↗	Third Thursdays and other public programmes have attracted strong interest, contributing to the Museum's excellent visitation figures.
	Target	24,840	69,840		
Carter	Actual	8,272 ✗	29,205 ✗	→	Visitation is expected to pick up in Q4 due to Matariki programming but visitation is trending down on the same period last year.
	Target	13,780	38,750		
Annual measures to 30 Jun 15					
The Trust reports quarterly.					
Repeat visitation (Avg)	Actual	37%			City Gallery performs very well on this measure with repeat visitation of 75% versus target of 40%. Other institutions are either near or above targets.
	Target	30%			
Quality of visit (Avg)	Actual	89%			Cable Car Museum has general been around 84% while others have been close to or just above the 90% average.
	Target	90%			
Staff turnover**	Actual	9%			This is not a KPI but is an internal measure that the Trust reports and it relates to permanent staff.
	Target	20%			

*Council operating grant plus property related cost (including rental grant paid for Capital E). This is a new measure required by Council and includes property costs which the Trust does not control.

** Not a KPI. This is an internal measure.



Wellington Museums Trust
2014-15
Report as at 31 March 2015 (Quarter 3)

Financial Position

The Trust's result to 31 March 2015 (including Carter Observatory) shows a deficit of \$93,135 compared to a budgeted YTD deficit of \$252,758.

KPIs

The Capital E National Arts Festival boosted visitation figures for Capital E, while the exhibitions and public programmes at City Gallery continue to attract good visitor numbers including online engagement via social media sites such as Facebook and Instagram. The Museum of Wellington City & Sea saw uplift in their social media profile as a result of their recent public fundraising campaign.

Highlights

- *The Great Anniversary Weekend Scavenger Hunt* attracted 1,800 visitors to the waterfront to experience activity presented by **Capital E** in partnership with all our Trust institutions, and selected other institutions and precinct businesses.
- **Capital E** launched their 2015 Schools programmes in OnTV and MediaLab including a new format, *Across the Trenches*, which is already proving to be the most popular of the script offerings in the OnTV Studio this year.
- Nearly 1,000 people attended **City Gallery Wellington's** February *Tuatara Open Late* with a performance by Lawrence Arabia.
- The *Yvonne Todd: Creamy Psychology* exhibition at **City Gallery Wellington** closed on 15 March with total attendance for the exhibition of 42,767 and 316 copies of the Yvonne Todd book sold in our shop.
- The Yvonne Todd exhibition at **City Gallery Wellington** was well attended by high school students – a demographic that is often hard to reach.
- **City Gallery Wellington** participated in the inaugural *CubaDupa Festival* held the weekend of 28-29 March, staging a Candice Breitz exhibition-inspired 'flash mob' of the Poi E/Thriller dance featured in the Taika Waititi film *Boy*.
- A major upgrade/replacement of the Planetarium at **Carter Observatory** was successfully completed and will significantly improve the visitor experience.
- The **Museum of Wellington City & Sea** launched their public fundraising campaign for the Development project with their *What Year Are You?* campaign which will run until all 150 years (since Wellington became Capital City) have been sold.
- More than 100 people attended the **Museum of Wellington City & Sea's** latest *Third Thursday* event featuring The Mingus Ensemble.
- The **Capital E 2015 National Arts Festival** ran in March across 14 days, showcasing 11 NZ and international productions, four world premieres, one mini Film Festival, and 196 performances.
- In a first for the **Capital E 2015 National Arts Festival** the schools programme included work made by children: *Young & Cinematic* featured 3 short films made by local school children with assistance from Capital E's Digital Team and industry professionals. The Festival was a good platform to showcase the children's work alongside the work of adults, bridging that gap.

Pat Stuart
Chief Executive

STATEMENT OF FINANCIAL PERFORMANCE		Actual 9 mths to	Actual Qtr to	Actual Qtr to	Actual Qtr to	Budget Qtr to	Budget Qtr to	Budget Qtr to	Budget Qtr to	Total YE	Total YE	Total YE
Actual 9-Jun-14		31-Mar-15	31-Dec-14	31-Dec-14	30-Sep-14	30-Sep-14	31-Dec-14	31-Mar-15	30-Jun-15	30-Jun-15	30-Jun-16	30-Jun-17
Revenue												
1,667	Trading Income	1,062	447	365	268	393	383	393	393	1,673	1,382	1,632
6,232	Council Operating Grant	4,840	1,613	1,613	1,613	1,613	1,613	1,613	1,613	6,453	6,403	6,453
1,788	Council Rental Grant	1,327	442	442	442	442	442	442	442	1,788	1,788	1,788
811	Other Grants	658	251	294	342	214	214	214	214	655	648	630
476	Sponsorships and Donations	441	30	96	7	137	137	137	137	547	511	396
77	Investment Income	68	20	18	30	18	18	18	18	70	70	70
306	Other Income	163	66	48	48	60	60	60	60	238	242	237
11,340	Total Revenue	6,500	2,675	2,681	2,752	2,676	2,676	2,676	2,676	11,506	11,025	11,467
Expenditure												
4,741	Employee Costs	3,851	1,294	1,300	1,298	1,234	1,234	1,234	1,234	4,697	5,025	5,125
1,338	Council Rent	1,014	338	338	338	338	338	338	338	1,353	1,353	1,353
2,166	Exhibitions & Programmes	1,309	589	341	379	511	511	511	511	2,044	1,628	2,101
610	Marketing & Promotions	476	154	151	171	158	158	158	158	630	570	636
932	Occupancy Costs (excluding Council Rent)	789	308	222	268	332	332	332	332	1,328	1,330	1,309
118	Communication Costs	104	36	38	31	32	32	32	32	126	120	120
61	Trustee Fees & Expenses	52	17	17	18	19	19	19	19	77	77	77
285	Technology Costs	114	38	61	24	38	38	38	38	194	168	164
151	Professional Fees	256	75	60	121	10	10	10	10	40	40	40
274	Administration Expenses	284	88	113	91	108	108	108	108	437	441	437
33	Other Operating Expenses	26	9	9	9	30	30	30	30	121	121	121
603	Depreciation	317	108	155	53	95	95	95	95	381	381	361
0	Interest	0	0	0	0	0	0	0	0	0	0	0
11,332	Total Expenditure	6,602	3,017	2,795	2,790	2,867	2,867	2,867	2,867	11,588	11,288	11,653
	Net Surplus/(Deficit) before Taxation	(94)	(141)	88	(38)	(22)	(22)	(22)	(22)	(82)	(86)	(147)
	Taxation Expense											
	Net Surplus/(Deficit)	(94)	(141)	88	(38)	(22)	(22)	(22)	(22)	(82)	(86)	(147)
	Operating Margin	-1.1%	-4.9%	3.0%	-1.4%	-0.8%	-0.8%	-0.8%	-0.8%	-0.8%	-0.8%	-1.4%

STATEMENT OF FINANCIAL POSITION		Actual 9 mths to	Actual Qtr to	Actual Qtr to	Actual Qtr to	Budget Qtr to	Budget Qtr to	Budget Qtr to	Budget Qtr to	Total YE	Total YE	Total YE
Actual 9-Jun-14		31-Mar-15	31-Dec-14	31-Dec-14	30-Sep-14	30-Sep-14	31-Dec-14	31-Mar-15	30-Jun-15	30-Jun-15	30-Jun-16	30-Jun-17
Shareholder/Trust Funds												
2,123	Share Capital/Settled Funds	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123
0	Revaluation Reserves	0	0	0	0	0	0	0	0	0	0	0
52	Restricted Funds	52	52	52	52	38	38	38	38	58	38	38
1,817	Retained Earnings	1,724	1,724	1,865	1,778	1,371	1,351	1,330	1,310	1,310	1,075	710
3,892	Total Shareholder/Trust Funds	3,899	3,899	4,040	3,853	3,532	3,512	3,491	3,471	3,471	3,236	2,871
Current Assets												
74	Cash and Bank	163	163	0	55	11	11	11	11	11	11	11
881	Accounts Receivable	352	352	230	87	239	239	239	239	238	251	263
103	Other Current Assets	247	247	304	443	105	105	105	105	105	110	116
1,058	Total Current Assets	762	762	543	584	355	355	355	355	355	372	388
Investments												
979	Deposits on Call	4,084	4,084	616	2,646	1,659	32	1,644	67	67	(172)	(244)
0	Other Investments	0	0	0	0	0	0	0	0	0	0	0
979	Total Investments	4,084	4,084	616	2,646	1,659	32	1,644	67	67	(172)	(244)
Non-Current Assets												
3,667	Fixed Assets	4,591	4,591	4,516	3,884	4,162	4,179	4,197	4,214	4,214	4,303	4,202
51	Other Non-current Assets	15	15	15	15	18	18	18	18	18	18	18
4,018	Total Non-current Assets	4,606	4,606	4,531	4,009	4,178	4,195	4,213	4,230	4,230	4,319	4,186
6,035	Total Assets	9,462	9,462	6,058	7,239	6,163	4,502	6,212	4,642	4,642	4,519	4,254
Current Liabilities												
1,633	Accounts Payable and Accruals	3,658	3,658	1,549	1,405	572	577	602	671	671	758	832
410	Provisions	282	282	300	293	488	483	488	500	500	525	551
0	Other Current Liabilities	0	0	0	0	0	0	0	0	0	0	0
2,043	Total Current Liabilities	3,940	3,940	1,850	1,698	1,060	1,070	1,120	1,171	1,171	1,283	1,383
Non-Current Liabilities												
0	Loans - WCC	0	0	0	0	0	0	0	0	0	0	0
0	Loans - Other	0	0	0	0	0	0	0	0	0	0	0
0	Other Non-current Liabilities	1,613	1,613	0	1,588	1,801	0	1,801	0	0	0	0
0	Total Non-current Liabilities	1,613	1,613	0	1,588	1,801	0	1,801	0	0	0	0
3,892	Net Assets	3,699	3,699	4,040	3,853	3,532	3,512	3,491	3,471	3,471	3,236	2,871
0.61	Current Ratio	0.20	0.20	0.29	0.34	0.34	0.33	0.32	0.30	0.30	0.29	0.28
0.68	Equity Ratio	0.41	0.41	0.68	0.55	0.57	0.77	0.56	0.75	0.75	0.72	0.67

**ECONOMIC GROWTH AND ARTS
COMMITTEE
2 JUNE 2015**

Actual YE 1-Jun-14	STATEMENT OF CASH FLOWS											
	Actual Mths to 31-Mar-15	Actual Qtr to 31-Mar-15	Actual Qtr to 31-Dec-14	Actual Qtr to 30-Sep-14	Budget Qtr to 30-Sep-14	Budget Qtr to 31-Dec-14	Budget Qtr to 31-Mar-15	Budget Qtr to 30-Jun-15	Total YE 30-Jun-15	Total YE 30-Jun-16	Total YE 30-Jun-17	
Cash provided from:												
1,501 Trading Receipts	1,448	382	380	704	387	393	393	393	1,577	1,366	1,814	
8,004 WCC Grants	7,780	3,869	487	3,644	3,658	455	3,858	455	8,222	8,172	8,222	
811 Other Grants	888	251	294	342	214	214	214	214	855	848	930	
476 Sponsorships and Donations	141	36	88	7	137	137	137	137	347	311	386	
77 Investment Income	68	20	18	30	18	18	18	18	70	70	70	
308 Other Income	163	66	48	48	60	60	60	60	239	242	237	
11,284	10,488	4,624	1,897	4,775	4,481	1,270	4,477	1,270	11,510	11,008	11,488	
Cash applied to:												
4,741 Payments to Employees	3,851	1,254	1,300	1,298	1,234	1,234	1,234	1,234	4,887	5,025	5,126	
5,332 Payments to Suppliers	3,866	895	1,186	1,784	1,861	1,861	1,822	1,820	7,384	6,887	7,440	
(80) Net GST Cashflow	6	2	2	2	(294)	(294)	(294)	(294)	(1,177)	(1,148)	(1,184)	
0 Other Operating Costs	0	0	0	0	0	0	0	0	0	0	0	
0 Interest Paid	0	0	0	0	0	0	0	0	0	0	0	
9,863	7,722	2,152	2,488	3,082	2,791	2,791	2,762	2,760	11,084	10,767	11,372	
1,281 Total Operating Cash Flow	2,784	2,272	(1,200)	1,693	1,690	(1,515)	1,725	(1,474)	425	241	88	
Investing Cash Flow												
Cash provided from:												
0 Sale of Fixed Assets	0	0	0	0	0	0	0	0	0	0	0	
0 Other	0	0	0	0	0	0	0	0	0	0	0	
Cash applied to:												
253 Purchase of Fixed Assets	(428)	(1,150)	877	44	113	113	113	113	460	470	170	
0 Other	0	0	0	0	0	0	0	0	0	0	0	
253	(428)	(1,150)	877	44	113	113	113	113	460	470	170	
(253) Total Investing Cash Flow	428	1,150	(877)	(44)	(113)	(113)	(113)	(113)	(460)	(470)	(170)	
STATEMENT OF CASH FLOWS (CONT)												
Budget 1-Jun-14	Actual Mths to 31-Mar-15	Actual Qtr to 31-Mar-15	Actual Qtr to 31-Dec-14	Actual Qtr to 30-Sep-14	Budget Qtr to 30-Sep-14	Budget Qtr to 31-Dec-14	Budget Qtr to 31-Mar-15	Budget Qtr to 30-Jun-15	Forecast to 30-Jun-15	Forecast to 30-Jun-16	Forecast to 30-Jun-17	
Financing Cash Flow												
Cash provided from:												
0 Drawdown of Loans	0	0	0	0	0	0	0	0	0	0	0	
0 Other	0	0	0	0	0	0	0	0	0	0	0	
Cash applied to:												
0 Repayment of Loans	0	0	0	0	0	0	0	0	0	0	0	
0 Other	0	0	0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	0	0	0	
0 Total Financing Cash Flow	0	0	0	0	0	0	0	0	0	0	0	
1,028 Net Increase/(Decrease) in Cash Held	3,193	3,422	(1,877)	1,849	1,577	(1,628)	1,813	(1,587)	(25)	(220)	(72)	
25 Opening Cash Equivalents	1,053	824	2,702	1,053	92	1,889	42	1,854	92	87	(182)	
1,053 Closing Cash Equivalents	4,248	4,248	824	2,702	1,889	42	1,854	87	87	(182)	(234)	
	(1)	(1)	(0)	1	(1)	(1)	(1)	(1)	(1)	(1)	(1)	
CASH FLOW RECONCILIATION												
Budget 1-Jun-14	Actual Mths to 31-Mar-15	Actual Qtr to 31-Dec-14	Actual Qtr to 30-Sep-14	Budget Qtr to 30-Sep-14	Budget Qtr to 31-Dec-14	Budget Qtr to 31-Mar-15	Budget Qtr to 30-Jun-15	Forecast to 30-Jun-15	Forecast to 30-Jun-16	Forecast to 30-Jun-17		
8 Operating Surplus/(Deficit) for the Year	(84)	(141)	80	(38)	(21)	(21)	(21)	(21)	(82)	(218)	(386)	
Add Non Cash Items												
603 Depreciation	317	109	155	59	85	85	85	85	381	351	381	
0 Other	0	0	0	0	0	0	0	0	0	0	0	
611	224	(32)	241	15	75	75	75	75	298	148	18	
Movements in Working Capital												
(3) Increase/(Decrease) in Receivables	508	(122)	(143)	774	(128)	0	0	0	(120)	(12)	(13)	
17 Increase/(Decrease) in Other Current Assets	(144)	57	138	(340)	139	0	0	0	130	(5)	-6	
350 Increase/(Decrease) in Accounts Payable	583	798	182	(345)	8	8	45	40	105	87	74	
308 Increase/(Decrease) in Other Current Liabilities	1,613	1,613	(1,588)	1,588	1,608	(1,898)	1,608	(1,898)	17	25	28	
670	2,541	2,304	(1,441)	1,678	1,615	(1,890)	1,850	(1,548)	128	84	82	
Net Gain/(Loss) on Sale:												
0 Fixed Assets	0	0	0	0	0	0	0	0	0	0	0	
0 Investments	0	0	0	0	0	0	0	0	0	0	0	
1,281 Net Cash Flow from Operations	2,784	2,272	(1,200)	1,693	1,690	(1,515)	1,725	(1,474)	425	241	88	
0	0	0	0	0	0	0	0	0	0	0	0	

Strategic Projects 2014-15



Refer to Appendix on page 6 for detailed outline of what we aim to achieve with each project in 2014-18

SECTION 1: Achieving Excellence					
Project	Responsibility	Targets for 2014-15	On-Target Yes / No	Q3 Report as at 31 March 2015	Achieved Yes / No
Museum of Wellington City & Sea Development					
Implement the visitor experience development plan for the Museum of Wellington City & Sea - a three phase project scheduled to be completed in 2020.	The Museums Wellington Team; lead by Director, Museums Wellington	All phases on track according to plan.	Yes	Phase One <ul style="list-style-type: none"> Naylor Love began building works. City Care began external works including painting building and mansard repairs. Workshop for exhibition build opens and begins building display furniture. Perceptual Engineering on schedule with Nga Hau. 	
		Fundraising strategy for personal, community and business giving implemented and target/s achieved.	Yes	<ul style="list-style-type: none"> Personal giving campaign launched on 29 January. Funding applications to The Lion Foundation and Wellington Community Trust were submitted. 	
City Gallery Wellington Entrance, Foyer and Internal Development					
Implement a visitor entry and commercial development project at City Gallery Wellington.	The City Gallery Wellington Team; lead by Director, City Gallery	Fully scope the project (feasibility, budget and timeframe to completion).	Yes	<ul style="list-style-type: none"> High level design, costs and timeline completed. Project submitted for CAPX funding in LTP but decision not to fund. Gallery will now engage Architecture+ to prepare feasibility for Stage 1 (front entrance, retail, reception) for mid-year CAPX bid. 	
		Work with Council property to implement EPC, HVAC and health and safety and visitor access issues.	Yes	<ul style="list-style-type: none"> EcoSave submitted a Detailed Facility Study to Council in late March. Council is preparing a business case for funding from EECA grant and Crown loan. Est. start date is June 2015. Project may also be suitable for Mid-term CAPX funding. Council and City Gallery working to address building H&S issues with progress made with installation of stair nosing and mobile duress alarms for Visitor Services staff. Visitor access through front door continues to be an issue. Tendering for recladding of stairwell and roof replacement underway. Recladding to commence mid May with roof delayed to summer months. Council to change-out Gallery switchboard in August 2015 which requires 1-2 weeks total closure of premises. 	
		Develop and implement fundraising strategy.	Yes	<ul style="list-style-type: none"> Fundraising Strategy is in early development stage with work continuing into Q4. 	

Project	Responsibility	Targets for 2014-15	On-Target Yes / No	Q3 Report as at 31 March 2015	Achieved Yes / No
Learning about Nationhood – Wellington a Capital Destination for Learning					
Work with Council and other stakeholders to improve service and overcome barriers for teachers visiting or considering a visit to Wellington.	Trust Office; lead by Head of Strategic Development	Develop and deliver a pilot programme.	Yes	<ul style="list-style-type: none"> Pilot programme underway. New resources published for teachers planning a visit to Wellington. 	Yes
		Seek Wellington Regional Amenities Fund support for a pilot project targeting low decile schools.	Yes	<ul style="list-style-type: none"> WRAF budget (\$100k) approved. Contract in place between WCC and WMT. 67 schools recruited to participate. 55 teachers attended 2 professional development sessions at the National Library. 	
SECTION 2: Our Audiences					
Children and young people feel welcomed, included and important					
Realise our vision that children and young people encountering us feel welcomed, included and important.	Executive Team and Advocacy Group; lead by Chief Executive	A plan for the Trust's provision for children and young people (PCYP) is developed and implemented.	Delayed	<ul style="list-style-type: none"> A plan has been developed. Greater awareness has been achieved & institutions are committed to this audience. Organisation review underway with comments received from PPS Committee. 	
		A resource plan for implementation is prepared.	No	<ul style="list-style-type: none"> Subject to organisation review. Likely to be deferred until 2015-16. 	
		Organisation-wide data-gathering & evaluation strategy is set up & baselines established.	No	<ul style="list-style-type: none"> Subject to organisation review. Likely to be deferred to 2015-16. 	
		A transitional Wellington performance venue for the National Theatre for Children for the period to 2020 is confirmed.	Yes	<ul style="list-style-type: none"> Hannah Playhouse secured for 2015. Feasibility study completed. Interim accommodation options for 2016 under consideration. Hannah Playhouse remains the most affordable option for a Wellington base for the theatre company. 	
Reducing barriers for visitors with mobility, hearing and visual impairment					
Implement our plan for reducing barriers for visitors with mobility, hearing and visual impairment.	Visitor Services, Exhibitions and Programmes Teams; lead by Head of Strategic Development	Our Access Policy is reviewed.	Yes	<ul style="list-style-type: none"> Will take place in Q4. 	
		Carter Observatory and Capital E Central achieve a minimum of silver in accessibility audits.	Yes	<ul style="list-style-type: none"> Capital E Central Audit completed and Silver rating achieved. Carter Observatory Audit scheduled for Q4. 	

Project	Responsibility	Targets for 2014-15	On-Target Yes / No	Q3 Report as at 31 March 2015	Achieved Yes / No
<i>Increasing the diversity of our audience</i>					
Undertake a research project that benchmarks the diversity of our audience, and helps us to understand barriers and motivators to engagement and feeds into the development of strategies that will help us to attain our goal of ensuring that our visitors reflect the region's demographic profile.	Executive Team; lead by the Chief Executive	<i>The first targets for this project will appear in 2015-16.</i>	N/A	<ul style="list-style-type: none"> ▪ In 2013-14 we prioritised two focus audiences for our first access and inclusion strategies: children and young people and visitors with mobility, hearing and visual impairment. ▪ In 2014-15 achievements see Project above – Reducing barriers for visitors with mobility, hearing and visual impairment. 	N/A
SECTION 3: Our Impact					
<i>Audience Research</i>					
Better understand the cultural diversity of our audiences in a way that supports future planning and improves our reach.	Trust Office, Visitor Services and Marketing Teams; lead by Head of Strategic Development	A consistent approach to gathering and recording visitor data is developed and implemented.	Yes	<ul style="list-style-type: none"> ▪ Underway. Get Smart monitoring in place at all visitor reception points. ▪ Review of survey taking place. 	
		Reports shared with staff which supports decision making.	N/A	<ul style="list-style-type: none"> ▪ N/A 	
<i>Economic Impact</i>					
Work with Council to pilot measures that enable us to measure our economic impact and economic and social value.	Trust Office and Visitor Services Team; lead by Head of Strategic Development	Pilot study is complete leading to robust economic impact and economic and social value data for our institutions.	Yes	<ul style="list-style-type: none"> ▪ WCC team analysing demographic data for a report to Trust in May 2015. ▪ Analysis of the impact of Capital E National Arts Festival 2015 underway – report due May 2015. 	Yes
		A review of the pilot is conducted.	Yes	<ul style="list-style-type: none"> ▪ Presentations to Executive Team and Trustees. Further discussion to take place once all data received. 	
		Continue gathering data pending review.	Yes	<ul style="list-style-type: none"> ▪ Data Gathering continues across all participating sites. ▪ Analysis of the impact of Capital E National Arts Festival 2015 underway. 	

SECTION 4: Our People, Places & Process					
Project	Responsibility	Targets for 2014-15	On-Target Yes / No	Q3 Report as at 31 March 2015	Achieved Yes / No
Health & Safety					
Continue to operate healthy and safe places for staff and visitors and respond effectively and efficiently to any event where the health and safety of staff or visitors is threatened.	All Staff; lead by the Chief Executive	100% compliance with current Health and Safety legislation.	Yes	<ul style="list-style-type: none"> Compliant as of March 2015. 	Yes
		No serious harm incidents.	No	<ul style="list-style-type: none"> Stair nosing and temporary handrail on City Gallery main Staircase have been installed and are working effectively. Permanent hand rail in final design stage. Following a staff injury while undertaking installation work processes and work areas have been reviewed and revised. 	
		Complete Health and Safety audits of all sites operated by the Trust.	Yes	<ul style="list-style-type: none"> Trustees carried out their first of eight H&S observations of the buildings that we occupy at present. Risks identified by independent audit are being minimised or eliminated on an ongoing basis. 	
Organisational Development					
Support, develop and encourage staff to achieve a high performing organisation.	Executive Team and Managers; lead by the Chief Executive	Staff are committed to achieving the vision and the delivery of the strategic plan.	Yes	<ul style="list-style-type: none"> Review of vision completed in Q1 and new vision, purpose and values statements presented and implemented. Strategic Plan completed in Q2 following organisation wide consultation and now available on intranet. Further engagement underway focussing on the Strategic Plan, draft SOI and Health and Safety Plan. 	
		Revised staff induction programme implemented.	Yes	<ul style="list-style-type: none"> Underway. 	
		Training for managers / supervisors is provided.	Yes	<ul style="list-style-type: none"> Awaiting decision from Council officer (HR) regarding dedicated Crucial Conversations training for Trust staff. Council's leadership programme is an option to be investigated. Management training options under consideration. 	
		Staff turnover is less than 20%.	Yes	<ul style="list-style-type: none"> 9% YTD (includes permanent staff only). 	
Buildings and Maintenance					
Work with Council and other landlords to ensure that our buildings are safe, welcoming and well-maintained.	Executive Team and Buildings Manager; lead by Buildings Manager	We contribute to and monitor Asset Management Plans for our institutions.	Yes	<ul style="list-style-type: none"> Monthly meetings with WCC Property Dept. 	

Project	Responsibility	Targets for 2014-15	On-Target Yes / No	Q3 Report as at 31 March 2015	Achieved Yes / No
		Maintenance and capital replacement takes place according to plan.	Yes	<ul style="list-style-type: none"> Bond Store maintenance as part of Attic Project Works. New alarm system being installed at the Bond Store, building will now be monitored by WCC Security. City Gallery re-roofing and re-cladding delayed until May 2015. New switch board at City Gallery will be installed in August 2015. New Carpet tiles are being installed at the City Gallery. Colonial Cottage ventilation system has now had a timer placed on the system to reduce running costs. 	
SECTION 5: Financial Viability					
<i>Our Budget</i>					
Ensure that our budget is break-even and depreciation is fully-funded.	All Staff; lead by Accounts Manager	Break-even budget or better after funding depreciation.	Yes	<ul style="list-style-type: none"> Reforecast as at 31 January indicates that the Trust will achieve budget. 	
		Council agrees to the LTP request for an increase in our operating grant and annual adjustment for inflation.	Partial Success	<ul style="list-style-type: none"> The requested catch-up in the operating grant is unlikely to be achieved based on current response from Council. Proposed inflation adjustment of 2% is in Draft LTP. CAPX for Phase 2 & 3 of Museum development in Draft LTP. 	
<i>Carter Observatory Sustainability</i>					
Develop and implement a long-term approach for Carter Observatory that fosters financial viability and provides for re-investment in the visitor experience.	The Museums Wellington Team; lead by Director, Museums Wellington	Increased Council funding secured through Long-term Plan or existing cash underwrite remains in place.	Yes	<ul style="list-style-type: none"> Reconfirmed Board commitment to new operating model and business case in March Board meeting, placed within SOI for Council confirmation of approach. 	
		Visitation, revenue and visit feedback targets achieved.	N/A	<ul style="list-style-type: none"> In preparation for new operating model for implementation in 2015-16. 	N/A
<i>Non-Council revenue is 30% or better of total revenue</i>					
Improve our revenue generation capability and minimise risk to non-Council revenue streams.	All Staff; lead by the Chief Executive	30% or better of total revenue (excluding Council's rental subsidy) is from non-Council sources.	Yes	<ul style="list-style-type: none"> YTD non-Council revenue is 32% of total revenue (excluding the rental subsidy). Donations and fundraising total will be boosted by Festival. Better coordination is in place. Workshop planned for May to review personal giving strategy and how to engage and incentivise staff. Executive Team committed to trialling new approaches to personal giving. Text donation trial underway. CAPX fundraising is the priority for the Museums Wellington team. 	

APPENDIX – Strategic Projects: What we want to achieve in 2014-18

SECTION 1: Achieving Excellence	
Project	What do we want to achieve in 2014-18
<p><i>Museum of Wellington City & Sea Development</i> Implement the visitor experience development plan for the Museum of Wellington City & Sea - a three phase project scheduled to be completed in 2020.</p>	<ul style="list-style-type: none"> ▪ Phase One – delivery 2015. Opens the top floor of the Bond Store: the Attic (previously not accessible to the public) with major new exhibitions that will display collections, tell Wellington stories and showcase the unique features of this Category 1 Heritage New Zealand building. ▪ Phase Two – delivery 2017. Earthquake strengthen and enhance the first and second floor exhibitions and upgrade popular exhibitions such as <i>Millennium Ago</i> and <i>The Wahine Disaster</i>. Also during this period scope and fully plan the refurbishment of the Ground Floor. ▪ Phase Three – delivery 2020. Earthquake strengthen and reconfigure the ground floor to include community space integrated with changes to the exterior landscaping, a café, extended retail and reception.
<p><i>City Gallery Wellington Entrance, Foyer and Internal Development</i> Implement a visitor entry and commercial development project at City Gallery Wellington.</p>	<ul style="list-style-type: none"> ▪ Subject to funding and Council addressing health and safety, accessible toilets and maintenance/capital replacement issues, Phase One (re-modelled entrance and orientation lobby) will be complete by the end of 2016. ▪ Phase Two which develops the area immediately in front of City Gallery on Civic Square and the area facing Harris Street is linked to, and somewhat dependent on, Council's plans for the revitalisation of Civic Square. We will continue to press for the Gallery, and recognition of the role it plays as the cultural heart of Civic Square, to be represented in the planning of this project.
<p><i>Learning about Nationhood – Wellington a Capital Destination for Learning</i> Work with Council and other stakeholders to improve service and overcome barriers for teachers visiting or considering a visit to Wellington.</p>	<ul style="list-style-type: none"> ▪ Funding from Wellington Regional Amenities Fund will enable us to extend our pilot project to fund transport to Wellington for the region's decile 7 and below schools in 2015. A research component will be led by Victoria University, and teacher professional development coordinated by other members of the group. Once the project is complete and reported to stakeholders, we will hand the leadership of the project onto others.
SECTION 2: Our Audiences	
Project	What do we want to achieve in 2014-18
<p><i>Children and young people feel welcomed, included and important</i> Realise our vision that children and young people encountering us feel welcomed, included and important.</p>	<ul style="list-style-type: none"> ▪ By 2018 we will be measurably closer to our vision that young participants in our experiences feel welcomed, included and important. We will create an implementation plan that draws together our expertise, facilities, products and services into provision that children and youth want to engage in and stakeholders are prepared to fund. ▪ Careful consideration of Capital E's transitional and potential leadership role in this area as well as its future shape and location, including a central Wellington base for the National Theatre for Children, are an integral part of this process. Discussion with internal and external stakeholders will ensure we are working to develop excellent long-term provision for children and young people.

<p>Reducing barriers for visitors with mobility, hearing and visual impairment</p> <p>Implement our plan for reducing barriers for visitors with mobility, hearing and visual impairment.</p>	<ul style="list-style-type: none"> ▪ We want to ensure that our staff and experiences are making visitors with access issues feel welcomed and included. Our institutions will achieve a silver or better accessibility rating. We will review our priority audiences in 2016.
<p>Increasing the diversity of our audience</p> <p>Undertake a research project that benchmarks the diversity of our audience, and helps us to understand barriers and motivators to engagement and feeds into the development of strategies that will help us to attain our goal of ensuring that our visitors reflect the region's demographic profile.</p>	<ul style="list-style-type: none"> ▪ In 2015-16 we will assess the diversity of audience and use that research to inform a review of our diversity policy. The research will also inform future strategy to engage diverse audiences.

SECTION 3: Our Impact	
Project	What do we want to achieve in 2014-18
<p>Audience Research</p> <p>Better understand the cultural diversity of our audiences in a way that supports future planning and improves our reach.</p>	<ul style="list-style-type: none"> ▪ In order to understand our visitor profile better particularly with respect to audience growth, diversity and the provision of reliable performance data, we will investigate and develop a whole-of-organisation approach to gathering and recording our visitor profiles.
<p>Economic Impact</p> <p>Work with Council to pilot measures that enable us to measure our economic impact and economic and social value.</p>	<ul style="list-style-type: none"> ▪ We will complete a pilot study in 2014-15 and review the project. Continuation depends upon the outcomes of the review.

SECTION 4: Our People, Places & Process	
Project	What do we want to achieve in 2014-18
<p>Health & Safety</p> <p>Continue to operate healthy and safe places for staff and visitors and respond effectively and efficiently to any event where the health and safety of staff or visitors is threatened.</p>	<ul style="list-style-type: none"> ▪ We will continue our active management of Health & Safety with the objective of full compliance with the new Health and Safety at Work Bill and to achieve entry to the ACC Workplace Safety Management Practices (WSMP). The level of staff engagement is important to our success in achieving and maintaining healthy and safe places for staff and visitors.
<p>Organisational Development</p> <p>Support, develop and encourage staff to achieve a high performing organisation.</p>	<ul style="list-style-type: none"> ▪ Critical to achieving our vision and strategic plan is the talent, commitment and experience of our staff; they are our most important asset. We recognise the importance of fair, performance-based remuneration, training and development opportunities and an organisation culture that is focused on the delivery of excellent experiences that Wellingtonians proudly share with the world.

<p>Buildings and Maintenance</p> <p>Work with Council and other landlords to ensure that our buildings are safe, welcoming and well-maintained.</p>	<ul style="list-style-type: none"> ▪ We have elevated the status of this area to a Strategic Plan issue in recognition of its importance in 2014-18. Across this period health and safety will be a focus, and proactive maintenance is critical to us achieving our 'no serious harm incidents' goal. We will therefore work with Council and contribute to the preparation and regular review of Asset Management Plans (AMP) for our buildings. It is our goal that maintenance and capital replacement is proactive and is not deferred to the detriment of our financial position, visitor experiences and the health and safety of our staff and visitors. ▪ Across 2014-18 we will undertake significant building projects – developments of the Museum of Wellington City & Sea and City Gallery Wellington are featured in Section 1: Achieving Excellence. These and other projects are also highlighted where relevant under the Business Unit Summaries.
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SECTION 5: Financial Viability	
Project	What do we want to achieve in 2014-18
<p>Our Budget</p> <p>Ensure that our budget is break-even and depreciation is fully-funded.</p>	<ul style="list-style-type: none"> ▪ We will break even or better and fully-fund depreciation annually across 2014-18.
<p>Carter Observatory Sustainability</p> <p>Develop and implement a long-term approach for Carter Observatory that fosters financial viability and provides for re-investment in the visitor experience.</p>	<ul style="list-style-type: none"> ▪ We will establish a long-term approach for Carter. This will include rebranding, broadening its visitor appeal through a wider variety of Planetarium shows, drive visitation into education-only and public-only hours, and extending the evening viewing options; i.e. an operating model that balances the Observatory's education and public/tourist attraction roles, plus proposals for timetabled maintenance and capital expenditure for essential re-investment in the product. Visitation, revenue and visitor satisfaction targets are achieved.
<p>Non-Council revenue is 30% or better of total revenue</p> <p>Improve our revenue generation capability and minimise risk to non-Council revenue streams.</p>	<ul style="list-style-type: none"> ▪ We will achieve all revenue targets. ▪ Our focus on commercial activities will continue, and, in order to increase revenue generation capacity, our capital development projects include new or expanded trading opportunities: Phases One and Two of the Museum of Wellington City & Sea development will enhance venue hire and retail opportunities and City Gallery's foyer development includes dedicated retail and a modified venue hire area. ▪ We will also implement improvements in our fundraising strategy, focussing upon coordination, transparency of reporting and monitoring, relationships, and investing our limited resource for maximum gain. Fundraising is an area where we want greater staff engagement, with the possibilities for fundraising and other revenue generation opportunities becoming part of the planning and decision-making process for programming and other activities.







Results for the Year Ended 31 March 2015

The Airport delivered another year of safe and efficient operation and laid the basis for future growth with three new international routes secured. Results for the year were a net profit after taxation (NPAT) of \$9.7m. Underlying earnings show an EBITDAF before subvention payment¹ of \$82.1m, down \$3.9m on the previous year due to lower aeronautical charges in the year. Revenue and EBITDAF is expected to increase as passenger numbers continue to grow, scheduled increases in aeronautical charges for 2016-2019 take effect and new investment is undertaken. Capital investment to improve the quality of passenger services and cater for growth was \$22.1m for the year with the expansion of the main terminal underway.

International and domestic traffic

The busiest day ever at the Airport was on 27 March 2015 with over 20,000 passengers. Full year passenger numbers were however flat at 5.5m due to domestic airline changes. International passengers increased 3% to 775,000.

There has been continued strong demand for international services to and from Wellington, with load factors on aircraft being the highest ever experienced at the Airport. Over the next year a marked step-up in international passengers is anticipated with the Airport's international capacity increasing by 15%.

Wellington Airport invests significantly in route development with airlines and was delighted to announce the commencement of Jetstar services to the Gold Coast and Melbourne, and Fiji Airways year round service to Nadi with onward connections to Los Angeles. The three new international services will deliver an annual increase of 166,000 seats.

Domestic passengers are also expected to now increase with the up-gauging of Air New Zealand aircraft and competition from Jetstar. Sounds Air is also growing into a material regional player with five routes and 100,000 seats forecast to be flown in 2016.

Better Passenger Services

A total of \$250m of capital development is planned for the next five years including the expansion of domestic and international terminals, a hotel, multi-storey car park, retail

park expansion and the roll-out of the noise mitigation programme for neighbouring residents.

Construction commenced in November 2014 on the \$58m, 6000sqm extension to the main terminal building after extensive consultation with Air New Zealand. It will markedly improve all aspects of the passenger experience and enhance the Airport's existing use of natural light and the views over Lysill Bay.

The expansion for the domestic lounges at the northern end of the Airport predominantly used by Jetstar passengers was completed during the year, providing a more comfortable experience for travellers.

The next aspect of the terminal experience the Airport plans to improve is the international arrivals area with around \$17m allocated for its development.

Detailed designs and feasibility of the multi-level car park and hotel are being progressed with decisions on both due by late 2015.

The Airport continues moving towards its goal of providing a high street shopping experience. As the terminal expansion nears completion, this experience will be added to with further retail and dining offerings.

On the west side of the Airport the retail park expansion is also underway with three new shops opening in Spring 2015.

Wellington City Council – Wellington Airport joint project to enhance the region's air connectivity

Over 500,000 people travelled between northern hemisphere destinations and Wellington's market catchment over the last year, all having to fly via other New Zealand or Australian Airports. Consequently the Airport and Wellington City Council established a joint venture to seek environmental consents to extend the Airport's runway. This would open the door for long-haul airlines to operate to and from central New Zealand with the aim of delivering more convenient and affordable services and passenger growth.

The initial stage involves feasibility assessment and resource consenting and this is well advanced with the aim of having the necessary approvals in place in mid-2016. In the meantime discussions

are underway with our neighbours and the region's business, civic and tertiary communities to ensure that anyone with an interest is informed about the project.

It is important that the development is widely understood and while most people appreciate the benefits of better and cheaper air services, the Council and Airport must fully evaluate both costs and benefits.

Supporting Wellington events and the community

Every year the Airport is proud to play a supporting role in the region's events and community endeavours.

Common Unity Project Aotearoa won the Wellington Airport regional community award for voluntary services. It is an incredible group of people encouraging the children and families of Epeni School to learn how to grow their own vegetables in a community garden.

The Airport is a major supporter of New Zealand's most successful innovative performing arts and design event the World of Wearable Art. The Airport also partnered with Wellington City to launch the inaugural CubaDupa festival to celebrate dance, music, theatre, live street art, carnival, circus and food in the historic Cuba Street precinct.

The Airport team and community

Behind the Airport's safe, efficient and welcoming gateway are its people. We would like to warmly thank the team at Wellington Airport and the 1500 people who work within the wider Airport community, all our airlines, Air New Zealand, Jetstar, Qantas, Fiji Airways, Virgin, Sounds Air, our 50 volunteer ambassadors, service providers, contractors and stakeholders.

Steve Sanderson
Chief Executive

Tim Brown
Chairman

1. EBITDAF before subvention payment is a non-NZ GAAP measure of earnings. A reconciliation between WIAL's NPAT and EBITDAF before subvention payment is set out in the NZX announcement.

Taking Off

Projects on at Wellington Airport

Hotel
Design and costing is underway. Procurement full underway.

Retail
The terminal expansion will make way for new retail, food and beverage offerings in late 2015. The tender process will begin in June 2015.

International Terminal
Concept designs are underway to enhance the international passenger arrival process.

Multi-level car park
A new multi-level car park is set to commence in November 2015 following detailed design and feasibility.

Terminal Expansion
The 4000m² expansion of the main Terminal Building and South West Pier is underway and will be completed in early 2016.

Airport Retail Park
Work is underway on the 2,400m² extension to the Airport Retail park, and is expected to be open in Spring.

Noise Mitigation Package
The roll out of the noise mitigation package (to protect the community against future air noise) will commence later in 2015.

Runway
Resource consent consultation will be underway mid 2015 for a runway extension that will provide the capability for long haul services to and from Wellington.

Growing Together

International growth

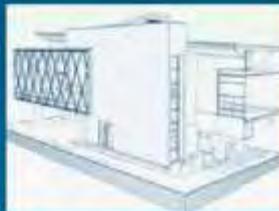
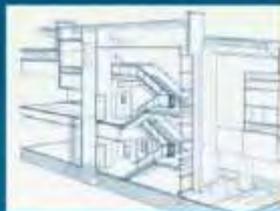
Wellington is now the fastest growing of New Zealand's largest airports. Wellington Airport has invested significantly in route development with airlines and at the end of last year announced new services with Jetstar to Melbourne and Gold Coast and Fly Airways to Nadi. The three new international services will deliver an annual increase of 165,000 seats, reducing travel costs and improving connectivity to Asia and North America.

Over the last twelve months, 786,000 people flew internationally to and from Wellington and with the new services we are forecasting a 15% increase in seat capacity over the next year. In April this year the Airport achieved its busiest month for international travellers ever - 77,000 people, more than twice the capacity of The Stadium travelled to and from Wellington, an increase of 17%.

WCC and Airport joint project to enable long haul flights

The last major extension to Wellington's runway was 180 metres long into Lyaill Bay in 1972. This extension was to enable direct services to Australia on DC8 aircraft. After Boeing announced the pre-launch specifications of the B787 a decade ago, the potential of direct services linking Wellington, Asia and North America has been on the radar of Wellington's business, education and civic communities.

When it became apparent that the B787 and the A350 aircraft would not be able to provide commercially viable direct services from Wellington Airport's existing runway, Wellington City Council and the Airport commenced a joint project to assess the viability of a suitable extension. The initial stage involves feasibility assessment and consenting. This is well advanced with stakeholder consultation from May 2015 with the aim of having the necessary approvals in place in mid-2016.



Extending the main terminal

When the main terminal was opened in 1999 around 8,500 passengers came through the Airport each day. That number has now increased to 15,000 on average with busy days reaching up to 20,000. The extension will add another 6000sqm to the terminal building, providing a refreshing, open space with easy movement throughout the terminal, clear signs, more parking spaces for aircraft, and a centralised security screening point. It will be a very comfortable place to welcome and farewell family and friends, with new retail and food offerings and double the number of toilets. The new terminal will cater for up to 1500 passengers during the busy hour.



"A massive BRAVO! Thanks for making the event such a resounding success. My sincere gratitude for treating Wellington to an unforgettable experience!"
CUBADUPA ATTENDEE



Supporting our Community

CubaDupa
CubaDupa transformed Wellington's iconic Cuba Street into a colorful street festival of dance, music, theatre, live street art, carnival, circus and street food. Wellington Airport are proud to have played an integral part in helping the inaugural CubaDupa take off.

"The inaugural CubaDupa festival required a leap of faith for all those who organised it. It was ambitious for a first year festival, and no one quite knew how it would go. Wellington Airport was there from the beginning as the key corporate partner in the festival, and thanks to their support CubaDupa was able to be created as a unique and major new event for the city, with an estimated 100,000 attendees and overwhelming positive feedback from all those who participated."
TIMPA GIBSON - GENERAL MANAGER CREATIVE CAPITAL ARTS TRUST



Wellington Airport Community Awards

The Wellington Airport Regional Community Awards recognised 45 community groups across the Wellington region. Common Unity Project Aotearoa won the Supreme Award for their work as a community-based urban farm project, growing food, skills and leadership with local families at Eguni School. The self-funded pilot scheme has created a model that can be emulated around New Zealand.

"Big thanks to Wellington Airport and the Wellington Community Trust for this wonderful honour and a great night celebrating all the goodness in our region. We're so thrilled and humbled. And big love, as always, to all of our lovely volunteers and supporters. Such a proud moment for our Eguni community."

JULIA MELNE,
FOUNDER OF COMMON UNITY PROJECT AOTEAROA.



Phoenix FC

The confronting signage in international arrivals says it all, our Airport is undoubtedly Phoenix territory. We are proud supporters of the Phoenix and congratulate them on their best season yet!

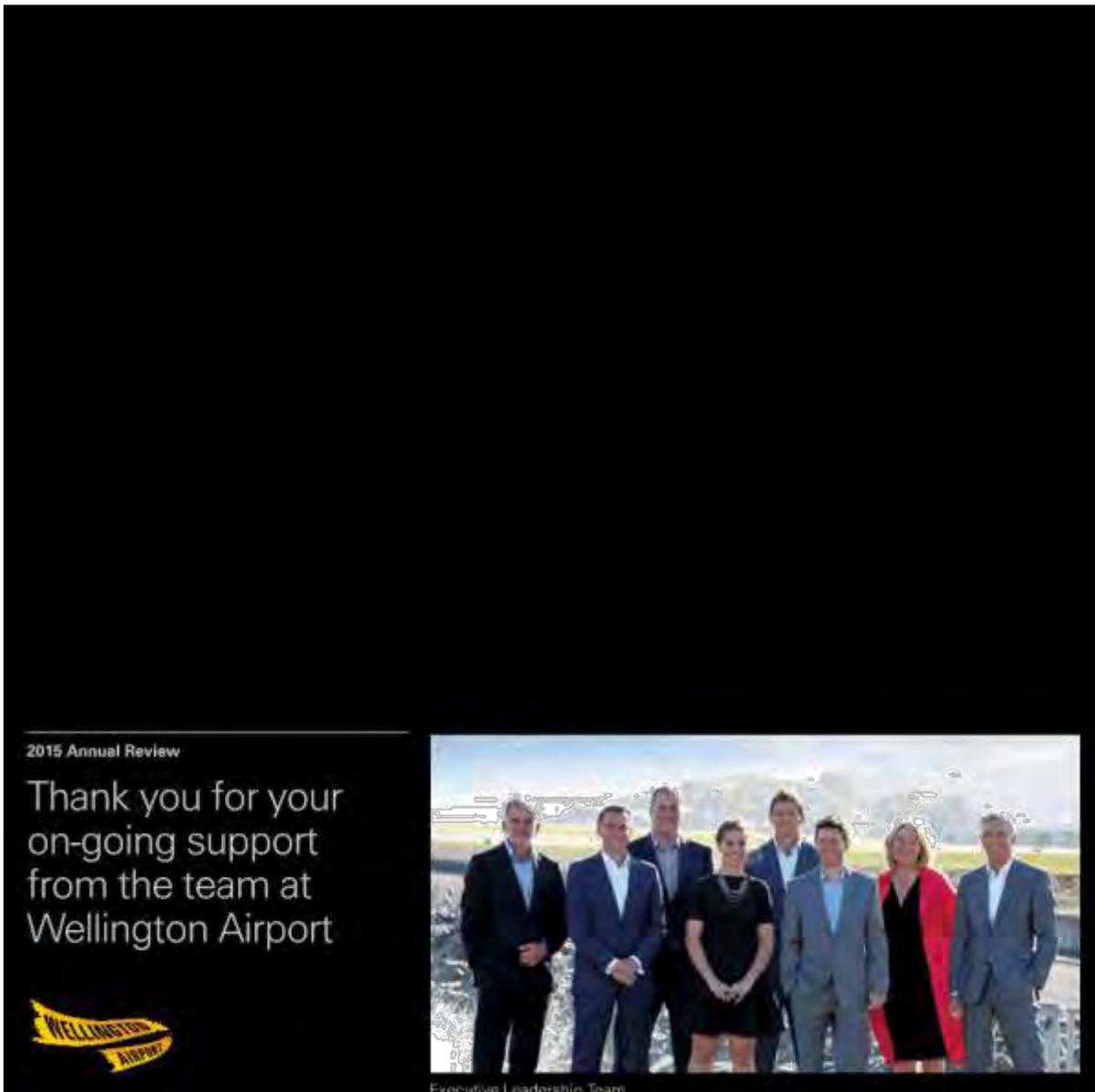


Spirit Awards

The Wild at Heart Spirit Awards are presented annually by Wellington Airport to a Year 13 student from each of the five local Colleges. This year the recipients each received a scholarship of \$3000 towards furthering their education.

We are proud to support:

- The Wellington Airport Community Awards
- Wild at Heart Spirit Awards
- NZ Festival
- CubaDupa
- World of Wearable Arts
- Wellington Phoenix FC
- Wellington Gold Award
- Wellington High Performance Aquatics
- Wellington Jazz Festival
- Wellington on a Plate
- Fringe Festival
- Lyall Bay, Matangi and Waiwai Bay Surf Clubs
- The Marine Education Centre
- Life Flight Trust
- NZ Airports Association
- Wellington Astro Club
- Wellington Employers Chamber of Commerce
- Lifelines
- Miramar Golf Club
- Refugee Services





WELLINGTON INTERNATIONAL AIRPORT LIMITED

**Consolidated Annual Report
For the Year Ended 31 March 2015**

DIRECTORS' REPORT

The Directors have pleasure in presenting to shareholders their twenty-fifth consolidated annual report for Wellington International Airport Limited ("WIAL" and/or the "Company") for the year ended 31 March 2015.

Directors

The Directors of WIAL during the year were:

- Timothy Brown, Chairman
- Jason Boyes
- Peter Coman
- Steven Fitzgerald
- Keith Sutton
- Celia Wade-Brown

Group's Affairs and Nature of Business

WIAL provides airport facilities and services to various airlines and airport users. WIAL's wholly owned subsidiary, Wellington Airport Noise Treatment Limited (WANT Limited), provides noise mitigation activities to manage the impact of noise generated from the airport on the surrounding community. As a result WIAL comprises a group for financial reporting purposes and is required to prepare a consolidated report.

The Directors regard the state of the Group's affairs to be satisfactory.

The nature of the Group's business has not changed during the year.

Earnings After Subvention Payment and Dividends

Total revenue for the year was \$108.3 million. The net profit after taxation amounted to \$9.7 million after a \$38.2 million subvention was paid to subsidiaries of Infratil Limited.

During the year a dividend of \$12.0 million was paid to Wellington City Council.

Retained Earnings Reserve

The total decrease in equity for the year, being the total recognised revenues net of expenses and subvention payment less dividends paid was \$2.2 million. The retained earnings reserve at 31 March 2015 totalled \$95.1 million.

Revaluation Reserves

The total revaluation reserve at 31 March 2015 was \$333.8 million.

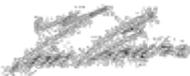
Liabilities

The liabilities of WIAL are not guaranteed by the shareholders.

Auditors

KPMG remained the Group's auditors during the year.

On behalf of the Board,



Timothy Brown
Chairman
13 May 2015



Keith Sutton
Director
13 May 2015

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 \$000	2014 \$000
Landing and terminal charges		62,720	65,900
Property rent and lease income		11,508	11,277
Retail and trading activities		34,082	33,713
Total revenue		108,310	110,890
Operating expenses	4	(17,097)	(16,143)
Subvention payment	16	(38,230)	(35,330)
Employee remuneration and benefits		(9,105)	(8,715)
Total operating and other expenditure		(64,432)	(60,188)
Investment property revaluation net increase	12	371	511
Depreciation	11	(16,210)	(15,781)
(Loss)/gain on sale of property, plant and equipment		(19)	118
Loss on sale of residential houses		(674)	(959)
Operating earnings before interest and financing expense		27,346	34,591
Interest income		521	1,311
Interest expense		(18,255)	(19,981)
(Decrease)/increase in value of financial instruments designated at fair value through profit or loss		(1,182)	10,168
Net financing expense		(18,916)	(8,502)
Net profit from continuing operations before taxation		8,430	26,089
Taxation income/(expense)	8	1,246	(2,634)
Net profit after taxation		9,676	23,455
Total comprehensive income		9,676	23,455

The accompanying accounting policies and notes form part of and are to be read in conjunction with these consolidated financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	Attributable to Equity Holders				Total Equity \$000
		Capital	Asset Revaluation Reserve	Other Reserve	Retained Earnings	
		\$000	\$000	\$000	\$000	
Balance as at 1 April 2014		9,050	333,829	74	97,379	440,332
Total comprehensive income						
Net profit		-	-	-	9,676	9,676
Total comprehensive income		-	-	-	9,676	9,676
Contributions by and distributions to owners						
Executive redeemable shares issued		-	-	80	-	80
Executive redeemable shares converted		-	-	(14)	-	(14)
Dividends to equity holders		-	-	-	(11,966)	(11,966)
Total contributions by and distributions to owners		-	-	66	(11,966)	(11,900)
Balance as at 31 March 2015	10	9,050	333,829	140	95,089	438,108

	Note	Attributable to Equity Holders				Total Equity \$000
		Capital	Asset Revaluation Reserve	Other Reserve	Retained Earnings	
		\$000	\$000	\$000	\$000	
Balance as at 1 April 2013		9,050	333,829	57	84,752	427,688
Total comprehensive income						
Net profit		-	-	-	23,455	23,455
Total comprehensive income		-	-	-	23,455	23,455
Contributions by and distributions to owners						
Executive redeemable shares issued		-	-	45	-	45
Executive redeemable shares converted		-	-	(28)	-	(28)
Dividends to equity holders		-	-	-	(10,828)	(10,828)
Total contributions by and distributions to owners		-	-	17	(10,828)	(10,811)
Balance as at 31 March 2014	10	9,050	333,829	74	97,379	440,332

The accompanying accounting policies and notes form part of and are to be read in conjunction with these consolidated financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 \$000	2014 \$000
Cash and cash equivalents	7	22,309	28,927
Trade receivables	13(a)	10,324	11,373
Prepayments and sundry receivables		3,542	2,548
Current assets		36,175	42,848
Property, plant and equipment	11	744,522	739,097
Investment properties	12	60,805	59,980
Derivative financial instruments	13(d)	-	401
Non current assets		805,327	799,478
Total assets		841,502	842,326
Trade and other payables		602	776
Taxation payable		13,853	14,967
Accruals and other liabilities		10,138	8,717
Accrued employee benefits	14	2,359	1,896
Current liabilities		26,952	26,356
Retail and wholesale bonds	6	271,882	273,727
Deferred taxation liability	8	62,057	92,189
Derivative financial instruments	13(d)	10,503	9,722
Non current liabilities		376,442	375,638
Attributable to shareholders		438,108	440,332
Total equity		438,108	440,332
Total equity and liabilities		841,502	842,326

The accompanying accounting policies and notes form part of and are to be read in conjunction with these consolidated financial statements.

On behalf of the Board.



Timothy Brown
Chairman
13 May 2015



Keith Sutton
Director
13 May 2015

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 \$000	2014 \$000
Cash flows from operating activities			
<i>Cash was provided from:</i>			
Receipts from customers		109,146	110,477
Interest received		461	1,311
		109,607	111,788
<i>Cash was disbursed to:</i>			
Payments to suppliers and employees		(25,420)	(26,006)
Interest payment		(17,827)	(20,326)
		66,360	65,456
Subvention payment	16	(38,230)	(35,330)
Net cash flows from operating activities	15	28,130	30,126
Cash flows from investing activities			
<i>Cash was provided from:</i>			
Proceeds from sale of property, plant and equipment		6	14
		6	14
<i>Cash was disbursed to:</i>			
Purchase and removal of residential houses		(674)	(956)
Purchase of property, plant and equipment		(21,593)	(15,307)
Purchase of investment property		(521)	(4,847)
		(22,788)	(21,110)
Net cash flows from investing activities		(22,782)	(21,096)
Cash flows from financing activities			
<i>Cash was provided from:</i>			
Drawdown of loans and borrowings		12,000	31,000
Issue of bonds		-	125,000
		12,000	156,000
<i>Cash was disbursed to:</i>			
Repayment of matured bonds		-	(100,000)
Repayment of loans and borrowings		(12,000)	(31,000)
Dividends payment	16	(11,966)	(10,828)
		(23,966)	(141,828)
Net cash flows from financing activities		(11,966)	14,172
Net (decrease)/increase in cash and cash equivalents		(6,618)	23,202
Cash and cash equivalents balance at the beginning of the year		28,927	5,725
Cash and cash equivalents balance at the end of the year		22,309	28,927

The accompanying accounting policies and notes form part of and are to be read in conjunction with these consolidated financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

(1) Accounting policies

(a) Reporting entity

Wellington International Airport Limited ("WIAL" and/or the "Company") is a profit orientated company domiciled in New Zealand and registered under the Companies Act 1993. It was established under the Wellington Airport Act 1990 and was incorporated in September 1990. The commencing assets of WIAL were vested in the Company on 16 October 1990 by an Order in Council. The Company commenced trading on 16 October 1990. Its registered office is located at Wellington Airport Terminal, Stewart Duff Drive, Wellington, New Zealand. In terms of the Securities Act 1978 and Financial Markets Conduct Act 2013, the Company is a FMC Reporting Entity as it has bonds listed on the NZDX.

The consolidated financial statements comprise the Company and its subsidiary Wellington Airport Noise Treatment Limited ("WANT Limited"), (the "Group"). Under the new FMC reporting framework, WIAL is no longer required to report parent entity financial statements if consolidated accounts are prepared. WIAL has therefore elected to report Group financial statements only.

The financial statements of the Group are for the year ended 31 March 2015. The financial statements were approved by the Board of Directors on 13 May 2015.

(b) Basis of preparation

(i) Statement of compliance

The consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards ("NZIFRS") and other applicable financial reporting standards as appropriate for profit-oriented entities. The financial statements also comply with IFRS.

The financial statements for the Group are presented as at and for the year ended 31 March 2015.

The consolidated financial statements comprise statements of the following: comprehensive income; changes in equity; financial position; cash flows; and the notes to those statements.

The consolidated financial statements are prepared on the basis of historical cost, except that property, plant and equipment are revalued in accordance with accounting policy (c), investment properties in accordance with accounting policy (d) and financial derivatives in accordance with accounting policy (i).

These consolidated financial statements are presented in New Zealand Dollars which is the Group's functional currency. Where indicated values are rounded to the nearest thousand dollars (\$000).

(ii) Significant accounting estimates and judgments

The preparation of these consolidated financial statements conform with NZIFRS which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Future outcomes could differ from those estimates. The principal areas of judgement in preparing these financial statements are set out below:

Valuation of property, plant and equipment

The basis of valuation for the Group's property, plant and equipment is fair value by independent valuers where WIAL does not have the internal expertise. The basis of the valuations include assessment of the net present value of the future earnings of the assets, the optimised depreciated replacement cost, and other market based information, in accordance with asset valuation standards. The major inputs and assumptions that are used in the valuations that require judgement include forecasts of future revenues, sales volumes, capital investment and expenditure profiles, capacity, replacement values and life assumptions for each asset, and the application of discount rates.

Judgements must be made about whether costs incurred relate to bringing an asset to its working condition for its intended use, and therefore are appropriate for capitalisation as part of the cost of the asset. The determination of the appropriate life for a particular asset requires management to make judgements about, among other factors, the expected future economic benefits of the asset and the likelihood of obsolescence. Revaluations are carried out by independent valuers with sufficient regularity, at least once every five years, to ensure that the carrying value does not differ from the fair value at balance date. The carrying value of property, plant and equipment and the valuation methodologies used in the latest revaluation undertaken and the key assumptions and inputs are disclosed in Note 11.

Valuation of investment properties

The Group revalues its investment properties to fair value each year. The fair value of investment properties is estimated by an independent valuer which reflects market conditions at balance date. Changes to market conditions or to assumptions made in the estimation of fair value will result in changes to the fair value of the investment properties. The carrying value of the investment properties, the valuation methodology applied and the key assumptions and inputs are disclosed in Note 12.

Derivatives

Derivatives are classified as financial assets or financial liabilities at fair value through profit or loss. The key assumptions and risk factors for derivatives relate to their valuation. Accounting judgements have been made in determining hedge designation for the different types of derivatives employed by the Group to hedge risk exposures. Derivative valuations are based on market information and prices. The carrying value of derivatives, the valuation methodology applied and the key assumptions and inputs are disclosed in Note 13.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

(c) Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and impairment losses, or at fair value with valuations undertaken on a systematic basis with no individual asset included at a valuation undertaken more than five years previously. Impairment losses are charged to profit or loss.

Property, plant and equipment that are revalued, are revalued to their fair value determined by an independent valuation or by management using recognised valuation techniques. Where the assets are of a specialised nature and do not have observable market values in their existing use, optimised depreciated replacement cost is used as the basis of the valuation. This measures net current value as the most efficient, lowest cost which would replace existing assets and offer the same amount of utility in their present use. Where there is an observable market, an income based approach is used.

Land, buildings and civil assets are measured at fair value. An independent valuer is engaged to provide a valuation if management does not have sufficient expertise to perform the valuation. The fair values are recognised in the consolidated financial statements, and are reviewed at the end of each reporting period to ensure that the carrying values are not materially different from their fair values.

Any revaluation increase arising on the revaluation of land, buildings and civil assets is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising from the revaluation of land, buildings, leasehold improvements and civil assets is charged as an expense in profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings and civil assets is charged to profit or loss. On subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the asset revaluation reserve, net of any related deferred taxes is transferred directly to retained earnings. Plant and equipment under finance leases are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition. Additions not yet subject to independent valuation, including capital work in progress, are recorded at cost which may include capitalised interest where appropriate.

Land is not depreciated. Depreciation is calculated systematically on a straight-line basis to allocate the cost or revalued amount of an asset, less any residual value, over its estimated useful life. The useful lives are as follows:

Building ancillary services	5 – 30 years
Buildings	20 – 60 years
Civil works	5 – 80 years
Vehicles, plant and equipment	3 – 20 years

Individual assets' remaining useful lives and residual values are assessed at least annually and depreciation is calculated on a basis consistent with those parameters.

(d) Investment properties

Investment properties are measured at fair value with any change therein recognised in profit or loss.

Investment properties are revalued annually to their fair value determined by an independent valuer.

(e) Capital work in progress

The cost associated with the building of an item of property, plant and equipment or investment property is treated as capital work in progress. These costs are transferred to the relevant item of property, plant and equipment or investment property class when the asset is ready for use as intended by management.

(f) Receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost, less any provision for impairment. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due.

(g) Leases

Operating lease rentals are charged to profit or loss on a straight line basis over the period of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense and spread over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015**

(h) Taxation

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the measurement date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position date.

Current and deferred tax is recognised as an expense or income in profit or loss, except when it relates to items credited or debited directly to equity or in other comprehensive income, in which case the deferred tax or current tax is also recognised directly in equity or in other comprehensive income.

(i) Derivative financial instruments

The Group is a party to derivative financial instruments as part of its day to day operating activities. When appropriate, the Group enters into agreements to manage its interest rate and foreign exchange risk. In accordance with the Group's risk management policies, the Group does not hold or issue derivative financial instruments for speculative purposes. Derivatives that do not qualify for hedge accounting are accounted for at fair value through profit or loss.

Derivative financial instruments are recognised initially at fair value at the date they are entered into. Subsequent to initial recognition, derivative financial instruments are remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The fair value of derivative financial instruments is classified as a non-current asset or a non-current liability if the remaining maturity of the derivative instrument is more than 12 months and as a current asset or current liability if the remaining maturity of the derivative is less than 12 months.

Counterparties to treasury derivative financial instruments are major financial institutions. The Group does not request security to support derivative financial instruments entered into.

(j) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

(k) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred using the effective interest rate method except to the extent that they are capitalised. Borrowing costs that are directly attributable to material construction projects of a qualifying asset are capitalised as part of the cost of the assets.

(l) Borrowings

Borrowings are recorded at amortised cost. Fees and other costs incurred in raising debt finance are capitalised and amortised over the term of the relevant debt instrument or debt facility.

(m) Revenue recognition

Revenues are recognised at fair value of the consideration received net of the amount of Goods and Services Tax ("GST"). Revenue comprises the fair value of consideration received or receivable for the sale of goods or services in the ordinary course of the Group's activities.

Airport related revenues

Airfield income, passenger service charges and terminal service charges are recognised as revenue when the passenger travels or the airport facilities are used.

Rental revenue

Rental revenue is recognised in the profit or loss on a straight line basis over the term of the lease. Lease incentives granted are recognised as an integral part of rental revenue and are amortised over the expected remaining life of the lease.

Retail and trading activities

Retail concession fees are recognised as revenue on an accrual basis in accordance with the agreements.

Revenue from car parks is recognised once the service is delivered.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

Interest revenue

Interest revenue is recognised as it accrues, taking into account the effective yield of the financial asset.

(n) Segmental reporting

The Group has considered the requirements for segmental reporting as set out in NZ IFRS 8: Operating Segments. The standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Chief Executive Officer. The Group has determined that one segment exists for the airport and airport related operations including investment properties.

(o) New standards and interpretations

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 April 2015, but have not been applied in preparing these consolidated financial statements.

NZ IFRS 9 Financial instruments: recognition and measurement. Effective for periods beginning on or after 1 January 2017. The statement adds requirements related to classification, measurement and derecognition of financial assets and liabilities. It is not expected to have a material impact on the Group's financial statements.

NZ IFRS 15 Revenue from contracts with customers. Effective for periods beginning on or after 1 January 2017. This standard introduces principles for reporting cohesive and useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The likely impact of this standard has not yet been assessed.

(p) Changes in accounting policies

There have been no changes in accounting policies during the year other than the adoption of the new standards, amendments to standards and interpretations, if any, as noted in accounting policy (o).

(2) Nature of business

The Group operates in Wellington providing integrated airport and commercial facilities and services to various airlines and other airport users. A commercial retail park adjacent to the airport site is available to the public. Revenues include landing and terminal charges, property leases, retail and trading income. WANT Limited, the Company's wholly owned subsidiary, provides noise mitigation activities to manage the impact of noise generated from the airport on the surrounding community. The Company is a limited liability company incorporated and domiciled in New Zealand.

The Land Use Management and Insulation for Airport Noise Study was undertaken by WIAL in conjunction with its airlines, Board of Airline Representatives New Zealand Inc, Wellington City Council and the local Air Noise Management Committee in order to fulfil WIAL's obligations arising from Environment Court proceedings in 1997. The work identified from this study includes the acquisition and removal of noise affected houses and the provision of noise mitigation and insulation activities for others. WIAL commenced charging the airlines operating at Wellington Airport for these activities from 1 April 2012 and this charge is currently approximately 40 cents per passenger. These charges and noise mitigation activities are managed in WANT Limited, a wholly owned subsidiary of WIAL. WANT Limited has forecast that it will have predominantly concluded the noise management activities by the end of the financial year ending 31 March 2022 and it is expected that the charges will recover the noise mitigation costs over the period from 1 April 2012 to 31 March 2022.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

(3) Reconciliation of Earnings before Interest, Taxation, Depreciation, Amortisation, Fair Value Movements of Financial Instruments, Realisations and Impairments, Subvention payments and Investment property revaluations (EBITDAF before subvention payment)

The Group's EBITDAF before subvention payment is presented to provide further information on the operating performance of the Group. EBITDAF before subvention payment is a useful non-GAAP financial measure as it shows the contribution to earnings prior to non-cash items such as depreciation and amortisation and fair value adjustments, and before the cost of financing, subvention payments and taxation. It is calculated by adjusting net profit after taxation for the year for subvention payments and for items that are non-operating such as interest, taxation, depreciation, revaluations and impairments.

	2015	2014
	\$000	\$000
Net profit after taxation	9,676	23,455
Subvention payment	38,230	35,330
Net interest expense	17,734	18,670
Taxation (income)/expense	(1,246)	2,634
Depreciation	16,210	15,781
Investment property revaluation net increase	(371)	(511)
Loss/(gain) on sale of property, plant and equipment	19	(118)
Loss on sale of residential houses	674	959
Decrease/(increase) in value of financial instruments designated at fair value through profit or loss	1,182	(10,168)
EBITDAF before subvention payment	82,108	86,032

(4) Operating expenses

	2015	2014
	\$000	\$000
Fees paid to auditors:		
Audit of statutory financial statements	62	90
Taxation services	38	17
Other assurance services	42	25
Donations	6	-
Directors' fees	338	328
Regulatory compliance and consultation	561	436
Marketing and development	1,629	1,439
Cleaning and energy	2,044	2,042
Rates	1,970	1,951
Insurance	2,037	2,031
Repairs and maintenance	2,553	2,506
Operating lease expenses	821	805
Administration and other expenses	4,956	4,473
Total operating expenses	17,097	16,143

Taxation services relate to tax compliance work. Other assurance services comprise fees paid in relation to the audit of WIAL's annual regulatory Information Disclosures and review of the airline pricing consultation financial model.

(5) Bank interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's bank interest-bearing loans and borrowings. For more information about the Group's exposure to interest rate and foreign currency risk see Note 13: Financial Instruments.

	2015	2014
	\$000	\$000
Facilities not utilised at reporting date		
Unsecured bank credit facilities	100,000	90,000

Financing arrangements

The Group's debt includes bank facilities with a negative pledge arrangement, which with limited exceptions do not permit the borrower to grant any security over its assets. The bank facilities require the borrower to maintain certain levels of shareholder funds and operate within defined performance and gearing ratios. The banking arrangements also include restrictions over the sale or disposal of certain assets. The Group has complied with all its debt covenant requirements during the year.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

(5) Bank interest-bearing loans and borrowings (continued)

Committed cash advance facilities

At year end, the Group had unsecured bank debt facilities of \$100.0 million (2014: \$90.0 million) of which \$70.0 million expires in June 2018 and \$30.0 million expires in June 2019. Interest rates were determined by reference to prevailing money market rates plus a margin. Interest rates paid during the period ranged from 4.18% to 4.40% (2014: 3.32% to 3.46%).

(6) Bonds

	2015	2014
	\$000	\$000
Non current bonds		
Wholesale bonds maturing August 2017, 3.89% per annum to 1 May 2015, then repriced quarterly at BKBM plus 25bp	150,000	150,000
Wholesale bonds maturing June 2019, 4.93% per annum to 17 Jun 2015, then repriced quarterly at BKBM plus 130bp	25,000	25,000
Wholesale bonds maturing June 2020, fixed 5.27% p.a.	25,000	25,000
Retail bonds maturing May 2021, fixed 6.25% p.a.	75,000	75,000
Less transaction costs from issue still to be expensed	(1,118)	(1,273)
Balance at the end of the year	273,882	273,727

At 31 March 2015, the bonds had a fair value of \$282.3 million (2014: \$274.7 million).

The Trust Deeds for the bonds require the Group to operate within defined performance and debt gearing ratios. The arrangements under the Trust Deeds create restrictions over the sale or disposal of certain assets. The Group complied with its debt covenant requirements during the year.

(7) Cash and cash equivalents

	2015	2014
	\$000	\$000
Bank and cash balances	1,009	1,027
Call and short term deposits	21,300	27,900
Total cash and cash equivalents	22,309	28,927

(8) Taxation

	2015	2014
	\$000	\$000
Net profit before taxation	8,430	26,089
Taxation for the year at 28% (2014: 28%)	(2,361)	(7,305)
Subvention payment made in respect to prior period	(10,704)	(9,892)
Taxation effect of non deductible expenses	(122)	(105)
Prior period adjustment	(894)	-
Loss offset	4,298	4,419
Over provision in prior years	11,029	10,249
Taxation income/(expense)	1,246	(2,634)
Current taxation	1,114	(1,223)
Deferred taxation	132	(1,411)
Taxation income/(expense)	1,246	(2,634)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

(8) Taxation (continued)

Deferred tax

	2015 \$000	2014 \$000
Balance at the beginning of the year	(92,189)	(90,778)
Income/(expense) for the year	132	(1,411)
Balance at the end of the year	(92,057)	(92,189)

Recognised deferred tax assets and liabilities

	2015			2014		
	Assets \$000	Liabilities \$000	Net \$000	Assets \$000	Liabilities \$000	Net \$000
Property, plant and equipment	-	(86,804)	(86,804)	-	(87,634)	(87,634)
Investment properties	-	(9,036)	(9,036)	-	(8,076)	(8,076)
Derivatives	3,814	-	3,814	3,547	-	3,547
Employee benefits accrued	139	-	139	149	-	149
Other items	-	(170)	(170)	-	(175)	(175)
Net tax assets/(liabilities)	3,953	(96,010)	(92,057)	3,696	(95,885)	(92,189)

Movement in temporary differences during the year

	Balance 31/03/2013 \$000	Recognised in Earnings \$000	Recognised in Equity \$000	Balance 31/03/2014 \$000	Recognised in Earnings \$000	Recognised in Equity \$000	Balance 31/03/2015 \$000
Assets:							
Property, plant and equipment	(89,725)	2,091	-	(87,634)	830	-	(86,804)
Investment properties	(7,578)	(498)	-	(8,076)	(960)	-	(9,036)
Other items	(38)	38	-	-	-	-	-
Liabilities:							
Employee benefits accrued	146	3	-	149	(10)	-	139
Derivatives	6,409	(2,862)	-	3,547	267	-	3,814
Other items	8	(183)	-	(175)	5	-	(170)
Balance at year end	(90,778)	(1,411)	-	(92,189)	132	-	(92,057)

Imputation credit account

	2015 \$000	2014 \$000
Imputation credits for use in future reporting periods	1	1

(9) Investment in subsidiary

The Company held shares in the following operating companies:

Subsidiary	Balance Date	2015 Holding	2014 Holding	Principal activity	Country of incorporation
WANT Limited	31 March	100%	100%	Noise mitigation	New Zealand

WANT Limited commenced trading on 1 April 2012.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

(10) Capital

	2015	2014
	\$000	\$000
Represented by:		
Total issued capital at the beginning and end of the year 40,155,942 ordinary shares	9,050	9,050
Balance at the end of the year	9,050	9,050

All ordinary shares have equal voting rights and share equally in dividends and equity. All shares have no par value.

(11) Property, plant and equipment

	Land	Civil	Buildings	Vehicles, Plant and Equipment	Capital work in progress	Total
	at fair value	at fair value	at fair value	at cost	at cost	\$000
	\$000	\$000	\$000	\$000	\$000	\$000
Cost or valuation						
Balance at 1 April 2014	290,130	151,874	309,323	39,769	10,474	801,570
Additions	395	15	427	604	20,672	22,113
Transfer from capital work in progress	1	5,851	2,095	1,082	(9,039)	-
Transfer from capital work in progress to investment properties	-	-	-	-	(521)	(521)
Transfer to property, plant and equipment assets from investment properties	-	-	67	-	-	67
Disposals	-	(14)	-	(137)	-	(151)
Balance at 31 March 2015	290,526	157,726	311,912	41,328	21,586	823,078
Accumulated depreciation and impairment losses						
Balance at 1 April 2014	-	17,059	22,659	22,755	-	62,473
Depreciation for the year	-	5,177	7,586	3,447	-	16,210
Disposals	-	(14)	-	(113)	-	(127)
Balance at 31 March 2015	-	22,222	30,245	26,089	-	78,556
Net book value at 31 March 2015	290,526	135,504	281,667	15,239	21,586	744,522

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

(11) Property, plant and equipment (continued)

	Land at fair value \$000	Civil at fair value \$000	Buildings at fair value \$000	Plant and Equipment at cost \$000	Capital work in progress at cost \$000	Total \$000
Cost or valuation						
Balance at 1 April 2013	289,701	147,736	305,659	35,128	9,021	787,245
Additions	581	-	161	4,159	15,563	20,464
Transfer from capital work in progress	-	4,142	4,085	1,602	(9,829)	-
Transfer of capital work in progress to investment properties	-	-	-	-	(4,281)	(4,281)
Transfer from property, plant and equipment assets to investment properties	(152)	-	(350)	(64)	-	(566)
Disposals	-	(4)	(232)	(1,056)	-	(1,292)
Balance at 31 March 2014	290,130	151,874	309,323	39,769	10,474	801,570
Accumulated depreciation and impairment losses						
Balance at 1 April 2013	-	12,063	15,151	20,564	-	47,778
Depreciation for the year	-	4,998	7,568	3,215	-	15,781
Disposals	-	(2)	(60)	(1,024)	-	(1,086)
Balance at 31 March 2014	-	17,059	22,659	22,755	-	62,473
Net book value at 31 March 2014	290,130	134,815	286,664	17,014	10,474	739,097

Revalued assets at deemed cost

	Land \$000	Civil \$000	Buildings \$000	Vehicles, Plant and Equipment \$000	Capital work in progress \$000	Total \$000
Cost	86,633	127,206	236,460	40,815	10,474	501,588
Additions	395	15	427	604	20,672	22,113
Transfer to investment properties	-	-	-	-	(521)	(521)
Increase/(decrease) in assets under construction during the year	1	5,851	2,095	1,092	(9,039)	-
Transfer to property, plant and equipment assets from investment properties	-	-	67	-	-	67
Disposals	-	(41)	-	(137)	-	(178)
Less accumulated depreciation	-	(37,228)	(64,849)	(27,187)	-	(129,264)
Net book value at 31 March 2015	87,029	95,803	174,200	15,187	21,586	393,805
Cost	86,204	123,066	232,584	35,150	9,021	486,025
Additions	581	-	161	4,159	15,563	20,464
Transfer to investment properties	(152)	-	(350)	(64)	-	(566)
Increase/(decrease) in assets under construction during the year	-	4,142	4,085	1,602	(14,110)	(4,281)
Disposals	-	(2)	(20)	(32)	-	(54)
Less accumulated depreciation	-	(34,365)	(58,915)	(23,908)	-	(117,188)
Net book value at 31 March 2014	86,633	92,841	177,545	16,907	10,474	384,400

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

(11) Property, plant and equipment (continued)

Land was last revalued as at 31 March 2012 by independent valuers Telfer Young Limited, in accordance with the New Zealand Institute of Valuers asset valuation standard (fair value \$289.2 million). The Directors are satisfied that there has not been a material movement in the fair value as at 31 March 2015.

All buildings and civil assets were last revalued as at 31 March 2011 in accordance with the New Zealand Institute of Valuers Asset Valuation Standards. The valuation was undertaken by independent registered valuers, Telfer Young Limited for buildings (fair value \$268.7 million), and Opus International Consultants Limited for civil assets (fair value \$142.7 million). The Directors are satisfied that there has not been a material movement in the fair value as at 31 March 2015.

As at 31 March 2015 the Group performed a discounted cash flow analysis to confirm that there had been no material movements in the value of the vehicle business assets within the building assets category and that the carrying value still represented the fair value of the asset. The discounted cash flow analysis showed that there was no material change in the value of the vehicle business assets within the buildings asset category.

The following table summarises the valuation approach and key assumptions used by the valuers to arrive at fair value, and categorises each fair value measurement within the 'fair value hierarchy' described in Note 13 (d), based on the lowest level input that is significant to the fair value measurement as a whole.

Asset classification and description	Valuation approach	Key valuation assumptions	Fair value hierarchy level	+ / - 5% Valuation Impact
Land				
Aeronautical land - used for airport activities and specialised aeronautical assets	Market value existing use approach - comprising market value alternative use valuation plus development and holding costs to provide land suitable for airport use The development and holding costs are derived by the valuer using assumptions regarding the discount rate, holding period and direct costs of holding the land for conversion to airport use. The valuer makes use of expert advice from Sapere Research Group in relation to the discount rate used. These inputs are deemed unobservable.	Adopted rate per hectare prior to holding costs \$1.37 million per ha Discount rate 12.88% Holding period 5 years	3	+ / - \$21.1 million (of a 5% change in discount rate)
Non-aeronautical land - used for non-aeronautical purposes e.g. industrial, service, retail and land associated with the vehicle business				
Residential land	Residential land is valued at rateable value	-	1	-
Civil				
Civil works includes sea protection and site services, excluding such site services to the extent that they would otherwise create duplication of value	Optimised depreciated replacement cost - the cost of constructing a modern equivalent asset at current market based input cost rates, adjusted for the remaining useful life of the assets (depreciation) and any sub-optimal usage of the assets in their current application (optimisation). These inputs are deemed unobservable.	Average cost rates including concrete \$740 per m ³ , asphalt \$833 per m ³ , base course \$83 per m ³ and foundations \$15 per m ³	3	+ / - \$6.8 million (of a 5% change in cost estimate)
Buildings				
Specialised buildings used for identified airport activities	Optimised depreciated replacement cost derived from modern equivalent asset rate, as described for Civil above.	Modern equivalent asset rates ranging from \$175 to \$5,000 per m ² , with a weighted average of \$4,050 per m ²	3	+ / - \$9.3 million (of a 5% change in cost estimate)
Buildings other than for identified airport activities, including space allocated within the main terminal building for retail activities, offices and storage that exist because of the airport activities	Optimised depreciated replacement cost derived from modern equivalent asset rate, as described for Civil above.	Modern equivalent asset rates ranging from \$550 to \$1,900 per m ² , with a weighted average of \$1,364 per m ²		

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

(11) Property, plant and equipment (continued)

Asset classification and description	Valuation approach	Key valuation assumptions	Fair value hierarchy level	+ / - 5% Valuation Impact
Vehicle business assets Assets associated with car parking and taxi, shuttle and bus services (excluding land)	Discounted cash flow valuation performed by management and based on: - Internal management information such as forecast future revenues, costs and capital expenditure. This information is derived from WIAL's financial and car park management systems and is subject to WIAL's overall control environment. - Assumptions such as the discount rate. These are based on management's judgement and arrived at in consultation with external experts. Both the internal management information and the discount rate are deemed to be unobservable inputs.	Revenue growth 3% per annum Cost growth 3% per annum Discount rate 13%	3	+ / - \$2.8 million (of a 5% change in discount rate)

Vehicles, plant and equipment
Vehicles, plant and equipment comprises a mixture of specialised and non-specialised assets

Not applicable - measured at cost.

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There were no transfers between Level 2 and Level 3 of the fair value hierarchy during the year ended 31 March 2015 (2014: none).

Level 3 Asset Classification	Sensitivity of significant unobservable inputs
Land	The critical elements in establishing the market value existing use valuation of land is the opportunity cost of capital over the holding period, and the adopted rate per hectare. - An increase in the adopted rate per hectare will increase the fair value - An increase in the discount rate will increase the fair value - An increase in the holding period will increase the fair value
Civil	The critical elements in establishing the fair value of civil assets is the movement in the average cost rates for concrete, asphalt, base course and foundations, as well as the estimated remaining useful life of the assets. - An increase to any of the average cost rates listed above will increase the fair value - A decrease in the estimated remaining useful life of the assets will decrease the fair value
Buildings (other than Vehicle business assets)	The key inputs in establishing the fair value of buildings (other than vehicle business assets) are the estimate of the remaining useful life and the modern equivalent asset rate. - An increase to the modern equivalent asset rate will increase the fair value - A decrease in the estimated remaining useful life will decrease the fair value
Vehicle business assets	The key inputs to the fair value of vehicle assets, and their impact on the resulting valuation are: - A decrease in the assumed revenue growth will decrease the fair value - An increase in the assumed cost growth will decrease the fair value - An increase in the discount rate used for the discounted cash flow method will decrease the fair value

Capital work in progress

For the year ended 31 March 2015, capitalised borrowing costs relating to capital work in progress amounted to \$0.5 million (2014: \$0.4 million), with an average capitalisation rate of 6.23% (2014: 6.70%).

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

(12) Investment properties

	2015 \$000	2014 \$000
Balance at the beginning of the year	59,980	54,622
Transfer from capital work in progress to investment properties	521	4,281
Transfer (to)/from property, plant and equipment assets (from)/to investment properties	(57)	566
Investment properties revaluation net increase	371	511
Balance at the end of the year	60,805	59,980

Investment properties are valued at fair value annually, based on independent valuations undertaken by registered valuers, Telfer Young Limited. It was confirmed by Telfer Young Limited that there was a change in value as at 31 March 2015 and this has been recorded. Fair values are based on market values, being the price that would be received to sell a property in an orderly transaction between market participants at the measurement date. In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting the property and application of a yield that reflects the specific risks inherent in the net cash flows to arrive at a property valuation. The methodologies applied are consistent with those used in the prior year. Movements in the valuation of investment properties are taken to profit or loss.

The discounted cash flow valuations are based on both:

- Information provided by WIAL management including net contract income and lease term. WIAL provided the valuer with information on rental incomes and directly associated expenses from the underlying accounting records. Information on lease terms is derived from WIAL's property management system.
- Assumptions and valuation models used by the valuer. These assumptions are typically market related, such as the capitalisation rate. These are based on the valuer's professional judgement and market observation.

All input information provided is subject to WIAL's overall control environment.

The inputs described above are deemed unobservable, and therefore investment properties are classified as Level 3 in the fair value hierarchy.

The principal assumptions used in establishing the valuations were as follows (expressed as weighted averages):

	2015	2014
Discount rate	10.94%	9.83%
Capitalisation rate	8.44%	8.41%
Average lease term (years)	3.55	4.16

The impact of the unobservable inputs to the discounted cash flow valuation of investment properties is:

- An increase in the discount rate will decrease the fair value.
- An increase in the capitalisation rate will decrease the fair value.
- A decrease in the average lease term will ordinarily decrease the fair value.

	2015 \$000	2014 \$000
Amounts recognised in profit or loss (excluding revaluations):		
Rental income from investment properties	5,535	5,005
Direct operating expenses arising from investment properties that generate income	(1,079)	(1,109)
Total amounts recognised in profit or loss (excluding revaluations)	4,456	3,896

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015**

(13) Financial Instruments

The Group has exposure to the following risks:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Audit and Risk Committee also has a function of reviewing management practices in relation to identification and management of significant business risk areas and regulatory compliance. The Group has developed a comprehensive enterprise wide risk management framework. Management and Board participate in the identification, assessment and monitoring of new and existing risks. Particular attention is given to strategic risks that could affect the Group. Management report to the Audit and Risk Committee and the Board on the Group's risks and the controls and treatments for those risks.

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. The Group is exposed to credit risk in the normal course of business including those arising from trade receivables with its customers, financial derivatives and transactions (including cash balances) with financial institutions. Cash is held with counterparties approved under the Group's Treasury Policy. At 31 March 2015 cash was held solely with ANZ Bank New Zealand Limited. The Group minimises its exposure to credit risk of trade receivables through the adoption of counterparty credit limits and standard payment terms. Derivative and cash transactions are limited to high credit-quality financial institutions and other organisations in the relevant industry.

The Group's exposure and the credit ratings of counterparties are monitored, and the aggregate value of transactions concluded are spread amongst approved counterparties.

The Group has exposure to various counterparties. Concentration of credit risk with respect to trade receivables is concentrated in a small number of accounts because the Group has a limited range of customers. At 31 March 2015, 71% of trade receivables were due from ten customers (2014: 78%).

Liquidity risk is the risk that assets held by the Group cannot readily be converted to cash to meet the Group's contracted cash flow obligations. Liquidity risk is monitored by continuously forecasting cash flows and matching the maturity profiles of financial assets and liabilities. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages this risk by maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the spreading of debt maturities. In addition, covenant levels are monitored and reported on to the Board, banks and the bond trustee.

Market risk includes interest rate risk (cash flow and fair value) which is the risk of interest rate volatility negatively affecting the Group's interest expense cash flow and earnings. The Group mitigates this risk by issuing term borrowings at fixed interest rates or entering into interest rate swaps to convert floating rate exposures to fixed rate exposure. Also included is foreign exchange risk which is the risk of the foreign exchange rate volatility negatively affecting the Group's foreign exchange cash flow and earnings. The Group mitigates this risk by entering into forward exchange rate contracts to hedge foreign currency exposures, where appropriate.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

(13) Financial instruments (continued)

(a) Credit risk

Financial instruments which potentially subject the Group to credit risk principally consist of bank balances and receivables. The Group actively manages and monitors its accounts receivable on an ongoing basis. Maximum exposures to credit risk as at balance date are:

	2015	2014
	\$000	\$000
Bank	22,274	28,894
Trade receivables	10,324	11,373
Bank and trade receivables	32,598	40,267

No security is held on the above amounts. The Group is not exposed to any other concentrations of credit risk.

The ageing of trade receivables at the end of the year were:

	2015	2014
	\$000	\$000
Current	9,702	10,654
Overdue 0-30 days	478	562
Overdue 31-90 days	26	64
91 days and over	220	188
Provision for doubtful debts	(102)	(95)
Total trade receivables	10,324	11,373

(b) Market risk

Interest rate risk

The Group is exposed to interest rate fluctuations on its bank debt and borrowings. The Group uses interest rate swaps to manage interest rate risk. As at 31 March 2015 the Group has covered 100% of its wholesale bond exposure to floating interest rates with fixed rate swaps (2014: 100%) matching with the full term of the loans. The average effective interest rate for the interest rate swaps during the year ended 31 March 2015 was 6.32% (2014: 6.72%). At balance date the interest rate contracts outstanding were:

	2015	2014
	\$000	\$000
Interest rate swaps notional value	175,000	175,000
Fair value of interest rate swaps	(10,503)	(9,321)
Maturity analysis		
Between 2 to 5 years	175,000	150,000
More than five years	-	25,000

Foreign exchange risk

The Group was not exposed to foreign currency risk at 31 March 2015 (2014: nil).

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

(13) Financial Instruments (continued)

(c) Sensitivity analysis

Sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates for the year to the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss			
	2015		2014	
	100 bp increase \$000	100 bp decrease \$000	100 bp increase \$000	100 bp decrease \$000
Wholesale bonds - variable rate instruments	(1,750)	1,750	(1,750)	1,750
Interest rate swaps	5,935	(6,073)	7,367	(7,367)
Net profit and loss sensitivity	4,185	(4,323)	5,617	(5,617)

(d) Fair values

Financial Instruments consist of Cash and cash equivalents, Trade receivables, Trade and other payables, Retail and wholesale bonds and Derivative financial instruments. The fair value of interest rate swaps are detailed in Note 13(b). The fair value of all other financial instruments are represented by their carrying value except for the Retail bonds which are represented by their NZDX quoted value. The Group's Retail bonds are not carried at fair value, but the fair value is disclosed in Note 13(d). The fair value of Retail bonds is classified as Level 1, as it is based on a quoted market price. These fair values are considered to be Level 1 as the values are directly observable.

There were no transfers between Level 2 and Level 3 of the fair value hierarchy during the year ended 31 March 2015 (2014: none)

	Loans & receivables \$000	Fair value through profit and loss \$000	Liabilities at amortised cost \$000	Total carrying amount \$000	Fair value \$000
At 31 March 2015					
Assets					
Cash and cash equivalents	22,309	-	-	22,309	22,309
Trade receivables	10,324	-	-	10,324	10,324
Total assets	32,633	-	-	32,633	32,633
Liabilities					
Trade and other payables	-	-	602	602	602
Retail and wholesale bonds					
Retail bonds	-	-	74,336	74,336	82,749
Wholesale bonds	-	-	199,546	199,546	199,546
Derivative financial instruments	-	10,503	-	10,503	10,503
Total liabilities	-	10,503	274,484	284,987	293,400

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

(13) Financial Instruments (continued)	Loans & receivables	Fair value through profit and loss	Liabilities at amortised cost	Total carrying amount	Fair value
At 31 March 2014	\$000	\$000	\$000	\$000	\$000
Assets					
Cash and cash equivalents	28,927	-	-	28,927	28,927
Trade receivables	11,373	-	-	11,373	11,373
Derivative financial instruments	-	401	-	401	401
Total assets	40,300	401	-	40,701	40,701
Liabilities					
Trade and other payables	-	-	776	776	776
Retail and wholesale bonds					
Retail bonds	-	-	74,240	74,240	75,183
Wholesale bonds	-	-	199,487	199,487	199,487
Derivative financial instruments	-	9,722	-	9,722	9,722
Total liabilities	-	9,722	274,503	284,225	285,168

Estimation of fair values

The fair values and net fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- The fair value of derivative financial instruments are calculated using market-quoted rates based on discounted cash flow analysis;
- The fair value of the wholesale bonds is approximated by cost as they are repriced quarterly; and
- The fair value of other financial assets and liabilities are calculated using market-quoted rates based on discounted cash flow analysis.

The Group discloses fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The table below shows financial instruments, measured at fair value at the end of the financial year, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
At 31 March 2015				
Liabilities				
Derivative financial instruments	-	(10,503)	-	(10,503)
Total liabilities	-	(10,503)	-	(10,503)
At 31 March 2014				
Assets				
Derivative financial instruments	-	401	-	401
Total assets	-	401	-	401
Liabilities				
Derivative financial instruments	-	(9,722)	-	(9,722)
Total liabilities	-	(9,722)	-	(9,722)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

(13) Financial Instruments (continued)

(e) Liquidity risk

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period to the earliest possible contractual maturity date. The amounts in the tables below are disclosed at fair value, apart from bonds which are disclosed as contractual undiscounted cash flows and include interest through to maturity.

	Balance sheet \$000	Contractual cash flows \$000	6 months or less \$000	6-12 months \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
At 31 March 2015							
Trade and other payables	602	602	602	-	-	-	-
Retail bonds	74,336	105,469	2,344	2,344	4,688	14,063	82,031
Wholesale bonds	199,548	226,215	4,109	3,972	8,004	184,470	25,659
Derivative financial instruments	10,503	12,056	2,266	2,403	4,747	2,640	-
Total liabilities	284,987	344,342	9,321	8,719	17,439	201,173	107,690
At 31 March 2014							
Trade and other payables	776	776	776	-	-	-	-
Retail bonds	74,240	110,160	2,344	2,344	4,688	14,063	86,719
Wholesale bonds	199,487	243,697	4,203	4,596	10,155	172,328	52,414
Derivative financial instruments	9,722	7,327	2,173	1,779	2,596	868	(89)
Total liabilities	284,225	361,960	9,496	8,719	17,439	187,259	139,044

(f) Fair value movement

As at 31 March 2015, the Group has interest rate contracts with maturities up to June 2019. Interest rate contracts are marked to market and this has resulted in an unrealised loss of \$1.2 million for the year ended 31 March 2015 (2014: unrealised gain of \$10.2 million).

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

(13) Financial instruments (continued)

(g) Capital management

The Group's capital includes share capital, reserves and retained earnings.

The key factors in determining the Group's optimal capital structure are quality and dependability of earnings and cash flows, capital needs and available sources of capital and relative cost. The Group is subject to certain compliance ratios relevant to the facility agreements and Trust Deeds applicable to the borrowings. There were no changes in the Group's approach to capital management during the year. The Group monitors capital on the basis of the gearing ratio, which is calculated as net debt divided by total capital funding.

	Notes	2015 \$000	2014 \$000
Net debt			
Retail and wholesale bonds	6	(273,882)	(273,727)
Cash and cash equivalents	7	22,309	28,927
Total net debt		(251,573)	(244,800)
Total equity		(438,108)	(440,332)
Total capital funding		(689,681)	(685,132)
Gearing ratio		36.5%	35.7%

(14) Accrued employee benefits

	2015 \$000	2014 \$000
Salaries and wages	1,812	1,301
Annual leave	547	595
Total accrued employee benefits	2,359	1,896

(15) Reconciliation of net profit with cash flow from operating activities

	2015 \$000	2014 \$000
Net profit after taxation	9,676	23,455
Add items not involving cash flows		
Investment property revaluation net increase	(371)	(511)
Decrease/(increase) in value of financial instruments designated as fair value through profit or loss	1,182	(10,168)
Depreciation	16,210	15,781
Loss/(gain) on sale of property, plant and equipment	19	(118)
Loss on sale of residential houses	674	959
Movement in deferred tax	(132)	1,411
Amortisation of transaction costs from issue of bonds	456	(443)
Movements in working capital		
(Increase)/decrease in trade and accounts receivables	1,049	(131)
(Increase)/decrease in prepayments and sundry receivables	(994)	(826)
(Decrease)/increase in accounts payable	(174)	(511)
(Decrease)/increase in accruals and other liabilities	1,949	5
(Decrease)/increase in taxation payable	(1,114)	1,223
Net cash inflow from operating activities	26,130	30,126

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

(16) Related parties

WIAL is 66% owned by NZ Airports Limited, which is wholly owned by Infratil Limited. Wellington City Council owns the remaining 34% of the Company.

	Transaction Value for the year ended 31 March		Balance receivable/(payable) as at 31 March	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Wellington City Council				
Dividend payment	(11,966)	(10,828)	-	-
Directors' fees	(46)	(18)	-	-
Rates	(2,250)	(2,183)	-	-
Grant	517	257	-	257
Other	(230)	(106)	(13)	23
Infratil and its subsidiaries				
Infratil Group - subvention payment	(36,230)	(35,330)	-	-
Cityline NZ Limited - Airport Flyer Bus services	236	305	24	23
H.R.L. Morrison & Co Limited - Consultancy fees	(47)	(5)	-	-
- Directors' fees	(233)	(182)	-	-
iSite Limited - Advertising services	1,268	1,357	124	157
Infratil Associate				
Z Energy - Lease of property	392	178	38	40

Directors fees of \$233,245 (2014: \$181,962) were paid during the year to H.R.L. Morrison & Co, the company responsible for the day-to-day management of Infratil Limited, for the services of T Brown, P Coman, S Fitzgerald and J Boyes as Directors, and S Fitzgerald and J Boyes as Audit and Risk Committee members. Directors fees of \$46,035 (2014: \$17,513) were paid during the year to the Wellington City Council, for the services of C Wade-Brown as a Director.

From time to time Directors of the Group, or their related entities, may enter into transactions with the Group as members of the public. These transactions are entered into on an arm's length commercial basis.

(17) Financial commitments

(a) Capital commitments

	2015 \$000	2014 \$000
Contracted but not provided for	35,866	3,029

The property, plant and equipment contracted but not provided for relates to terminal development works and sundry other projects.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

(17) Financial commitments (continued)

(b) Leases

Lease commitments to the Group

The Group owns investment properties and other properties, plant and equipment which are leased to produce property income. The lease commitments expire as set out below:

	2015	2014
	\$000	\$000
Between 0 to 1 year	12,738	14,828
Between 1 to 2 years	5,558	10,852
Between 2 to 5 years	10,284	12,834
More than 5 years	8,678	11,414
Total lessor commitments	37,258	49,928

Lease commitments of the Group

The Group has commitments under operating leases relating to the lease of premises and hire of plant and equipment. The lease periods range from 1 to 20 years. The lease commitments expire as set out below:

	2015	2014
	\$000	\$000
Between 0 to 1 year	821	805
Between 1 to 2 years	506	775
Between 2 to 5 years	2,289	2,258
More than 5 years	3,352	4,100
Total lessee commitments	7,268	7,938

(18) Contingent liabilities

There were no contingent liabilities outstanding at 31 March 2015 (2014: nil).

(19) Key management personnel disclosures

	2015	2014
	\$000	\$000
Short-term employee benefits	2,794	2,493

The key management personnel include the Directors of WIAL, the Chief Executive Officer and those personnel reporting directly to the Chief Executive Officer. The Directors' fees of \$337,591 (2014: \$328,498) disclosed in Note 4: Operating expenses are included within short-term employee benefits as they form part of the remuneration to key management personnel.

(20) Infratil staff share scheme

WIAL participates in two staff share schemes, namely an executive share scheme and a staff share purchase scheme.

WIAL has recorded \$283,321 in profit or loss in respect of the executive share scheme for the year ended 31 March 2015 (2014: \$131,928). In association with employee participation in the staff share purchase scheme, WIAL has recorded \$20,360 in interest free loans as at 31 March 2015 (2014: \$19,170).

(21) Events after balance date

There were no disclosable events after balance date.

**STATUTORY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2015**

Directors' interests

The Directors have given the following notices of disclosure of interest which have been entered into the Company's register of interests.

Director	Name of party in which Director has an interest	Nature of interest
Timothy Brown	Creative Capital Arts Trust	Chairman
	MCL Capital Limited	Chairman
	MCL Capital No. 1 Limited	Chairman
	Mana Capital Holdings Limited	Director
	New Zealand Bus Limited	Director
	New Zealand Bus Company Finance Limited	Director
	New Zealand Opera	Director
	North West Auckland Airport Limited	Director
	H.R.L. Morrison & Co Limited	Executive
	H.R.L. Morrison & Co Limited	Executive
Jason Boyes	Aspire Schools (Qld) Pty Limited	Director
	Aspire Schools Holdings (Qld) Pty Limited	Director
	Infratil Infrastructure Property Limited	Director
	ISite Limited	Director
	Learning Infrastructure Partners GP Limited	Director
	Living & Learning Custodians Pty Limited	Director
	Living & Learning Finance Pty Limited	Director
	Living & Learning Holdings Custodians Pty Limited	Director
	Morrison & Co PIP Limited	Director
	Morrison & Co Property Group Limited	Director
Peter Coman	New Lynn Central Limited Partnership	Director
	Next Step Partners GP 1 Limited	Director
	Next Step Partners GP Limited	Director
	QEPO Landowner Pty Limited	Director
	Woodward Infrastructure Limited	Director
	H.R.L. Morrison & Co Limited	Executive
	Infratil Airports Europe Limited	Chairman
	PAPT Holdings Pty Limited	Director
	PAPT Nominees Pty Limited	Director
	Perth Airport Development Group Pty Limited	Director
Steven Fitzgerald	Perth Airport Pty Limited	Director
	Perth Energy Pty Limited	Director
	RA 2014 Pty Limited	Director
	RA (Holdings) 2014 Pty Limited	Director
	Western Energy Pty Limited	Director
	H.R.L. Morrison & Co Limited	Executive
	Taranaki Investment Management Limited	Chairman
	Tasman Farms Limited	Chairman
	Gough Group Limited	Director
	OSPRI New Zealand Limited	Director
Keith Sutton Independent Director	Sutton McCarthy Limited	Director
	Sealord Group Limited	Director
	Wools of New Zealand Limited	Director
	The Van Diemen's Land Company	Governor
	Te Tumu Paeroa Advisory Board	Member

**STATUTORY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2015**

Celia Wade-Brown	Cetal Limited	Director
	Wellington City Council	Mayor
	Living Street Aotearoa	Member
	Friends of Taputeranga Marine Reserve Trust	Patron
	Island Bay & Berhampore Community Orchard Trust	Patron
	Wellington Art Club	Patron
	Evans Bay Yacht and Motor Boat Club	Patron
	Kelburn Municipal Croquet Club	Patron
	Friends of Tawa Bush Reserves	Patron
	National Council of Women	Patron
	New Zealand Opera	Patron
	Onslow Historical Society	Patron
	Pan Pacific and South East Asian Woman Association	Patron
	Parent Help	Patron
	Rainbow Wellington	Patron
	Table Tennis Wellington	Patron
	Royal Humane Society of New Zealand Inc	Patron
	Wellington Orchestra	Patron
	Wellington Historical and Early Settler's Association	Patron
	Wellington Municipal Croquet Club	Patron
	Wellington Rose Society	Patron
	Wellington Rowing Club	Patron
	Wellington Youth Orchestra & Wellington Youth Sinfonietta	Patron
	Wellington Xiamen Association	Patron
	Orpheus Choir Wellington	Patron
	Wellington Tramway Museum	Patron
	Pelorus Trust Wellington Brass Band	Patron
Sounds Capital Inc	Patron	
Harbour Capital Chorus	Patron	

**STATUTORY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2015**

Remuneration of Directors

Fees paid and payable to Directors during the year were as follows:

Director name	Fees
Timothy Brown (Chairman)	\$81,840
Jason Boyes	\$52,685
Peter Coman	\$46,035
Steven Fitzgerald	\$52,685
Keith Sutton	\$58,311
Celia Wade-Brown	\$46,035

The Directors received no other remuneration or benefits for services in that office or in any other capacity other than as disclosed in Note 16.

Entries in the interest register

The information below is given pursuant to the New Zealand Exchange Listing Rules.

	Beneficial Interest	Non Beneficial Interest
Retail Bond Issue		
Timothy Brown	\$100,000	-
Keith Sutton	-	\$1,500,000

All bonds were purchased during the year ended 31 March 2014.

Loans to Directors

No loans have been made by the Group to a Director nor has the Group guaranteed any debts incurred by a Director.

Use of group information

There were no notices from Directors requesting use of Group information received in their capacity as Directors, which would not otherwise have been available to them.

Directors' indemnity insurance

As authorised by its constitution, the Group has arranged policies of Directors' and Officers' liability insurance with cover appropriate for the Group's operations.

**STATUTORY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2015**

Remuneration of employees

Grouped below, in accordance with section 211(1)(g) of the Companies Act 1993, are the number of employees or former employees of the Company and its subsidiaries, excluding Directors of WIAL, who received remuneration and other benefits in their capacity as employees, totalling \$100,000 or more, during the year:

Amount of remuneration	Employees
\$100,000 to \$110,000	5
\$110,001 to \$120,000	2
\$120,001 to \$130,000	3
\$140,001 to \$150,000	2
\$150,001 to \$160,000	2
\$160,001 to \$170,000	1
\$170,001 to \$180,000	5
\$180,001 to \$190,000	1
\$220,001 to \$230,000	2
\$280,001 to \$290,000	1
\$340,001 to \$350,000	1
\$370,001 to \$380,000	1
\$570,001 to \$580,000	1

Diversity of personnel

The Group considers that a merits based approach is appropriate for the selection and promotion of employees and executives, and for the composition of the Board and as such has not set specific targets for gender diversity.

At 31 March 2015, the WIAL Board consisted of five male Directors and one female Director (31 March 2014: five male Directors and one female Director), and the Executive consisted of six male Executives and two female Executives (31 March 2014: six male Executives and one female Executive).

CORPORATE GOVERNANCE

Role of the Board

The Board of Directors of WIAL is appointed by the shareholders to supervise the management of WIAL. The Board establishes WIAL's objectives, overall policy framework within which the business is conducted and confirms strategies for achieving these objectives, monitors management performance and ensures that procedures are in place to provide effective internal financial control. The Board regularly monitors the Group's occupational safety and health system with a view to ensuring the safety of the Group's employees, contractors and agents.

Board Membership

The Board currently comprises six non-executive Directors.

Infratil, as the majority shareholder of WIAL, appointed four of the current Directors. The two remaining Board members have been appointed by the Wellington City Council.

During the period under review, the Board met eight times with a full agenda.

Directors' Shareholding

Under the constitution Directors are not required to hold shares in the Company.

Audit and Risk Committee

The Board has established an Audit and Risk Committee comprising of three Directors, Mr K Sutton (Chairman), Mr S Fitzgerald and Mr J Boyes with attendances by appropriate WIAL representatives.

The main objectives of the Audit and Risk Committee are to:

- Assist the Board to discharge its responsibility to exercise due care, diligence and skill in relation to the Group's governance processes including assessing the adequacy of the Group's:

- o financial reporting;
- o accounting policies;
- o financial management;
- o internal financial reporting (and operational) control system; procurement process controls;
- o risk management system;
- o insurance and systems for protecting the Group assets and income;
- o related party transactions; and
- o compliance with applicable laws, regulations, standards and best practice guidelines as they relate to financial and non-financial disclosures.

- Enhance the efficiency of the Board by allowing delegated issues to be discussed in sufficient depth and, where necessary, with appropriate independent advice.

- Ensure the adequacy of the internal control system for financial reporting integrity

- Facilitate the continuing independence of the external auditor, monitor performance, and enhancing the effectiveness of external audit.

- Provide a formal forum for enhancing communication between the Board, senior financial management and external audit, ensuring there has been no unjustified restrictions or limitations placed on the auditors.

During the period under review the Audit and Risk Committee met four times with a full agenda.

Other Committees

The Board has established a Treasury Committee comprising of three Directors, Mr T Brown (Chairman), Mr K Sutton and Mr J Boyes with attendances by appropriate WIAL representatives.

The duties of the Treasury Committee are allocated by the Board and include the following:

- to review and recommend to the Board any changes to the treasury management policy;
- to oversee the development of the strategy to implement the treasury management policy;
- to recommend to the Board instrument types that may be used; and
- to recommend to the Board bank counterparties and counterparty limits.

The Board has established a Remuneration Committee comprising of two Directors, Mr T Brown (Chairman) and Mr K Sutton with attendances by appropriate WIAL representatives. The duties of the Remuneration Committee is primarily to ensure that members of the executive team are fairly remunerated relative to comparable positions within the New Zealand market.

CORPORATE GOVERNANCE (continued)

Internal Financial Control

The Board has overall responsibility for the Group's system of internal financial control. The Directors have established procedures and policies that are designed to provide effective internal financial control.

Annual budgets and long term strategic plans are agreed by the Board.

Financial statements are prepared regularly and reviewed by the Board throughout the year to monitor performance against budget targets and objectives.

Risk Management and Compliance

The Audit and Risk Committee also has a function of reviewing management practices in relation to the identification and management of significant business risk areas and regulatory compliance. Formal systems have been introduced for regular reporting to the Board on business risk and compliance matters.

Management is required to, and has confirmed to the Audit and Risk Committee and Board in writing that:

- Financial records have been properly maintained and the Group's financial statements present a true and fair view, in all material respects, of the Group's financial condition, and operating results are in accordance with relevant accounting standards;
- The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (GAAP) and comply with International Financial Reporting Standards (IFRS) and other applicable financial reporting standards for profit-orientated entities; and
- Appropriate and effective internal controls and risk management practices are in place to safeguard and protect the Group's assets and to identify, assess, monitor and manage risk, and identify material changes to the Group's risk profile.

Directors' and Officers' Insurance

The Group has arranged Directors' and Officers' liability insurance covering Directors acting on behalf of the Group. Cover is for damages, judgements, fines, penalties, legal costs awarded and defence costs arising from wrongful acts committed while acting for the Group. The types of acts that are not covered are dishonest, fraudulent, malicious acts, or omissions, wilful breach of statute or regulations, or duty to the Group, improper use of information to the detriment of the Group or breach of professional duty.

Independent Professional Advice

With the approval of the Chairman, Directors are entitled to seek independent professional advice on any aspect of the Directors' duties, at the Group's expense.

Going Concern

After reviewing the current results and detailed forecasts, taking into account available credit facilities and making further enquiries as considered appropriate, the Directors are satisfied that the Group has adequate resources to enable it to continue in business for the foreseeable future. For this reason, the Directors believe it is appropriate to adopt the going concern basis in preparing the financial statements.

Shareholder and other Stakeholder Communications

The Board aims to ensure that shareholders and other stakeholders are informed of all major developments affecting the Group's state of affairs. Information is communicated to shareholders in the annual report, interim report and media releases.

Corporate Governance Best Practice Code

The Group supports the Corporate Governance Best Practice Code promulgated by the New Zealand Exchange. In a number of respects, the Group's practice differs from this Code. In particular, the Group has not established a separate Director Nomination Committee. The Group considers that it is properly dealing with these issues at the full Board level. Copies of the Group's Code of Ethics are available upon request from the Company Secretary.

FIVE YEAR SUMMARY & STATISTICS

WIAL AIRPORT STATISTICS					
Passenger movements (000's)	2015	2014	2013	2012	2011
Domestic	4,682	4,684	4,647	4,474	4,480
International	775	753	727	718	655
Total	5,457	5,437	5,374	5,192	5,135
Aircraft movements	2015	2014	2013	2012	2011
Domestic	78,448	81,744	84,064	81,952	83,072
International	5,520	5,742	5,800	5,708	5,512
Military, freight, private and other movements	9,232	9,055	10,134	13,249	12,112
Total	93,206	96,541	99,998	100,909	100,696
Number of employees	2015	2014	2013	2012	2011
FTE	94	90	86	87	84

WIAL CONSOLIDATED FINANCIAL RESULTS					
Statement of financial position (\$000's)	2015	2014	2013	2012	2011
Non-current assets	805,327	799,478	794,089	781,503	702,136
Current assets	36,175	42,848	18,692	13,180	42,331
Total assets	841,502	842,326	812,781	794,683	744,467
Non-current liabilities	378,442	375,638	259,547	360,843	349,023
Current liabilities	26,952	26,356	125,546	25,591	26,153
Total liabilities	405,394	401,994	385,093	386,434	375,176
Net assets/Shareholders' equity	436,108	440,332	427,688	408,249	369,291
Statement of profit and loss (\$000's)	2015	2014	2013	2012	2011
Revenue	108,310	110,890	106,189	99,467	92,625
Operating expenses (excluding subvention payment)	(26,202)	(24,858)	(23,249)	(24,002)	(22,320)
EBITDAF before subvention payment	82,108	86,032	82,940	75,465	70,305
Investment property revaluation increase/(decrease)	371	511	4,698	922	207
Property, plant and equipment revaluation decrease	-	-	-	-	(213)
Gain/(loss) on sale of fixed assets	(19)	118	602	(3)	2
Change in value of financial instruments designated as fair value through profit or loss	(1,182)	10,168	(689)	(9,578)	(12,521)
Loss on sale of residential houses	(674)	(959)	(4,922)	-	-
Operating earnings before subvention, interest, tax and depreciation	80,604	95,870	82,629	66,806	57,780
Depreciation	(16,210)	(15,781)	(16,017)	(17,553)	(14,403)
Earnings before subvention, interest and tax	64,394	80,089	66,612	49,253	43,377
Net finance expense	(17,734)	(18,670)	(19,438)	(19,103)	(16,925)
Subvention payment	(38,230)	(35,330)	(29,982)	(30,137)	(27,245)
Profit/(loss) before taxation	8,430	26,089	17,192	13	(793)
Taxation	1,246	(2,634)	(946)	3,836	(18,310)
Profit/(loss) after taxation	9,676	23,455	16,246	3,849	(19,103)
Net profit from discontinued operations after taxation	-	-	-	5,132	-
Dividends	(11,966)	(10,828)	(8,826)	(49,061)	(8,341)
Retained earnings/(deficit)	(2,290)	12,627	7,420	(40,090)	(27,444)



Independent auditor's report

To the shareholders of Wellington International Airport Limited

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Wellington International Airport Limited and its subsidiaries ("the group") on pages 3 to 26. The financial statements comprise the consolidated statement of financial position as at 31 March 2015, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with generally accepted accounting practice in New Zealand, the New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our firm has also provided other services to the group in relation to taxation and other assurance services. Partners and employees of our firm also deal with the group on normal terms within the ordinary course of trading activities of the business of the group. These matters have not impaired our independence as auditor of the group. The firm has no other relationship with, or interest in, the group.



Opinion

In our opinion, the consolidated financial statements on pages 3 to 26 comply with generally accepted accounting practice in New Zealand and present fairly, in all material respects, the consolidated financial position of Wellington International Airport Limited as at 31 March 2015 and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

A handwritten signature of the KPMG firm, appearing as 'KPMG' in a dark, ink-like font.

13 May 2015
Wellington

FINAL 2015/16 STATEMENTS OF INTENT FOR COUNCIL CONTROLLED ORGANISATIONS

Purpose

1. To receive and consider the 2015/16 Statements of Intent for the Basin Reserve Trust (the Basin or BRT), the Wellington Museums Trust (the Museums Trust or WMT) and the Wellington Regional Stadium Trust (the Stadium or WRST).

Summary

2. At its meeting on 21 April 2015, the Committee reviewed the draft 2015/16 Statements of Intent (SOI) for the Basin and Museums Trust and recommended some changes be communicated to both entities. The recommendations of the Committee have been addressed by the Basin and Museums Trust in their final SOI.
3. The draft 2015/16 SOI for the Museums Trust contained forecast financial statements which were placeholders at the time and subject to change in the final SOI. The Museums Trust financial forecasts that underpin the final 2015/16 SOI are discussed further below.
4. The draft 2015/16 SOI for the Stadium was not considered by the Committee at its meeting on 21 April 2015 because it did not contain the forecast financial statements. This process is consistent with prior years and is due to the timing of the Stadium's board meetings. On 15 May the Stadium's SOI including forecast financial statements was received and this document has been reviewed by officers and is discussed further below.
5. The Council's 10-year plan will be considered at the meeting of the Governance, Finance and Policy (GFM) committee meeting on 25 May 2015. Because of the timing of this meeting, any changes made to funding Council Controlled Organisations and related projects cannot be addressed by each CCO in its final 2015/16 SOI.
6. Officers will work with the CCOs to address the impact of any changes to the Council's 10-year plan on their SOIs.

Recommendations

That the Economic Growth and Arts Committee:

1. Receive the information.
2. Note that following the Committee meeting on 21 April 2015 the officers wrote to the Council Controlled Organisations requesting changes to be made in their Statements of Intent and that these changes have been included in the final Statements of Intent.
3. Note that the 2015/16 Statement of Intent for the Wellington Museums Trust acknowledges Council's requirement that the Trust will implement Council's Wellington Living Wage initiative and in 2015/16 the Trust forecasts that the cost of this initiative will cause it to incur an operating deficit of \$30,000 (excluding Carter Observatory).
4. Note that the Council's 10-year plan was considered at the meeting of the Governance, Finance and Planning Committee on 25 May 2015. Because of the timing of this

meeting, any potential changes made to funding for Council Controlled Organisations and related projects are not addressed in this report or the individual Statements of Intent.

5. Agree to recommend that the Council approve the 2015/16 Statements of Intent for the Basin Reserve Trust, the Wellington Museums Trust and the Wellington Regional Stadium Trust subject to officers addressing the impact of any changes to the funding for Council Controlled Organisations that results from the Council's 10-year plan at the meeting of the Governance, Finance and Planning Committee on 25 May 2015:
6. Note any issues for the Chair to raise with the entities covered by this report.

Background

7. Under the Local Government Act 2002, CCOs are required to submit a draft SOI to the Council by 1 March in the previous financial year. As a matter of good practice, the Council precedes this with a Letter of Expectation which outlines the Council's expectations in respect of the SOIs it will receive.
8. Officers received the draft SOIs and tabled these at the Economic Growth and Arts Committee meeting on 21 April 2015. The report included issues that had been identified in each draft SOI that were expected to be addressed in the final SOI. Officers then wrote to each CCO, highlighting these issues and requesting that they be addressed in the final SOI.
9. The final SOIs are included in this report for referral to the Council for its approval. As the key accountability document between the Council and the Board of each entity, the approval or support of the SOI is important in confirming the strategic direction and accountability to Council of each organisation.

Discussion

10. Officers have reviewed the 2015/16 SOIs and acknowledge that they respond constructively to the Letters of Expectations and the subsequent comments and recommendations of the Committee. The main areas for the committee to note are as follows:

Basin Reserve Trust:

11. In the 2015/16 SOI the Basin Reserve Trust responds to the points raised by the Economic Growth and Arts committee.
12. The Trust has updated the SOI to include a performance measure to show when a Business Continuity Plan for the Trust will be completed, updated community activity targets to reflect the increase in community activity that was anticipated in the Letter of Expectation, and a specific target to secure an international test match each year at the Basin Reserve.
13. Officers recommend that the Economic Growth and Arts Committee recommend that the Council approve the Basin's 2015/16 SOI.

Wellington Museums Trust:

14. The 2015/16 SOI the Museums Trust responds to the points raised by the Economic Growth and Arts committee.

Wellington Museums Trust (excluding Carter Observatory)

15. The original placeholder financial statements from the draft 2015/16 SOI have been replaced by actual forecast financial statements that respond to the Trust's implementation of Council's Wellington Living Wage initiative and Council's expectation that the Trust (excluding Carter Observatory) will fund its depreciation and deliver a breakeven budget in all other respects.

16. The SOI acknowledges Council's requirement that the Trust will implement Council's Wellington Living Wage initiative. In year one (2015/16) the Trust forecasts that the cost of this initiative will cause it to incur an operating deficit of \$30,000 (excluding Carter Observatory). Subject to deliberations, it is expected that the \$30,000 deficit will be funded through the 10-year plan which will allow the Trust to meet Council's expectation of delivering a breakeven budget in 2015/16.

Carter Observatory

17. At its meeting on 21 April 2015, the Committee noted that the projected operating deficit for Carter Observatory in 2015/16 was \$224,000 in response to the implementation of a new operating model. In response to further discussions with officers and further work on the financial forecasts for the SOI, the Trust is now forecasting an operating loss for Carter Observatory of \$123,000 in 2015/16 reducing to \$44,000 the following year as the benefits of a revitalised business model for Carter Observatory begin to take effect.

18. Officers recommend that the Economic Growth and Arts Committee recommend that the Council approve the Museum Trust's 2015/16 SOI.

Wellington Regional Stadium Trust:

19. The Stadium's 2015/16 SOI responds to the Letter of Expectation agreed by the Economic Growth and Arts committee on 18 November 2014. The main areas for the committee to note are as follows:

20. The Stadium clearly articulates the alignment of its priorities to Council's strategic direction and commits to the continuation of its strong partnership with the former Positively Wellington Tourism, Positively Wellington Venues and Grow Wellington that now make up the Wellington Regional Development Agency Ltd.

21. The Stadium's 2015/16 SOI responds to Council's expectations that it should discuss how it is coping with declining attendances to some of its traditionally strong sporting events. The SOI highlights how the Stadium Trust is diversifying its venue hirers while maintaining its long run average annual attendances around 500,000 fans and attendees. The mix of events has changed markedly since the stadium opened in 2000 and it is no longer exposed to any particular code or event for its attendances.

22. The stadium is running at a high level of capacity utilisation hosting over 50 event days each year in addition to community event days. It also hosts up to 1,000 non-event related functions, conferences and meetings each year. The Trust is mindful that growing its revenue base is critical and it has strengthened its business development capability to target new memberships and corporate box sales, additional casual hospitality revenue, new brand signage clients, a new naming rights sponsor for the Stadium Members Club and a new naming rights sponsor for the Mezzanine Bar.

23. Over the next three years, the Stadium Trust has earmarked a capital investment programme in new master plan related projects that will see a \$7.5m concourse upgrade and a \$1.5m technology upgrade. The concourse upgrade is subject to the Stadium Trust receiving \$5.0m from Council which is currently the subject of deliberations in Council's 10-year plan. In addition to the upgrades, the Trust is

budgeting to replace the turf at a cost of \$2.2m and has earmarked other capital expenditure and master plan projects totalling \$5.9m. The total planned capital expenditure over the next three years is \$17.1m.

24. Officers recommend that the Economic Growth and Arts Committee recommend that the Council approve the Stadium Trust's 2015/16 SOI.

Attachments

Attachment 1.	Wellington Museums Trust final SOI 2015/16	Page 80
Attachment 2.	Basin Reserve Trust final SOI 2015/16	Page 117
Attachment 3.	WRST final SOI 2015/16	Page 130

Authors	Richard Hardie, Portfolio Manager Warwick Hayes, CCO Project Manager
Authoriser	Derek Fry, Director City Growth & Partnerships

SUPPORTING INFORMATION

Consultation and Engagement

The organisations in this report consult with the Council on a wide range of matters as part of our “no surprises” relationship.

Treaty of Waitangi considerations

This report raises no new treaty considerations.

Financial implications

The CCOs work within the context of the Council’s overall Long Term Plan and Annual Plan framework.

Policy and legislative implications

This report complies with the legislative requirements of the Local Government Act (2002) and is consistent with existing Council policy.

Risks / legal

Not applicable.

Climate Change impact and considerations

The CCOs work with the Council and other organisations in considering the environmental sustainability of their operations, including with the Council’s Our Living City programme.

Communications Plan

Not applicable.



**Statement of Intent 2015-16
Wellington Museums Trust**

Presented to the Economic Growth and Arts Committee
pursuant to Section 64 of the Local Government Act 2002

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Overview

The Heart of Wellington

Wellington Museums Trust is proud of the contribution it makes to the capital: we open the doors to remarkable experiences that set Wellington apart, welcoming over 600,000 local, domestic and international visitors every year.

Our team, our exhibitions, events and public programmes contribute huge amounts to the economic and cultural success of the city, making it a great and vibrant place to visit, live, work and invest in. Our value to Wellington is measured in terms of popularity with visitors, the accolades of peers and international experts, the value that Wellingtonians place on having such assets in their city, and the connection we make to communities. We are proud of the difference we make to the city's economy, its appeal as a liveable city, and its reputation as a centre of excellence for arts, culture and creativity.

Impact upon the City

Preliminary findings of a pilot research project undertaken in partnership with Council shows that our portfolio delivers a significant social return on investment for the city: every Trust institution is highly valued by residents for their contribution to civic pride and great city living. For every dollar the Council invests in City Gallery each year, \$2.70 is returned - for Capital E that figure is \$4.90: a significant and healthy economic impact.

Financial Position

Our ability to meet fixed-cost increases while striving to break-even, fully-fund depreciation and maintain quality visitor experiences remains our biggest challenge. An increase in Council funding would assist us to address diminishing budgets for exhibitions, public programmes and personnel. Council owns all the assets managed by the Trust. Every dollar raised by the Trust from non-Council sources reduces the amount of funding required from the Council to enable the Trust to provide quality visitor experiences using those assets... The Trust will continue to seek to optimise revenue raised from non-Council sources and to target a minimum 30% contribution to total revenue.

Application of stringent budget constraints has resulted in a break-even budget for 2015-16 excluding an unfunded budget of \$35,000 to commence the implementation of Wellington's Living Wage over three years. To achieve break-even we have budgeted only 1% increase for salaries and wages. This means that we will not achieve our policy objective of an average of 96% of base salary median and will undermine our efforts to reduce staff turnover. Programming budgets have been capped. This risks reducing our effectiveness and relevance to Wellingtonians and visitors to the city.

These outcomes are not acceptable, in even the short term, and we have instigated a *Strategic Review of Offerings* which will result in a combination of savings and increased revenue which can be used to restore exhibition and programming budgets and to move the Trust into a position to achieve remuneration policy objectives for salaries and wages. We anticipate that the scope, scale and accessibility of our offerings and services we provide will inevitably be affected. We have commenced the review and identified options for further analysis over the coming months in time for the preparation of our 2016-17 Statement of Intent.

In 2015-16, we will place an even sharper focus on staff engagement in the development and delivery of strategies to increase revenue. Opportunities include: improved retail at City Gallery (subject to CAPX investment) and enhanced venue hire facilities in the Museum of Wellington City & Sea as a result of the current development. Fundraising will continue to be a priority and, pending the conclusion of our review, foundations will be laid for better coordination across the organisation. The effect on our audience of charging admission fees for non-residents, and enhanced charges for programming will also be re-examined. However, research has indicated that cost of participation presents a major barrier to our audience, and would risk reducing access to these Council assets.

Detailed analysis of the Trust's opportunities for non-Council revenue, such as retail, venue hire, admission charges and fundraising is contained in the section titled: **Council's Expectations**.

Focus in 2015-16

Our focus in 2015-16 is on projects that cement the Trust's economic and cultural impact. Our priority projects in this Statement of Intent are:

- The Museum of Wellington City & Sea development including completion of Phase One in 2015;
- Progression of plans to revitalise City Gallery's orientation foyer and entrance; and
- Development of strategies to implement findings of the review of the Trust's provision for children and young people.

These reflect the priorities and performance commitments outlined in our Strategic Plan and our desire to make a relevant and compelling contribution to the city's future.

Health & Safety

We will continue our active management of health and safety with the objective of full compliance with the new Health and Safety at Work legislation. Our goal is to develop and maintain a zero harm culture by 2016-17. We will also continue to work with Council to ensure that the Council buildings we occupy meet health and safety standards for staff and visitors.

Museum of Wellington City & Sea Development

We acknowledge with thanks Council's commitment to further capital investment in the development of the Museum of Wellington City & Sea through the Long-Term Plan (LTP). Phase One of the development will be completed and open to the public in 2015 with the support of the New Zealand Lottery Grants Board, the Ministry for Culture and Heritage and Council's \$1.6 million contribution. Phase Two (the re-modelling of the second and third floors) and Phase Three (ground floor and integration with Queens Wharf) will follow subject to financial support.

Carter Observatory

Having reviewed Carter Observatory's operation in 2014-15 a new business model will be rolled out in 2015-16 including the rebranding of the visitor experience as *Space Place*, revised opening hours and pricing. Council considered the financial implications of this new business model as part of our LTP submission and confirmed in the Letter of Expectation that Carter will continue to operate under the existing Management Agreement.

Capital E and the Trust's Provision for Children & Young People

Capital E has settled into new accommodation and will take on an enhanced remit: to ensure that children and young people feel welcome, included and important at all Trust experiences. Sector partnership will continue to be the hallmarks of the Trust's work and mean that we are in the forefront of New Zealand's arts, culture and heritage scene and are seen as sector-leaders.

Strategic Framework

In 2014 we worked to refine the Trust's vision, purpose statements and goals to ensure that they reflect our commitment to Wellington; our visitors; our financial viability; our heritage; and our staff. Together these provide the framework for this document, the foundation of our 2014-18 Strategic Plan and will shape our future and the impact we make upon residents and visitors to the capital.

Introduction

The Wellington Museums Trust operates six institutions on behalf of Wellington City Council. These are Capital E, Carter Observatory, City Gallery Wellington, Colonial Cottage Museum, Museum of Wellington City & Sea (including the Plimmer's Ark display in the Old Bank Arcade) and the Wellington Cable Car Museum. We also have a management agreement with the New Zealand Cricket Museum Trust to provide in-kind support including financial management. These onsite, online and outreach experiences encompass art, heritage, culture, social history, science, theatre and digital technology. Our diversity is our strength and point of difference.

The Trust was established by Council in 1995 and is dependent on Council for long-term financial sustainability and to operate as a going concern. Council's direct financial contribution represents 70% of total budget.

The Statement of Intent reflects the relationship and interest that the Council has in the Trust and the contribution of the Trust to the Council's vision for the future of Wellington. Specifically it outlines our intentions for the next three years with detailed focus on the financial period to 30 June 2016.

Key Performance Indicators (KPI) are used to assess achievements and progress towards the Trust's vision, goals and strategic priorities which link to Council's strategic priorities as expressed through *Wellington Towards 2040: Smart Capital* and other relevant strategies and plans.

The Trust is a Council Controlled Organisation and this Statement of Intent is a strategic compliance document presented in accordance with Section 64 of the Local Government Act 2002.



Strategic Direction

We provide the city with world-class museums, cutting edge contemporary art, the region's only publically accessible space science experience and the only facility in New Zealand dedicated to children and their creativity.

Our Purpose, Vision and Values

Wellington Museums Trust is a unique combination of institutions that collaborate and draw upon each other's strengths, skills and knowledge to deliver excellent experiences. Our work is underpinned by our purpose, vision and values:

Purpose:

"Our business opens the doors to remarkable experiences that set Wellington apart"

Vision:

"Excellent experiences that Wellingtonians proudly share with the world"

Our Values:

We:

- Value our visitors; giving them excellent experiences that are safe, welcoming and accessible
- Prize our staff, supporters and extraordinary assets
- Lead in our fields: individually and as a collective
- Use the power of our diverse group of institutions to make a difference to Wellington
- Are agile. We respond to changes in our audience's needs, stakeholder expectations and operating environment
- Don't stand still. We learn and improve together
- Strive to grow a robust, sustainable business

Strategic Plan 2014-18

Our purpose, vision and values underpin our Strategic Plan, and in this document we set out an ambitious programme for 2014-18 to achieve this vision through five goals:

We will **achieve excellence** by providing remarkable experiences and leading in our fields: individually and as a collective. We make a difference to our sector and our city.

We will **understand and grow our audience**, ensuring that our visitors reflect the region's demographic profile.

We will **understand and improve our impact** upon, and value to Wellington and Wellingtonians.

We will continue our focus on our **people, places and processes**.

We will ensure that we are **financially viable** and grow as a robust, sustainable business.

Experience Wellington

Council's Expectations

Alignment with Council

Wellington Museums Trust priorities align with and reflect Wellington City Council's strategic direction as outlined in the draft 2015 Long-term Plan. Our strategy and policy is informed by and refers to Wellington 2040, Council's Arts and Culture Strategy, Economic Development Strategy, Events Policy, Accessible Wellington Action Plan, and other relevant guiding documents.

Links to Council's Arts and Culture Priorities:

Council Arts & Culture Priority	Wellington Museums Trust Focus in 2015-16
<i>Reinvigorate the capital city cultural experience</i>	<p>Council's Research and Evaluation team has undertaken a pilot Social Return on Investment study with the Trust that clearly demonstrates that our visitor experiences are Wellington landmarks, greatly valued by Wellingtonians and visitors to the city. They generate significant social and economic value and are a source of pride and drivers of visitation, and recommendations to visit the city.</p> <p>Significant capital projects are slated for 2015-16 that will enhance two significant city assets: the Museum of Wellington City and Sea development will reinvigorate Queens Wharf.</p> <p>City Gallery Wellington's plan to develop its entrance, foyer and ground floor will contribute greatly to the development of Civic Square.</p>
<i>Wellington as a region of confident identities</i>	<p>As outlined in our 2014-18 Strategic Plan, we are committed to reflecting the diversity of our region. In 2015-16 our priority audiences are children and young people and people with hearing, visual and/or mobility impairments.</p>
<i>Active and engaged people</i>	<p>Each year, the Trust delivers hundreds of programmes and events and invites active engagement at each of our sites, online and through outreach. These sit against a backdrop of high-quality exhibitions and experiences. In 2015-16 over 600,000 people will visit our institutions, another 202,500 will participate in our activities through web and mobile sites and, together with 30,000 Facebook friends, participation in our activities will exceed 832,000.</p>
<i>A centre of creative learning</i>	<p>The Trust welcomes over 40,000 school children to structured programmes delivered by trained educators at our sites every year.</p> <p>We offer high quality, curriculum-linked learning experiences for audiences of all ages: from space science to visual art; from heritage to performing arts; and from creative digital technology to film-making.</p>
<i>Our creative future through technology</i>	<p>Capital E provides a range of creative digital technology learning opportunities for children and young people</p> <p>Carter Observatory is home to a state of the art digital planetarium.</p> <p>City Gallery Wellington showcases the best of contemporary art, including many digital and film works.</p>

Implementing Wellington's Living Wage

Council has advised that it expects the Trust will implement Wellington's Living Wage. The Trust intends to give Wellington's Living Wage effect, in accordance with the Trust's remuneration policy and with a specific policy to be developed and implemented by the Trust, in a way that is 'fair, affordable and appropriate' via a staged approach over three years, starting in 2015-16.

Engagement with the Wellington Regional Economic Development Agency (WREDA)

The Trust will seek relevant opportunities to engage with WREDA to support mutual objectives and outcomes for Wellington's economic growth.

Health & Safety Legislation

We will continue our active management of health and safety with the objective of full compliance with the new Health and Safety at Work legislation. Our goal is to encourage an organisation-wide commitment to develop and maintain a zero harm culture for both staff and visitors. We will also continue to work with Council to ensure that the Council buildings we occupy meet health and safety standards for staff and visitors. The full financial impact of the new Health and Safety legislation on our operation is yet to be ascertained, and will be factored into our *Strategic Review of Offerings*.

Business Continuity Plan

We will review our Business Continuity Plan (BCP) in consultation with Council's Manager Risk Assurance.

Opportunities to Grow Visitation and/or Reduce Costs so that total 'Per Visit' Cost to Council does not increase over time

The 'Per Visit' cost to Council is arrived at by dividing the Trust's total number of visitors into the Council operating grant excluding the rental subsidy. Increases to the operating grant or variations in visitor numbers affect this calculation. The Trust continues to be among the most efficient Council funded visitor experience operations in New Zealand with an aggregated subsidy per visit tracking <\$10 against a target for 2014-15 <\$11.

The 'Per Visit' cost is also affected by Council's assessment of its ownership interest in the Trust's operation. This is a cost over which we have no control.

As budgets for exhibitions and public programmes are reduced as a result of fixed costs increases, the vibrancy of our changing exhibition and event programme as drivers of profile and interest are likely to diminish and ultimately affect visitation - negatively affecting the 'Per Visit' costs.

Strategies and Opportunities to Increase Visitation

Across the years of this SOI, our visitor numbers, including what we feel to be conservative figures for the Museum of Wellington City & Sea, are predicted to rise and our subsidy per visit will decrease.

At the **Museum of Wellington City & Sea** visitor numbers have been estimated conservatively: the reveal of the repainted building and opening of Phase One of the development will create an upswing in visitation. However, the as yet unknown impact of Phase Two and Three building works upon visitation (which will begin shortly after Phase One opens) may mask the positive effect of Phase One. Therefore the figures for 2016-17 and 2017-18 will be refined as the positive impact of opening Phase One becomes clear, and plans for Phases Two and Three are confirmed.

City Gallery Wellington predicts a steady increase in its visitation. Visitation at the Gallery is powered by its ability to present a changing and vibrant programme. Constraints on the Gallery's exhibitions and public programme budget have resulted in lengthening the duration of shows. This limits City Gallery's ability to grow its audience and reach, hence the modest growth predicted. In order for City Gallery to substantially increase visitation, a budget that allows it to deliver the best possible programme for Wellington is required.

Capital E's visitor numbers rise and fall according to a two year cycle: The Capital E National Festival of the Arts in 2017 adds approximately 40,000 visitors to the total. In non-Festival years, Capital E is predicting modest growth. This fits with the continued need to rebuild the Capital E brand post-closure of the Civic Square site and the capacity at its interim locations: Capital E Central and Hannah Playhouse.

The **Capital E National Theatre for Children** will continue to use Hannah Playhouse as its Wellington performance base for the remainder of 2015. Whether Hannah Playhouse remains a viable performance venue for the theatre company in the future will depend on the Hannah Playhouse Trust's plans for the theatre which will have been informed by a recently completed feasibility study.

In order to substantially increase visitation to Capital E, an aggressive audience development programme is required. Capital E is still re-building its brand post-opening at its new sites; and due to the narrow age range of their target audience, Capital E's potential pool of loyal visitors turns over very quickly. In addition, co-location of Capital E's offerings in a central city site is advised: both Capital E Central and Hannah Playhouse have capacity constraints; Hannah Playhouse presents a difficult venue for a young audience; and the geographic dislocation of Capital E Central and Hannah Playhouse reduces Capital E's ability to produce truly integrated programming for families.

Resource dedicated to audience development and the future shape of Capital E will be included in our *Strategic Review of Offerings*, and considered in the context of findings from the Trust's 2014 review of provision for Children and Young People, with our objective being to ensure that this audience feels welcomed, included and important at all Trust experiences – whilst remaining within the constraints of our operating budget.

Carter Observatory's visitation is predicted to drop and then rebuild as the new *Space Place* brand and operating model bed in over the three years of this SOI.

Cable Car Museum and **Colonial Cottage Museum** visitation are envisaged to remain stable. Programming and development at these sites are geared toward maintaining the *status quo*. Future capital development at the Cable Car Museum to increase and refresh the exhibition space and visitor facilities would boost visitor numbers. However, the Trust does not have the resource to undertake such a project until after the development of the Museum of Wellington City & Sea is completed.

Strategies and Opportunities to Reduce Costs and Increase Revenue

Reducing our Cost Base

There is little opportunity to reduce operating costs without a significant change in our operating profile including the closure of some facilities. In 2015-16, the Trust will conduct a thoroughgoing *Strategic Review of Offerings* to examine all activity with the objective of continuing to break-even and fully-funding depreciation, whilst maintaining the quality of priority visitor experience outputs and addressing our significant salary lag.

Revenue from Admission Fees

Cost is a major barrier for our audience. Charging admission for Trust sites, and/or imposing commercial entry fees upon every programme we deliver would negatively affect visitation.

The Trust considered the introduction of non-residential admission charges in 2012 at **City Gallery** and the **Museum of Wellington City & Sea** but decided against it after comprehensive research into the attitudes of visitors to charging, the impact on access to these institutions and local market conditions including that the Museum of New Zealand Te Papa Tongarewa did not charge admission. The research indicated potential reductions in attendance (depending on the price of admission at either \$5 or \$10) between 36% and 42% at City Gallery and between 26% and 36% at the Museum.

We will continue to charge admission at **Carter Observatory** under the new operating model but plan to reduce the entry price to facilitate greater access for locals and to encourage repeat visitation.

The majority of programming at **Capital E** involves admission charges. However, we are increasingly aware of the barrier that these present for our audiences and while we are not planning to remove charges, we aim to hold them at current rates.

Entry to the **Colonial Cottage Museum** is by admission and we consider that free entry to the **Cable Car Museum** optimises foot traffic to the retail operation.

Further analysis will be undertaken as part of the *Strategic Review of Offerings*.

Revenue from Retail and Venue Hire

Increasing revenue from retail and venue hire has been factored into the plans for the **Museum of Wellington City & Sea** development. The Attic in Phase One will be an appealing space for corporate venue hire and will include a plating kitchen to maximise opportunities. In Phase Three (remodelling

the ground floor), better integration with Queens Wharf will increase footfall, and improved reception, retail and potentially a new café will stimulate growth in trading revenue. However, during onsite development works, revenue from retail and corporate venue hire may be affected.

At **City Gallery Wellington**, the anticipated development of the interface with Civic Square and the ground floor will improve access to the Gallery and eliminate a significant health and safety hazard relating to the operation of the main door. The improvements will increase footfall and reduce threshold fear. The remodelled orientation lobby will also present new opportunities for retail. The capital investment needed to complete this project was part of our initial LTP submission which was unsuccessful and we intend to apply to Council's mid-year CAPX review with a fully-costed design for these works.

Cable Car Museum operates a highly successful retail operation which is dependent upon foot traffic through the Cable Car precinct. Strategies for success include working with the Cable Car precinct group and associated stakeholders to ensure that the area is refreshed, opportunistic retailing is curtailed, and visitors are aware of the different offerings beyond the Cable Car journey. A capital development for this site is mooted once the Museum of Wellington City & Sea development is complete.

Carter Observatory's retail and venue hire offering has thrived over recent years in spite of bottlenecks around the reception area which if addressed would significantly improve the potential to increase this source of revenue. A modest CAPX bid to improve ticketing layout, visitor flow and access to the retail space will be made through the mid-term CAPX review.

Revenue from Fundraising

Our fundraising activity is linked to activities such as public programmes including exhibitions and the biennial Capital E National Arts Festival or capital fundraising for developments such as the Museum of Wellington City & Sea. Fundraising represents a relatively small percentage of our operating revenue and, as part of our review of services; work is underway to assess further potential. However, the cost associated with employing dedicated, professional fundraiser(s) and rolling out an effective CRM tool may be a barrier to expanding our activities in this area.

Mitigating the Effect of the Development upon Museum of Wellington City & Sea Visitor Numbers

The Museum of Wellington City & Sea will remain open throughout the development. Some areas of the Museum will be closed to visitors as the development moves through the building, but the intention is that visitors will have access to as much of the Museum as possible. An increase in visitation is predicted following the opening of the Attic. However, a concomitant negative impact on visitation is inevitable as Phases Two then Three work begins soon after Phase One opens. This has been taken into consideration in setting conservative targets. As expected for a multi-year, multi-phase project, this is a complex process, and visitor numbers will be refined as we fully understand the positive impact of the opening of Phase One, and the plans for Phases Two and Three are developed.

Carter Observatory

The initial business plan for Carter prepared by Council in April 2009 was optimistic in terms of both revenue and visitation and assumed that Carter would be financially viable and would make a profit after fully-funding depreciation. This has not been the case and Carter has not achieved budget since opening. The Trust's approach has been to mitigate losses through organisation change to reduce costs but it has had to call on Council's underwrite in each year since opening in 2010.

Through the 2013 Letter of Expectation Council sought a review for consideration as part of the 2015 LTP which we undertook and provided in October 2014. Our conclusion was a new operating model including the rebranding of the visitor experience as *Space Place* to attract a wider audience. The *Space Place* brand will be underpinned by the heritage of Carter Observatory.

The new operating model will be implemented in 2015-16 and will include a new pricing structure aimed at attracting local audiences and to encourage repeat visitation. Revised opening hours will ensure optimal access for schools, corporate venue hire and public audiences. The Trust will continue to operate Carter under the exiting Management Agreement and to rely on the cash underwrite.

Operating Environment Update

Factors which affect the operation of our visitor attractions include:

- Changes in relevant legislation;
- Council structure, policy and strategy;
- The changing shape of the city;
- The tourism market and the activities of other visitor attractions within the city and region;
- Developments within our city locations; and
- Natural events such as earthquakes and weather.

Salaries and wages remain our largest cost and an area where we are constantly challenged to remain competitive. High staff turnover continues to be an unproductive drain on resources and ultimately a threat to our financial sustainability.

As a key player in delivering a vibrant city and the operator of a portfolio of institutions that are highly valued contributors to Wellington's economy and attractiveness as a liveable city, we look forward to being an active contributor to WREDA's work.

We also welcome the new developments and major events including the proposed film museum, the opening of Pukeahu National Memorial Park and the Great War Exhibition, World War 1 commemorations and the celebration of the 150th anniversary of Wellington being named capital city. These present opportunities for collaborations across the cultural sector for the benefit of the city as a whole. The Council or the new WREDA has a role to play in orchestrating these opportunities to wring the maximum strategic value from such events and additions to our cultural landscape, and integrating them fully into the city's offering.

The arrival of MindLab, a centre for teacher professional development in digital and collaborative learning opens up possibilities for partnership and a new group of teachers hungry for digital creative experiences for their students. It may also affect the positioning of Capital E's digital offerings.

The planned development of key city locations such as Queens Wharf, Cable Car Precinct and Civic Square is important to our operation. We provide the cultural heart of these iconic parts of the city, and our active participation in discussions driving the future of these is crucial, and central to the success of our businesses.

The regional amalgamation debate continues, and this has affected the way we think about our audience in the longer-term: shifting our perspective to a more regional one. This is exemplified by our approach to the development of the Museum of Wellington City & Sea, and its restated focus as the teller of the stories of *Te Upoko a te Ika a Maui*.

Strategic Framework

Introduction

The Trust strives to improve its operational performance and a number of strategies are in play to develop and strengthen our contribution to Wellington's economic growth and arts. Current focus is on improving access for all to our visitor experiences, enhancing digital engagement opportunities, improving the collection and processing of audience data and implementing an economic impact assessment tool with sector partners.

We will continue to provide sector leadership and apply our expertise to projects which enhance Wellington's position as a great place to visit, live, work and invest in. We are also acutely aware of the need to continue to develop non-Council revenue streams. We remain committed to ensuring that within our operating parameters our activities have the least harmful effect on the environment. These and other strategies are covered in detail in our 2014-18 Strategic Plan.

2015-16 Priority Projects

The following strategic priorities are projects that will significantly influence the operation of the Trust and which require significant investment and/or operational change to realise.

Museum of Wellington City & Sea Development: Implement the visitor experience development plan for the Museum of Wellington City & Sea.

WHAT ARE WE GOING TO DO? Implement the visitor experience development plan for the Museum of Wellington City & Sea - a three phase project scheduled to be completed in 2020.

WHAT HAVE WE DONE SO FAR? This landmark project began in 2010 and Phase One (the Attic) is well advanced. Funding has been secured from Lottery WW1, Environment & Heritage, Council and the Ministry for Culture & Heritage secured. Building works and exhibition development is on schedule to open in 2015-16.

WHAT DO WE WANT TO ACHIEVE? This multi-year development will transform the Museum by 2020 starting with the completion of the Attic Project which will open the top floor of the Bond Store – previously not accessible to the public - with major new exhibitions that will display collections, tell Wellington's stories and showcase the unique features of this Category 1 Heritage New Zealand building. The project also includes earthquake strengthening. Health and safety considerations, access for contractors and phasing of works will govern decisions about public access. Once Phase One is complete, focus shifts to planning for Phase Two.

2015-16 Targets:

- Phase One of the development opens to visitors;
- Substantial Council capital funding for Phase Two and Three is confirmed through Long-term Plan and other channels;
- Fundraising strategy for personal, community and business giving implemented. The target is achieved for Phase One and on track for future Phases;
- Planning for Phase Two proceeds according to plan.

City Gallery Wellington Entrance and Foyer Development

WHAT ARE WE GOING TO DO? Implement a visitor entry and commercial development project at City Gallery Wellington.

WHAT HAVE WE DONE SO FAR? We have outlined the project scope with reference to Council's developing vision for Civic Square. Architecture+ has presented concepts that improve a) Health & Safety and enhance accessibility in the Gallery; revenue generation opportunities and display flexibility within the Gallery and b) exterior signage, access and presence on Civic Square.

WHAT DO WE WANT TO ACHIEVE? Subject to funding and Council addressing health and safety, accessible toilets and maintenance/capital replacement issues, Phase One (re-modelled entrance and orientation lobby) will be complete in 2016-17. Phase Two which develops the area immediately in front of City Gallery on Civic Square and the area facing Harris Street is linked to, and somewhat dependent on, Council's plans for the revitalisation of Civic Square. We will continue to press for the

Gallery, and recognition of the role it plays as the cultural heart of Civic Square, to be represented in the planning of this project.

2015-16 Targets

- Fully scope the project (feasibility, budget and timeframe to completion) in preparation for funding applications;
- Implement fundraising strategy;
- Work with Council property to implement EPC, HVAC and health and safety and visitor access issues.

Provision for children and young people (PCYP): Investigate and implement priority findings from the review of the Trust's provision for children and young people

WHAT ARE WE GOING TO DO? Realise our vision that children and young people encountering us feel welcomed, included and important.

WHAT HAVE WE DONE SO FAR? In 2014 we evaluated the Trust's provision for children and young people. Using the findings from this research as a foundation, we will develop a three year, whole of organisation strategy for this important audience.

WHAT DO WE WANT TO ACHIEVE? By 2018 we will be measurably closer to our vision that young participants at our visitor experiences feel welcomed, included and important at all of the Trust's experiences; and the Trust's output for this audience are high quality and include more offerings that are 'with, by, and between' children and young people. In 2015-16 we will create an implementation plan that draws together our expertise, facilities, products and services into provision that children and youth want to engage in and stakeholders are prepared to fund.

Careful consideration of Capital E's transitional and potential leadership role in this area as well as its future shape and location, including a central Wellington base for the National Theatre for Children, are an integral part of this process. Discussion with internal and external stakeholders will ensure we are working to develop excellent long-term provision for children and young people.

2015-16 Targets

- An implementation plan for PCYP is in place and has clear ownership;
- Onsite and online welcomes for this audience meet the project vision;
- A communications plan for teachers and families is developed;
- Data analysed and results shared;
- A project to scope the nature and development timeframe for the Trust's dedicated provision for children gets underway.

Nature and Scope of Activities

The following provides a brief description of the concepts and core offerings of each institution:

THE TRUST

CONCEPT

The Trust provides strategic leadership of the whole organisation, drawing upon the individual strengths, skills and experiences of the component parts to deliver Wellington Museums Trust vision:

Excellent experiences that Wellingtonians proudly share with the world

Central to this is our ability to create and sustain an operating environment that supports a high performing organisation that encourages staff to strive for excellence.

Our role is to provide essential services across the whole organisation. These include finance, human resources, governance support and reporting to stakeholders. We create and maintain an operating and accountability framework that meets the standards required by a publically funded organisation. In addition the Trust acquires and allocates resources, undertakes research and coordinates improvement strategies, and provides policy development and strategic planning.

PURPOSE

The Trust is the standard bearer of the Trust's brand, vision, purpose and values. It provides leadership and facilitates an effective work environment where staff are valued and committed to our vision.

CAPITAL E

CONCEPT

Capital E is a centre for creativity for young people. It responds to the need for Wellington and New Zealand to foster confident, creative, capable citizens who can be architects of their own future. It engages with children and young people, their families and communities in the development and production of high quality, innovative cultural experiences which provide opportunities to share and respond creatively and which are for, with, by and/or between them. It is the Trust's leading provider in provision for children and young people.

PURPOSE

To lead, partner in, and inspire the delivery and development of innovative encounters that ignite and fuel young people's creativity, capability & confidence.

CORE OFFERING

Capital E is organised to develop and deliver programmes, events and activities in three areas of expertise: Digital Creativity; Live Creativity and Applied Creativity. These deliver specialist provision for children, young people and their caregivers, school students and their teachers via OnTV, National Theatre for Children and Media Lab.

Capital E integrates these offerings through the biennial Arts Festival and a range of connecting encounters centred on the transitional Queens Wharf and Hannah Playhouse locations. Capital E also leads the annual Great Scavenger Hunt and provides programming in partnership for children at venues within and outside the Trust.

VISITOR PROFILE

60% of Capital E's audience is children aged up to 14 years drawn from culturally, geographically and economically diverse backgrounds. Creative New Zealand research highlights the over-representation of non-European ethnicities and of low socio-economic audiences at Capital E compared to other New Zealand cultural organisations. Approximately 70% of Capital E's overall visitation comes in groups from schools and early childhood education centres.

Family visitors tend to be Wellington region residents with annual household income of \$40,000 to \$80,000. Female caregivers dominate. School visitors are drawn from a national pool. There is very

little visitation from tourists apart from pre-booked international education groups. Our primary audience is accessed through parents or teachers. Cost is a significant barrier to participation. Repeat visitation is high and 25% of our audience churns annually into a new age band, or out of our target demographic.

CITY GALLERY WELLINGTON TE WHARE TOI

CONCEPT

City Gallery values artists and audiences; we work hard to connect them. From the heart of Wellington in Civic Square, we provide locals and visitors with a meaningful, yet accessible, experience of art. In Wellington, when you think art, you think City Gallery.

The Gallery presents a dynamic programme of changing exhibitions dedicated to the most current thinking, creativity and innovation in art practice in the broadest sense. We are a hub for artistic and cultural activity in Wellington that reinforces the city's commitment to art and creativity. City Gallery works collaboratively with artists, galleries, collectors and educators to realise programmes of activity that are relevant, push and test art's boundaries and both transform and provide insight into our understanding of our world.

PURPOSE

To connect art and audiences. City Gallery is a social space that fosters delight in, and fascination with, the ideas explored in contemporary art.

CORE OFFERING

A dynamic exhibition programme of leading edge visual art that sparks thought and debate. All other activity pivots around the exhibitions, and their interpretation for audiences, including events, education programmes and publications. City Gallery also manages a number of commercial ventures and generates part of its revenue through retail, functions and venue hire, fundraising and entry charges for selected exhibitions.

VISITOR PROFILE

City Gallery attracts a younger audience than the national norm, most visitors are under 50, typically female and identify themselves as New Zealand European. Visitors are drawn primarily from the Wellington region but, depending on the time of year, there is also a high percentage of visitors to the region as well as overseas tourists. There is a fairly even spread of income levels. Iwi Māori and those identifying themselves as Chinese are well represented. The majority of visitors have been more than once and spend a good proportion of time at each visit, at least an hour. Families and community groups are very well represented, largely driven by our busy calendar of events.

MUSEUMS WELLINGTON TE WAKA HUIA O NGA TAONGA TUKU IHO

A container of precious objects/knowledge from the past

CONCEPT

Museums Wellington showcases Te Upoko o te Ika a Māui (the Head of Māui's Fish), the Greater Wellington Region – Wellington, Porirua and the Kapiti Coast, the Hutt Valley and the Wairarapa.

We are guardians of collections, including heritage buildings that are of cultural, social, historical, scientific and technological significance.

We reflect on Te Upoko o te Ika's natural and social history telling stories of Māori and Pakeha from time past to present day and beyond.

Through our region's stories and the Southern Skies we establish local, national and international connections for our visitors.

We engage with our diverse communities being a forum for stimulating new ideas and different voices in ways that are authoritative, thought-provoking and entertaining.

Each experience is unique but has the Museums Wellington stamp of quality through an interpretative strategy that invites engagement, involvement and interaction by the visitor.

CARTER OBSERVATORY *Te Ara a Whanui ki te Rangī*

SPACE PLACE

CONCEPT

Taking Wellington as our starting point **Space Place** will transport visitors through interesting facts to lively experiences of space and beyond.

CORE OFFERING

Space Place is first and foremost fun and it will inform and transform visitor perceptions of space, science and family and adult entertainment as a Wellington offer. We will introduce new and colourful experiences, interactive displays and cutting-edge planetarium shows to bring science and space to life in a fun, engaging and informative way, underpinned by the heritage of Carter Observatory.

VISITOR PROFILE

A typical **Space Place** visitor comes from the greater Wellington region or is an independent traveller from Australia, the United Kingdom and the United States generally travelling as individuals or couples. Families are more likely to visit in the weekends and couples and groups of friends are more likely to visit during the evenings. Visitors as part of booked cruise ship tours are more likely to visit during day time hours. Visits from schools accounts for 10% of visitation.

MUSEUM OF WELLINGTON CITY & SEA

WELLINGTON MUSEUM

PURPOSE

Wellington Museum shares the stories of Wellington.

CORE OFFERING

Recognised as one of the world's top museums in 2013, Wellington Museum celebrates the Wellington region, its place and peoples. It aspires to be the most talked-about museum in New Zealand and aims to be internationally significant.

VISITOR PROFILE

A typical visitor to Wellington Museum is from Wellington and employed full-time. For most it is a destination visit and they enjoy the whole Museum experience. 25% of them have visited before with most staying for 30 minutes to 1 hour. They are more likely to visit in small groups or with family. They are motivated to visit by what they hear, such as word of mouth from family and friends. They rate their visit as excellent or very good, would recommend the museum to others, and would visit again. The Museum has about 6% of its total visitation from school visits.

CABLE CAR MUSEUM

PURPOSE

The Cable Car Museum explores how technology shaped the city.

CORE OFFERING

The Museum is the natural home of the story of Wellington's most iconic object, the Cable Car. The visitor experience explores the establishment of the Cable Cars, the development of Kelburn and the refurbishment of the historic 1905 Grip Car. High visitation ensures that the shop income supports the Trust goal of financial viability.

VISITOR PROFILE

A typical visitor to the Cable Car Museum is from Wellington, although a significant number of visitors to this Museum are from overseas. Only one third are employed full-time. Over half of all Wellingtonians have visited before, and most stayed less than 20 minutes. They are motivated to visit equally by advertising, word of mouth from family and friends, and signage. They rate their visit as good or very good, would recommend the museum to others, and would visit again. For the Cable Car Museum less than 1% of the total visitors are school visits.

COLONIAL COTTAGE MUSEUM

NAIRN STREET COTTAGE

PURPOSE

Nairn Street Cottage illustrates the story of Wellington through the Wallis family and their home from early settlement to the end of the 20th century.

CORE OFFERING

Nairn Street Cottage is significant to Wellington with the Cottage being Wellington's oldest residence. The Wallis family story is brought to life in the refurbished Visitor Centre where life in Wellington over 125 years is shared. The Cottage includes an interpreted garden based on historical research.

VISITOR PROFILE

A typical visitor to Nairn Street Cottage is from Wellington. Half of these visitors are employed full-time and half have never visited before and stayed for the hour-long tour. They came by car and with family. They are motivated to visit by what they hear, such as word of mouth from family and friends, and by advertising. They rate their visit as very good, would recommend the museum to others, and would visit again. Nairn Street Cottage has 35% of its visitation from school visits.

WELLINGTON MUSEUMS TRUST COLLECTIONS

PURPOSE

The Trust's Collections are an integral part of the Trust's role and are being developed so that they fully allow visitors to experience and appreciate the Wellington region's unique identity.

CORE OFFERING

Access to the Collections is through display either at a Trust site, online or at other institutions outside of the Trust. The quality and depth of the Collections is being steadily improved through our de-accessioning programme and in identifying and then acquiring key items for the on-going refreshment programmes.

Performance Measurement

Key Performance Indicators (KPI) include both non-financial and financial performance measures. See Appendix 3 for disaggregated information by institution if applicable to the KPI and as indicated below.

We introduced a revised approach to measuring visitation related performance in 2013-14 based on a range of +/- 5%. The mid-point of the range is the average achieved in the previous 3 years. This approach compensates for factors relating to programme variation and allows for unexpected impacts outside the control of the institutions such as changes in the operating environment. The relevant KPI are: Physical Visitation, Subsidy per Visit and Spend per Visitor.

2013-14 figures reported below are actual results.

OUR CITY

Performance

- City Residents' Awareness: The number of Wellingtonians who know about our institutions as assessed through the Annual Residents' Survey conducted by Council. (Appendix 3 Table 1)

KPI	2013-14	2014-15	2015-16	2016-17	2017-18
City Residents' Awareness (Trust Average)	82%	86%	86%	88%	88%

OUR VISITORS

Performance

- Physical Visitation: The total number of visits to institutions including general public, education and function attendees. (Appendix 3 Table 2)
- Virtual Visitation: The total number of unique user visits to institutional web/mobile sites. (Appendix 3 Table 3)
- Social Media Profile: A snapshot of Facebook friends and Twitter followers. (Appendix 3 Table 4)
- Quality of Visit: Visitor feedback based on comfort, access, experience, knowledge gained, the friendliness of staff, the length of visit and overall enjoyment. (Appendix 3 Table 5)
- Repeat Visitation: the number of visitors who have visited the institution at least once in the previous twelve months. (Appendix 3 Table 6)

KPI	2013-14	2014-15	2015-16	2016-17	2017-18
Physical Visitation (Trust Total)*	601,743	583,123	600,000	625,000	612,300
Virtual Visitation (Trust Total)	186,619	185,000	202,500	212,000	229,000
TOTAL VISITATION	788,562	768,123	802,500	837,000	841,300
Social Media Profile (Trust Total)	23,337	27,000	30,250	32,500	34,000
Quality of visit (Trust Average)	92%	90%	90%	90%	90%
Repeat Visitation (Trust Average)	37%	30%	30%	31%	31%

*The target will be met if the result is within the range of +/-5%.

OUR SUSTAINABILITY

Performance

- Financial Performance: A break-even budget and fully funded depreciation.
- Non-Council Revenue: The total amount of revenue generated from non-Council sources. (Appendix 3 Table 7)
- Spend per Visitor: Visitor related revenue (admissions and sales). (Appendix 3 Table 8)
- Subsidy per Visit: The Council subsidy per (physical) visitor. (Appendix 3 Table 9)

KPI	2013-14	2014-15	2015-16	2016-17	2017-18
Non-Council revenue (Trust Total)	\$2,949M	\$3,311 M	\$2,988 M	\$3,235 M	\$2,960 M
Spend per visitor (Trust Average)*	\$2.66	\$3.27	\$2.61	\$3.13	\$2.81
Subsidy per visit (Trust Average)*	\$13.30	\$11.08	\$11.09	\$10.82	\$11.41
Subsidy per visit (Physical & Virtual Visitation)	\$11.90	\$10.70	\$10.01	\$10.19	\$10.43

*The target will be met if the result is within the range of +/-5%.

OUR PEOPLE

Performance

- Health and Safety: No preventable serious harm incidents involving staff or visitors as defined by the Health & Safety in Employment Act 1992.
- Staff Satisfaction: Based on staff feedback gathered in the annual Staff Engagement Survey.

OUR HERITAGE

Performance

- Collection Development: The percentage of progress towards aligning collections in our care with the Collections Policy.

KPI	2013-14	2014-15	2015-16	2016-17	2017-18
Collection Aligned with Policy	82%	85%	85%	85%	87.5%

COUNCIL'S OWNERSHIP INTEREST

At Council's request we will include Council's direct ownership costs which relate to the assets we manage on its behalf in future monitoring reports to Council. These are costs incurred by Council which the Trust neither manages nor controls. Council will identify, calculate and apportion these costs and advise the Trust accordingly. This information will be supplied by Council in a form that meets the Trust's audit requirements.

Board's Approach to Governance

The Wellington Museums Trust is governed by a Trust Deed between the Council and the Trust, first executed on 18 October 1995 and updated on 15 August 2007.

Governance

Wellington Museums Trust Trustees are appointed by Council and are standard-bearers for the Trust's vision. They are responsible for setting the strategic direction for the Trust and approving the Statement of Intent and the Strategic Plan. The Board monitors organisational performance, the organisation's ongoing viability and the maintenance of its competitiveness. It delegates the day-to-day operation of the Trust to the Chief Executive, who reports to the Board.

The Board meets no fewer than nine times per year and operates three committees which review relevant matters prior to consideration by the full Board. These are the Audit and Risk (A&R) Committee, the Chief Executive Performance and Remuneration (CEP&R) Committee, and the People Performance and Safety (PPS) Committee. In addition, the Board will convene ad hoc working groups to consider specific issues. Guidance in specialist areas is also provided as appropriate.

Board committees

Audit and Risk (A&R) Committee assists the Board in carrying out its duties in regard to financial reporting, risk management and legislative compliance.

Chief Executive Performance and Remuneration (CEP&R) Committee to advise the Chair in connection with the performance and remuneration of the Trust's Chief Executive.

People, Performance and Safety (PPS) Committee provides guidance and support to the Chief Executive in a Human Resources context and assists the Board to meet its due diligence responsibilities regarding the Trust's compliance with Health and Safety legislation.

Board membership

Trustee	Term expires	Committees
Quentin Hay, Chair	31 December 2015	Chair CEP&R and <i>Ex officio</i> of A&R and PPS
Rachel Farrant	30 June 2016	Chair A&R and member of CEP&R
Jackie Lloyd	30 June 2017	Chair PPS and member of CEP&R
Jill Wilson	30 June 2016	PPS
Nicola Young	October 2016	A&R

Board performance

The Board will meet best practice governance standards and will undertake an annual review of the overall Board, individual and the Chair's performance and report to the Chief Executive of Council by 30 September 2015.

Council relationship principles

We will provide quarterly reports in the agreed format to Council on the agreed dates and present the Statement of Intent on the agreed date. Our Annual Report and audited accounts will be supplied to Council on 11 September 2015.

The principles governing the relationship with Council as our primary stakeholder include:

- Operating on a "no surprises" basis so that any significant event that may impact on either party is brought to their attention as soon as it can be reasonably done.

- Open and frank communication will occur between the Board and Council.
- Full disclosure of information will be provided to Council from the Board as deemed necessary by Council to ensure its interests are upheld.
- Early advice to Council in the event of any situation that may be potentially contentious in nature.
- Disclosing within the Trust's Business Plan any significant transactions that are planned.

Stakeholder Management

Stakeholder management continues to be a focus. As the Trust improves the coordination of its fundraising efforts, it will also seek to develop a stakeholder engagement plan for key individuals and groups. We will set communication objectives based on our strategic objectives, and prioritise stakeholders according to impact and influence.

Communication tactics for each stakeholder group will be agreed, and, where relevant, relationship managers identified. In addition, a communications calendar will be developed; with publication of our Annual Report, Statement of Intent and Strategic Plan, as well as events such as programme launches and openings included as important opportunities to engage our funders and partners.

As part of our improved coordination of fundraising from 2015-16 onwards, the Trust aims to put in place a Customer Relationship Management (CRM) tool. This tool will help us to record and track our contact with key stakeholders at an institution and whole of organisation level.

Organisational Health, Capability and Risk Assessment

Introduction

The Trust is a balance of centralised services (governance, Chief Executive, finance, strategic development, human resources and information technology) and teams led by Directors within institutions. The organisation chart follows:



Organisational health

The Trust is an award winning organisation that enjoys the confidence of stakeholders and sector colleagues. Our objective is that we are and remain a high performing organisation and that we are:

- innovative and committed to the achievement of our vision;
- committed to the effective and efficient use of resources;
- committed to excellent stakeholder and partner relationships; and
- socially and environmentally responsible.

Critical to achieving our vision and supporting Council's vision is the talent and experience of our staff, plus the resources we have available after fixed costs have been met for exhibitions and public programmes.

We survey staff annually to assess the level of engagement. This seeks feedback on a range of areas including vision and values, sense of community, leadership, communication, learning and development, and performance and rewards.

Capability

We bring to our work leadership, knowledge of audiences, networks and contacts, professional standards of presentation, access to our portfolio of facilities and collections and our commitment to presenting thought-provoking and entertaining visitor experiences.

We are a highly motivated organisation and rely on our workforce to be flexible and to go the extra mile. Our executive team is highly experienced in their respective fields.

Training and professional development is a priority and a small annual resource is set aside for this purpose.

We are committed to the principle of collaboration and shared services and will explore all reasonable opportunities to work with sector partners and with Council and its associated organisations for Wellington and its residents.

Risk assessment

Risk Management and Business Continuity

The Trust's Risk Profile is reviewed regularly and identifies events and or circumstances and the impact that these have on our operations using a system that ranks the probability and level of impact of the event. It includes risk management strategies, including recovery plans, for specific events which carry high risk values. In such events the Trust's ability to continue to operate following a major event will depend on factors outside of its control such as the extent of material damage to buildings and the continuation of Council funding.

Assessed risks which carry a lower risk value tend to be within the operational purview of the Trust with the exception of risks associated with buildings maintenance and plant performance issues which are Council's responsibility. Building and plant issues that are likely to impact on business continuity are immediately brought to Council's attention.

Our business continuity plan will be reviewed in 2015-16

Health and Safety

The Trust is committed to providing a healthy and safe environment and our goal is that no person employed by the Trust is hurt at work from 2016-17 onwards and that from 2018-19, no visitors suffer harm whilst visiting a site or building under our control.

In anticipation of changes proposed through the Health and Safety at Work Bill we have implemented a new Health and Safety Plan which provides a practical and systematic framework to encourage participation and an organisation-wide commitment to continuous improvement in our health and safety performance.

The Board adopted an interim governance health and safety monitoring strategy in August 2013 and revised the terms of reference of one of its committees, now the People, Performance and Safety Committee, to assist it with health and safety due diligence.

Health and safety issues relating to Council-owned buildings that the Trust occupies as a tenant are referred to Council in a timely manner.

Insurance

The Trust has adequate insurance cover to meet its specific business needs and deductibles are in line with generally accepted risk management principles and affordability.

Financial Position

The Forecast Financial Statements are provided in Appendix 1 and are presented on the basis that the Trust's Council baseline funding will be \$6.215 million in 2015-16, exclusive of baseline funding for the Carter Observatory (Carter) of \$329,000 and exclusive of the rental subsidy of \$1.769 million for Council-owned buildings and other sites that the Trust rents.

Total Trust revenue (excluding Carter) is projected at \$10.298 million in 2015-16 increasing to \$10.662 million in 2016-17 and decreasing to \$10.549 million 2017-18. Total expenses are projected at \$10.328 million in 2015-16 increasing to \$10.959 million in 2016-17 and decreasing to \$10.634 million in 2017-18.

Total Carter revenue is projected at \$1,049 million in 2015-16 increasing to \$1.094 million in 2016-17 and increasing to \$1.101 million 2017-18. Total expenses are projected at \$1.172 million in 2015-16 decreasing to \$1.138 million in 2016-17 and \$1.154 million in 2017-18.

The Carter Observatory Statement of Financial Performance is projecting a \$123,000 deficit reducing to \$44,000 in 2016-17 and increasing to \$53,000 in 2017-18. Council has agreed that the Trust will continue to operate Carter under the existing Management Agreement which includes a cash underwrite. As the owner of the building and all exhibition assets including the digital planetarium, Council is responsible for funding Carter's depreciation.

Projected revenue:

- Trust (excluding Carter) trading income (admissions and sales) is forecast to decrease due to 2015-16 being a year in which the Capital E National Arts Festival for Children is not offered.
- Carter's trading revenue is projected to increase in 2015-16 and in the two subsequent years.
- Cultural Grants provided by the Ministry of Education Learning Experiences Outside the Classroom (LEOTC) and Creative New Zealand (CNZ) are not expected to increase during the planning period.
- Donations and Sponsorships vary year on year depending on programming.
- Council funding includes an increase of 2.1% towards operating grants. The same percentage adjustment has been made in future financial years.

Projected expenses:

- Provision has been included in all years for the staged implementation of Wellington's Living Wage in accordance with Trust policies.
- Salaries and wages are forecasted to increase by 1% in 2015-16 and by 2% in subsequent financial years.
- Insurance, telephone and electricity are forecast to increase by 1% in 2015-16 and 2% thereafter.
- Depreciation has been projected based on the current assets plus an unchanged forecast of capital budgeting carried through from the last Statement of Intent. The development of the Museum of Wellington City & Sea is not anticipated to affect this projection.

Supporting Financial Information

The accounting policies are provided in Appendix 2.

Appendix 1: Forecast Financial Statements

Total Budget 30-Jun-15	STATEMENT OF FINANCIAL PERFORMANCE (excluding Carter Observatory)	Budget Qtr to 30-Sep-15	Budget Qtr to 31-Dec-15	Budget Qtr to 31-Mar-16	Budget Qtr to 30-Jun-16	Total YE 30-Jun-16	Total YE 30-Jun-17	Total YE 30-Jun-18
Revenue								
1,074	Trading Income	199	199	199	199	794	1,014	823
6,141	Council Operating Grant	1,554	1,554	1,554	1,554	6,215	6,371	6,532
1,769	Council Rental Grant	442	442	442	442	1,769	1,768	1,767
773	Other Grants	193	193	193	193	772	732	732
528	Sponsorships and Donations	102	102	102	102	406	423	333
70	Investment Income	23	23	23	23	90	94	98
244	Other Income	63	63	63	63	251	261	263
10,599	Total Revenue	2,574	2,574	2,574	2,574	10,298	10,662	10,549
Expenditure								
4,303	Employee Costs	1,138	1,138	1,138	1,138	4,550	4,668	4,873
1,353	Council Rent	338	338	338	338	1,353	1,353	1,353
1,942	Exhibitions & Programmes	382	382	382	382	1,527	1,955	1,489
586	Marketing & Promotions	124	124	124	124	495	570	500
1,167	Occupancy Costs (excluding Council Rent)	297	297	297	297	1,189	1,192	1,199
114	Communication Costs	27	27	27	27	110	110	110
77	Trustee Fees & Expenses	19	19	19	19	77	77	77
251	Technology Costs	36	36	36	36	146	147	148
35	Professional Fees	10	10	10	10	41	41	42
300	Administration Expenses	77	77	77	77	307	307	305
121	Other Operating Expenses	30	30	30	30	119	125	125
370	Depreciation	104	104	104	104	415	415	415
0	Interest	0	0	0	0	0	0	0
10,599	Total Expenditure	2,582	2,582	2,582	2,582	10,328	10,959	10,634
0	Net Surplus/(Deficit) before Taxation	(8)	(8)	(8)	(8)	(30) ¹	(297) ²	(86) ³
Taxation Expense								
0	Net Surplus/(Deficit)	(8)	(8)	(8)	(8)	(30)	(297)	(86)
0.0%	Operating Margin	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-2.8%	-0.8%

Notes to Statement of Financial Performance

- 1: 2015-16 deficit attributable to the staged implementation of Wellington's Living Wage
- 2: 2016-17 deficit attributable to the staged implementation of Wellington's Living Wage plus Festival costs
- 3: 2017-18 deficit attributable to the staged implementation of Wellington's Living Wage

**ECONOMIC GROWTH AND ARTS
COMMITTEE**
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Total Budget 30-Jun-15	STATEMENT OF FINANCIAL PERFORMANCE (Carter Observatory)	Budget Qtr to 30-Sep-15	Budget Qtr to 31-Dec-15	Budget Qtr to 31-Mar-16	Budget Qtr to 30-Jun-16	Total YE 30-Jun-16	Total YE 30-Jun-17	Total YE 30-Jun-18
Revenue								
490	Trading Income	154	154	154	154	616	652	650
312	Council Operating Grant	82	82	82	82	329	336	342
0	Council Rental Grant	0	0	0	0	0	1	2
82	Other Grants	21	21	21	21	82	82	82
19	Sponsorships and Donations	5	5	5	5	19	19	19
0	Investment Income	0	0	0	0	0	1	2
4	Other Income	1	1	1	1	4	4	4
907	Total Revenue	262	262	262	262	1,049	1,094	1,101
Expenditure								
594	Employee Costs	169	169	169	169	677	693	708
0	Council Rent	0	0	0	0	0	0	0
46	Exhibitions & Programmes	22	22	22	22	88	68	68
65	Marketing & Promotions	31	31	31	31	123	94	94
67	Occupancy Costs (excluding Council Rent)	26	26	26	26	104	104	104
21	Communication Costs	4	4	4	4	17	17	17
0	Trustee Fees & Expenses	0	0	0	0	0	0	0
4	Technology Costs	1	1	1	1	4	4	4
0	Professional Fees	0	0	0	0	0	0	0
67	Administration Expenses	36	36	36	36	144	144	144
114	Other Operating Expenses	1	1	1	1	4	4	4
11	Depreciation	3	3	3	3	11	11	11
0	Interest	0	0	0	0	0	0	0
989	Total Expenditure	293	293	293	293	1,172	1,138	1,154
(82)	Net Surplus/(Deficit) before Taxation	(31)	(31)	(31)	(31)	(123)	(44)	(53)
Taxation Expense								
(82)	Net Surplus/(Deficit)	(31)	(31)	(31)	(31)	(123)	(44)	(53)
-9.1%	Operating Margin	-11.7%	-11.7%	-11.7%	-11.7%	-11.7%	-4.0%	-4.8%

Total YE 30-Jun-15	STATEMENT OF FINANCIAL POSITION	Budget 30-Sep-15	Budget 31-Dec-15	Budget 31-Mar-16	Budget 30-Jun-16	Total YE 30-Jun-16	Total YE 30-Jun-17	Total YE 30-Jun-18
Shareholder/Trust Funds								
2,123	Share Capital/Settled Funds	2,123	2,123	2,123	2,123	2,123	2,123	2,123
0	Revaluation Reserves	0	0	0	0	0	0	0
38	Restricted Funds	38	38	38	38	38	38	38
1,392	Retained Earnings	1,354	1,315	1,277	1,239	1,239	897	759
3,553	Total Shareholder/Trust Funds	3,515	3,476	3,438	3,400	3,400	3,058	2,920
Current Assets								
20	Cash and Bank	10	10	10	10	10	10	10
113	Accounts Receivable	120	120	120	120	120	126	132
235	Other Current Assets	100	100	100	100	100	105	110
368	Total Current Assets	230	230	230	230	230	241	253
Investments								
73	Deposits on Call	1,778	143	1,749	156	156	228	214
0	Other Investments	0	0	0	0	0	0	0
73	Total Investments	1,778	143	1,749	156	156	228	214
Non-Current Assets								
4,145	Fixed Assets	4,151	4,157	4,163	4,169	4,169	4,214	4,238
16	Other Non-current Assets	16	16	16	16	16	16	16
4,161	Total Non-current Assets	4,167	4,173	4,179	4,185	4,185	4,230	4,254
4,802	Total Assets	6,175	4,546	6,159	4,571	4,571	4,898	4,721
Current Liabilities								
566	Accounts Payable and Accruals	572	577	622	671	671	1,115	1,250
483	Provisions	488	493	498	500	500	525	551
0	Other Current Liabilities	0	0	0	0	0	0	0
1,049	Total Current Liabilities	1,059	1,070	1,120	1,171	1,171	1,640	1,801
Non-Current Liabilities								
0	Loans - WCC	0	0	0	0	0	0	0
0	Loans - Other	0	0	0	0	0	0	0
0	Other Non-Current Liabilities	1,601	0	1,601	0	0	0	0
0	Total Non-Current Liabilities	1,601	0	1,601	0	0	0	0
3,553	Net Assets	3,515	3,476	3,438	3,400	3,400	3,058	2,920
0.35	Current Ratio	0.22	0.21	0.21	0.20	0.20	0.15	0.14
0.77	Equity Ratio	0.57	0.76	0.56	0.74	0.74	0.65	0.62

**ECONOMIC GROWTH AND ARTS
COMMITTEE**
2 JUNE 2015

Total YE 30-Jun-14	STATEMENT OF CASH FLOWS	Budget Qtr to 30-Sep-15	Budget Qtr to 31-Dec-15	Budget Qtr to 31-Mar-16	Budget Qtr to 30-Jun-16	Total YE 30-Jun-16	Total YE 30-Jun-17	Total YE 30-Jun-18
Cash provided from:								
1,967	Trading Receipts	481	353	353	353	1,538	1,655	1,462
9,075	WCC Grants	3,679	478	3,679	478	8,313	8,475	8,644
714	Other Grants	213	213	213	213	854	814	814
230	Sponsorships and Donations	106	106	106	106	425	442	352
65	Investment Income	23	23	23	23	90	95	100
99	Other Income	64	64	64	64	254	264	267
12,150		4,565	1,236	4,437	1,236	11,475	11,745	11,638
Cash applied to:								
4,797	Payments to Employees	1,307	1,307	1,307	1,307	5,227	5,360	5,581
6,232	Payments to Suppliers	1,743	1,743	1,704	1,702	6,894	7,060	6,635
810	Net GST Cashflow	(292)	(292)	(292)	(292)	(1,169)	(1,217)	(1,215)
0	Other Operating Costs	0	0	0	0	0	0	0
0	Interest Paid	0	0	0	0	0	0	0
11,639		2,758	2,758	2,719	2,717	10,952	11,203	11,202
511	Total Operating Cash Flow	1,807	(1,522)	1,719	(1,481)	523	542	436
Investing Cash Flow								
Cash provided from:								
0	Sale of Fixed Assets	0	0	0	0	0	0	0
0	Other	0	0	0	0	0	0	0
Cash applied to:								
451	Purchase of Fixed Assets	113	113	113	113	450	470	450
0	Other	0	0	0	0	0	0	0
451		113	113	113	113	450	470	450
(451)	Total Investing Cash Flow	(113)	(113)	(113)	(113)	(450)	(470)	(450)
Financing Cash Flow								
Cash provided from:								
0	Drawdown of Loans	0	0	0	0	0	0	0
0	Other	0	0	0	0	0	0	0
Cash applied to:								
0	Repayment of Loans	0	0	0	0	0	0	0
0	Other	0	0	0	0	0	0	0
0		0	0	0	0	0	0	0
0	Total Financing Cash Flow	0	0	0	0	0	0	0
60	Net Increase/(Decrease) in Cash Held	1,695	(1,635)	1,606	(1,694)	73	72	(14)
32	Opening Cash Equivalents	92	1,787	152	1,758	92	165	237
92	Closing Cash Equivalents	1,787	152	1,758	165	165	237	223
		(1)	(1)	(1)	(1)	(1)	(1)	(1)

Budget 30-Jun-14	CASH FLOW RECONCILIATION	Budget Qtr to 30-Sep-15	Budget Qtr to 31-Dec-15	Budget Qtr to 31-Mar-16	Budget Qtr to 30-Jun-16	Forecast to 30-Jun-16	Forecast to 30-Jun-17	Forecast to 30-Jun-18
0	Operating Surplus/(Deficit) for the Year	(38)	(38)	(38)	(38)	(153)	(342)	(139)
	Add Non Cash Items							
376	Depreciation	106	106	106	106	426	426	426
0	Other	0	0	0	0	0	0	0
376		68	68	68	68	273	84	287
	Movements in Working Capital							
54	(Increase)/Decrease in Receivables	(7)	0	0	0	(7)	(6)	(6)
(15)	(Increase)/Decrease in Other Current Assets	135	0	0	0	135	(5)	(5)
250	Increase/(Decrease) in Accounts Payable	6	6	45	49	105	444	135
(154)	Increase/(Decrease) in Other Current Liabilities	1,606	-1,596	1,606	-1,598	17	25	26
135		1,739	-1,590	1,650	-1,549	250	458	149
	Net Gain/(Loss) on Sale:							
0	Fixed Assets	0	0	0	0	0	0	0
0	Investments	0	0	0	0	0	0	0
511	Net Cash Flow from Operations	1,807	(1,522)	1,719	(1,481)	523	542	436
0		0	0	0	0	0	0	0

Appendix 2: Accounting Policies

Significant Accounting Policies

The following accounting policies which have a material effect on the measurement of results have been adopted by the Trust.

1. Reporting entity

The Wellington Museums Trust Incorporated (the Trust) is registered as a charitable entity under the Charities Act 2005. It is a Council Controlled Organization (CCO) in terms of the Local Government Act 2002.

The financial statements of the Trust include the activities of the following business units - the Wellington Museums Trust, the Museum of Wellington City & Sea, City Gallery Wellington, Capital E, the Colonial Cottage Museum, the Wellington Cable Car Museum and the Carter Observatory as from 1 June 2010.

The principal activity of the Trust is to manage the Trust Institutions and to operate them for the benefit of the residents of Wellington and the public generally.

The Trust has no intention of subscribing for, purchasing or otherwise acquiring shares in any other company or other organisation.

2. Basis of preparation

a) Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP), applying the Framework for Differential Reporting for entities adopting the New Zealand equivalents to International Financial Reporting Standards, and its interpretations (NZ IFRS). The Trust is a public benefit entity, as defined under NZ IAS 1.

The Trust qualifies for differential reporting exemptions as it has no public accountability and the Trust is small in terms of the size criteria specified in Framework for Differential Reporting. All available reporting exemptions allowed under the Framework for Differential Reporting have been adopted, except for NZ IAS 7, *Cash flow Statements*.

b) Basis of measurement

The financial statements are prepared on the historical cost basis.

c) Presentation currency

These financial statements are presented in New Zealand dollars (\$).

3. Significant accounting policies

The accounting policies set out below will be applied consistently to all periods presented in the financial statements.

a) Property, plant and equipment

Items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses.

(i) Subsequent costs

Subsequent costs are added to the carrying amount of an item of property, plant and equipment when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Trust and the cost of the item can be measured reliably. All other costs are recognised in surplus/ (deficit) as an expense as incurred.

(ii) Depreciation

Depreciation is charged to surplus/ (deficit) using the straight line method. Depreciation is set at rates that will write off the cost or fair value of the assets, less their estimated residual values, over their useful lives. The estimated useful lives of major classes of assets and resulting rates are as follows:

- Computer equipment 33% SL
- Office and equipment 25% SL
- Motor vehicles 20% SL
- Building Fittings 5%-25% SL
- Collections & artefacts Not depreciated

The residual value of assets is reassessed annually.

b) Collections and artefacts

Collections and artefacts are carried at cost. A substantial amount of the collections were acquired on 29 February 1996 from the Wellington Maritime Museum Trust. All subsequent purchases are recorded at cost. Because the useful life of the collections and artefacts is indeterminate they are not depreciated. They are periodically reviewed for impairment. The Trustees obtained a valuation on specific items to support the carrying value at 30 June 2011. The Trustees reconfirmed that the carrying value at 30 June 2013 is appropriate and that no impairment event has occurred.

c) Intangible assets

Computer software

Software applications that are acquired by the Trust are stated at cost less accumulated amortisation and impairment losses.

Amortisation is recognised in surplus/ (deficit) on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

- Computer software 33% SL

d) Trade and other receivables

Trade and other receivables are measured at their cost less impairment losses.

e) Inventories

Inventories (merchandise) are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

g) Impairment

The carrying amounts of the Trust's assets other than inventories are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in surplus/ (deficit).

Estimated recoverable amount of other assets, e.g. property, plant and equipment and intangible asset, is the greater of their fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting these to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

h) Interest-bearing loans

Interest-bearing loans are recognised initially at fair value less attributable transaction costs.

i) Employee benefits

Long service leave The Trust's net obligation in respect of long service leave is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value. The discount rate is the market yield on relevant New Zealand government bonds at the Balance Sheet date.

j) Provisions

A provision is recognised when the Trust has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market rates and, where appropriate, the risks specific to the liability.

k) Trade and other payables

Trade and other payables are stated at cost.

l) Revenue

(i) Funding

The Trust's activities are supported by grants, sponsorship and admissions. Grants received that are subject to conditions are initially recognised as a liability and revenue is recognised only when the services are performed or conditions are fulfilled.

(ii) Services provided

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. Income is recognized as the service is provided (e.g. exhibition run). Where exhibitions are not scheduled to run until the following fiscal year, revenue is deferred and amortized to income throughout the period of the exhibition.

(iii) Donations

Cash donations from the community are recognized in the Income Statement at the point at which they are receipted into the Trust's bank account.

(iv) Sale of merchandise

Revenue from the sale of merchandise is recognised in surplus/ (deficit) when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of the merchandise, or where there is continuing management involvement with the merchandise.

m) Expenses

(i) Operating lease payments

Payments made under operating leases are recognised in surplus/ (deficit) on a straight-line basis over the term of the lease. Lease incentives received are recognised in surplus/ (deficit) over the lease term as an integral part of the total lease expense.

(ii) Finance income and expenses

Finance income comprises interest income. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expense on borrowings. All borrowing costs are recognised in surplus/ (deficit) using the effective interest method.

n) Availability of future funding

The Trust is reliant on the Wellington City Council for a large part of its income and operates under a Funding Deed with the Council. The Funding Deed is for a period of three years and is extended annually for a further year subsequent to the initial 3 year term.

If the Trust was unable to continue in operational existence for the foreseeable future, adjustments may have to be made to reflect the fact that assets may need to be realized other than at the amounts stated in the balance sheet. In addition, the Trust may have to provide for further liabilities that might arise, and to reclassify property, plant and equipment as current assets.

o) Income tax

The Trust is registered as a Charitable Trust and is exempt from income tax. The Trust is not exempt from indirect tax legislation such as Goods and Services Tax, Fringe Benefit Tax, PAYE or ACC and accordingly it is required to comply with these regulations.

p) Goods and services tax

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST.

4. Ratio of Total Assets: Liabilities

- The Trust prefers to remain debt-free.
- Debt may not be raised to finance operating expenses.
- The Trust has a policy ratio of total assets to total liabilities of 3:1.

5. Activities for which compensation from Council is sought

The Trust seeks funding of \$6,544,305 for the core operation of the Trust including Carter the and an accommodation rental subsidy of \$1,768,980 for the 2015-16 financial year and an extension of the Wellington Museums Trust Funding Deed executed on 28 October 1999 in accordance with clause 5.2 of the Deed.

The Trust also seeks funding of \$7.4 million over five years as a capital contribution to the development of the Museum of Wellington City & Sea by 2020.

6. Ratio of Shareholders' funds to total assets

Based on the forecasted Statement of Financial Position as at 30 June 2014 the ratio of shareholders' funds to total assets is 0.77 and this moves to 0.75 in the forecasted Statement of Financial Position as at 30 June 2015.

7. Significant Obligations/Contingent Liabilities

The Trust currently holds no cash reserves to meet operational requirements and to mitigate risks.

The Trust has no contingent liabilities.

8. Distribution to Settlor

The Wellington Museums Trust does not make a distribution to the Settlor.

Appendix 3: Performance Measurements by Institution

NB: Museum of Wellington City & Sea numbers are modelled to include an allowance for development closure. Capital E 2016-17 figures include the National Arts Festival for Children.

2013-14 figures are actual results.

Table 1 Residents' Awareness (Annual Survey)

Residents' Awareness	2013-14	2014-15	2015-16	2016-17	2017-18
City Gallery Wellington	86%	92%	92%	95%	95%
Museum of Wellington	92%	92%	92%	95%	95%
Capital E	79%	90%	90%	90%	90%
Wellington Cable Car Museum	92%	92%	92%	95%	95%
Carter Observatory	90%	92%	92%	95%	95%
Colonial Cottage Museum	56%	60%	60%	60%	60%
Trust Average	83%	86%	86%	88%	88%

Table 2 Physical Visitation*

Visitor Numbers	2013-14	2014-15	2015-16	Q1	Q2	Q3	Q4	2016-17	2017-18
City Gallery Wellington*	150,289	140,000	150,000	37,500	37,500	37,500	37,500	150,000	150,000
Museum of Wellington*	112,536	90,000	120,000	28,200	31,800	31,800	28,200	115,000	120,000
Capital E*	59,265	80,000	62,300	15,575	15,575	15,575	15,575	90,000	70,000
Cable Car Museum	229,960	220,998	221,000	50,830	59,670	59,670	50,830	221,000	221,000
Carter Observatory*	47,318	50,000	44,500	10,012	12,237	12,238	10,013	46,800	49,000
Colonial Cottage Museum	2,375	2,125	2,200	550	550	550	550	2,200	2,300
Trust Total	601,743	583,123	600,000	142,667	157,332	157,333	142,668	625,000	612,300

*The target will be met if the result is within the range of +/-5%

* Visitation at City Gallery may increase if the proposed ground floor remodeling is progressed, or if programme budgets are increased

* Estimates for Museum of Wellington City & Sea are conservative and complex as expected across a multi-year, multi-phase building development programme. They include mitigation for the Museum Development, i.e. a boost in numbers associated with the opening of the Attic in 2015-16 plus a concomitant reduction to reflect the impact of works as Phase Two construction begins, then a steady increase, prior to work commencing on Phase Three.

* Capital E's National Arts Festival for Children will boost visitation in March 2015 and 2017.

* Carter Observatory will see a drop in visitation as the new brand and business model is rolled out, followed by a steady rise in visitation.

Table 3 Virtual Visitation

The total number of unique user visits to institutional web/mobile sites and (where applicable) YouTube channel

Virtual Visitor Numbers	2013-14	2014-15	2015-16	2016-17	2017-18
City Gallery Wellington	71,067	72,000	76,000	78,000	80,000
Museums Wellington	38,933	41,500	46,500	51,500	52,000
Capital E	32,291	30,000	36,000	36,000	50,000
Carter Observatory	44,526	41,500	44,000	46,500	47,000
Trust Total	186,819	185,000	202,500	212,000	229,000

Table 4 Social Media Profile

A snapshot of the number Facebook friends and Twitter followers at period end.

Social Media Numbers	2013-14	2014-15	2015-16	2016-17	2017-18
City Gallery Wellington	16,130	15,500	16,500	17,000	17,500
Museums Wellington	2,357	3,250	4,000	4,750	5,000
Capital E	n/a	3,000	4,000	4,500	5,000
Carter Observatory	4,850	5,250	5,750	6,250	6,500
Trust Total	23,337	27,000	30,250	32,500	34,000

Table 5 Quality of Physical Visit

Quality of the Visitor Experience	2013-14	2014-15	2015-16	2016-17	2017-18
City Gallery Wellington	85%	90%	90%	90%	90%
Museum of Wellington	99%	90%	90%	90%	90%
Capital E	93%	90%	90%	90%	90%
Wellington Cable Car Museum	92%	90%	90%	90%	90%
Carter Observatory	88%	90%	90%	90%	90%
Colonial Cottage Museum	92%	90%	90%	90%	90%
Trust Average	92%	90%	90%	90%	90%

Table 6 Repeat Visitation

Repeat Visitation	2013-14	2014-15	2015-16	2016-17	2017-18
City Gallery Wellington	64%	40%	40%	40%	40%
Museum of Wellington City & Sea	26%	25%	25%	25%	25%
Capital E	32%	40%	40%	40%	40%
Wellington Cable Car Museum	32%	25%	25%	25%	25%
Carter Observatory	31%	20%	20%	22%	24%
Trust Average	37%	30%	30%	30%	31%

Table 7 Non Council Revenue

Non Council Revenue (\$'000)	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
City Gallery Wellington	426	502	545	544	547
Museums Wellington*	671	551	569	577	585
Capital E*	1,067	1,417	1,034	1,231	941
Carter Observatory	517	599	674	713	713
Trust Total	2,949	3,283	2,988	3,235	2,960

*Museums Wellington includes the Museum of Wellington City & Sea, Cable Car Museum and the Colonial Cottage.

*Capital E holds the National Festival of the Arts in 2014-15 and 2016-17

Table 8 Spend per Visit*

Spend per Visit (\$)	2013-14	2014-15	2015-16	2016-17	2017-18
City Gallery Wellington*	0.80	1.27	1.51	1.84	1.68
Museums Wellington	1.84	1.39	1.36	1.38	1.41
Capital E	5.69	7.20*	4.65	5.44	4.14
Carter Observatory	6.1	9.88	12.88	13.07	12.48
Trust Average	2.66	4.93	2.61	3.13	2.81

*The target will be met if the result is within the range of +/-5%.

*Museums Wellington includes the Museum of Wellington City & Sea, Cable Car Museum and the Colonial Cottage.

*Capital E's higher average spend per visit in 2014-15 reflects the different nature of its business while it had no home site to from which to deliver programmes.

*Retail spend at City Gallery may increase if the proposed ground floor remodeling is progressed.

Table 9 Council Subsidy per Visit*

Subsidy per Visit (\$)	2013-14	2014-15	2015-16	2016-17	2017-18
City Gallery Wellington	13.32	14.36	14.16	14.38	14.57
Museums Wellington	5.46	5.47	5.03	5.11	5.17
Capital E	16.21	17.43	20.81	17.98	21.17
Carter Observatory	7.21	7.06	10.16	8.11	8.07
Trust Average	13.30	11.08	11.09	10.82	11.41

*Subsidy per visit is arrived at by dividing the number of visits into the Council operating grant.

*The target will be met if the result is within the range of +/-5%.

*Museums Wellington includes the Museum of Wellington City & Sea, Cable Car Museum and the Colonial Cottage.

Note: Council's Ownership Interest

At Council's request we will include Council's direct ownership costs which relate to the assets we manage on its behalf in future monitoring reports to Council. These are costs incurred by Council which the Trust neither manages nor controls. Council will identify, calculate and apportion these costs and advise the Trust accordingly. This information will be supplied by Council in a form that meets the Trust's audit requirements.

Directory

Wellington Museums Trust Office

Level 8, AMI Plaza,
342 Lambton Quay, PO Box 893, Wellington
P: 04 471 0919
E: trust@wmt.org.nz
www.wmt.org.nz

City Gallery Wellington

Civic Square
101 Wakefield Street
PO Box 893, Wellington
P: 04 801 3021
E: citygallery@wmt.org.nz
www.city-gallery.org.nz

Capital E

4 Queens Wharf
PO Box 893, Wellington
P: 04 913 3740, F: 04 913 3735
E: capitale@wmt.org.nz
www.capitale.org.nz

Carter Observatory

Botanic Gardens
PO Box 893, Wellington
P: 04 910 3140
E: info@carterobservatory.org
www.carterobservatory.org

Museum of Wellington City & Sea

The Bond Store, Queens Wharf
PO Box 893, Wellington
P: 04 472 8904, F: 04 496 1949
E: museumswellington@wmt.org.nz
www.museumswellington.org.nz

Cable Car Museum

1 Upland Road
PO Box 893, Wellington
P: 04 475 3578, F: 04 475 3594
E: cablecar@wmt.org.nz
www.museumswellington.org.nz

Colonial Cottage Museum

68 Nairn Street
PO Box 893, Wellington
P: 04 384 9122, F: 04 384 9202
E: colonialcottage@wmt.org.nz
www.museumswellington.org.nz

Plimmer's Ark Galleries

Old Bank Arcade (timbers *in situ*)

New Zealand Cricket Museum

The Old Grandstand, Basin Reserve
PO Box 578, Wellington
P: 04 385 6602
E: cricket@wmt.org.nz
<http://nzcricketmuseum.co.nz/>



CARTER OBSERVATORY
101 WAKEFIELD STREET



Museum of Wellington
City & Sea



Cable Car Museum



Colonial Cottage
Museum



Statement of Intent 2015-16 Basin Reserve Trust

Presented to the Economic Growth & Arts Committee
pursuant to Schedule 8 of the Local Government Act (2002)

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Additional Information	
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Appendix: Forecast Financial Statements	

Introduction

The Basin Reserve Trust continues a busy programme of activity as regards the premier cricket ground in New Zealand, the Basin Reserve.

The main issue for the Trust over recent years, the NZTA "Basin Bridge" application, was concluded in July 2014 with the decision of the Board of Inquiry to decline the project. Notwithstanding this decision the Trust already had plans in place to continue to operate the Basin as normal, irrespective of the outcome of the planning decision.

A significant focus over the past twelve months has been the coordination and drafting of a Basin Reserve "Master Plan"; a vision for the ground and its use over the next 25 years and beyond. Through a period of consultation and engagement, the Trust developed a comprehensive strategic plan which now underpins the request for funding for the Basin Reserve within the Council's LTP 2015-25 process.

Elsewhere in NZ the continued development and/or establishment of new cricket grounds, as evidenced by the Cricket World Cup played throughout the country, reinforced the need to ensure that the ground remains a competitive option for NZ Cricket when it schedules international matches for each season. The attractive "Future Tours Programme" currently being negotiated by NZC suggests a high number of valuable matches may be available for Wellington to pursue over the coming 8-year period.

Strategic Direction

Core Purpose

The objectives of the trust are stated in the Trust Deed as agreed between the Wellington City Council and the Basin Reserve Trust and are highlighted below:

1. to contribute to the Wellington City Council's vision of Creative Wellington - Innovative Capital - positioning Wellington as an affordable, internationally competitive city.
2. to manage, administer, plan, develop, maintain, promote and operate the Basin Reserve for recreation and leisure activities and for the playing of cricket for the benefit of the inhabitants of Wellington
3. to establish a long term policy for the further development of the value of the Basin Reserve as a recreational facility and as a facility for the playing of cricket, other sports and as a venue for other community based activities;
4. to enter into management agreements and other contracts that are necessary or desirable to achieve the objects of the Trust;
5. to promote and co-ordinate the raising of funds to assist the management, administration, maintenance planning, promotion and further development of the Basin Reserve - in a manner consistent with the achievement of council objectives;
6. generally to do all acts, matters and things that the Trustees consider necessary or conducive to further or attain the objects of the Trust set out above for the benefit of the public of Wellington;
7. to operate as a successful undertaking, managed on a not-for-profit basis;
8. to preserve and enhance the significant and recognised heritage value of the Basin Reserve;
9. to comply with all legislative and regulatory provisions relating to its operation and performance including statutory and general Council objectives for Council controlled organisations, and to acknowledge the Councils contribution where appropriate;

Operating Environment Update

NZTA Basin Bridge

The Trust had been an involved participant throughout the NZTA "Basin Bridge" process. However, with the decision by the Board of Inquiry in July 2014 to decline the application, the Trust's involvement has effectively ended, other than it being an observer party in any formal future progress.

New Venues and International Match Allocations

In the past two years there have been three new international cricket grounds approved to host matches by the International Cricket Council (ICC), and NZ Cricket (NZC). These grounds are Hagley Oval (Christchurch), Saxton Oval (Nelson), and Bay Oval (Mt Maunganui). There has been a clear resolve on NZC's part in particular to support and allocate matches to grounds of a 'boutique' nature, which present extremely well to broadcast audiences, and also have a much lower cost structure than the more traditional sports stadiums used for international matches in the past.

While the Basin Reserve retains its standing as NZ's foremost test cricket venue, the establishment of these 'new' grounds means that increased scrutiny is being applied to the Basin Reserve, not just in the traditional area of the turf performance, but now in the wider consideration of ancillary services such as media accommodation, fan activation areas, public amenities and the like. Acknowledging the financial, profiling, and community value associated with hosting international cricket in Wellington city, the Basin Reserve will need to meet these new challenges, and the proposed "Master Plan" details the Trust's strategic direction to meet and overcome such challengers to the Basin's title as NZ's number one cricket venue.

Nature and Scope of Activities

The Trust intends to work closely with Council, particularly WREDA personnel, to leverage the trade and tourism opportunities associated with cricket test matches. The recent Indian tour in 2014 highlighted the potential for building promotional activities, particularly given the large broadcast market back into India and the sub-continent.

The Trust will continue its work with several agencies, including NZTA, Heritage Places Trust, and the Council, to ensure that the Basin Reserve is maintained and promoted as has been legislated by the Deed of Trust.

Performance Measurements

Non financial Performance Measures

As attached.

Financial Performance Measures

As attached.

Board's Approach to Governance

The Trustees are responsible for setting the strategic direction for the Trust, and approving the Statement of Intent and Annual Business Plan. The Trustees monitor the organisational performance and ensures that the ongoing viability of the organisation is maintained.

The Trust delegates the daily operation of the Trust to Cricket Wellington Incorporated, pursuant to a Management Agreement between the two parties.

Trust Membership

- Sir John Anderson KBE (Chair)
- Mr Don Neely MNZM MBE (retiring 30 April 2015)
- Cr Paul Eagle
- Mr John Greenwood

Trust Operations

The Trust meets bi-monthly, and considers a Management Report submitted by Cricket Wellington as Manager. Additional meetings are called as required.

Performance Management

The performance of the Trust is measured in part by achievement of agreed KPI's, in regards to operational activities. The Chair of the Board will undertake an annual evaluation of Trustee performance. Further, the individual performance of Trustees is monitored by the Wellington City Council (in respect of the two Council- appointed Trustees), and Cricket Wellington (in regards to the two Cricket Wellington-appointed Trustees).

The Trust acknowledges the need for ongoing professional development opportunities for Trustees, and encourages the undertaking of specialist training for identified needs. The Board will on an annual basis implement a programme that supports the identified needs. This may include programmes such as that offered by the NZ Institute of Directors (or similar) or specialist knowledge building from appropriate agencies.

6. Organisational Health, Capability and Risk Assessment

The Trust undertakes the following measures to manage identified risks.

Financial and Legal Risks	<ul style="list-style-type: none"> • External audit and review of financial accounts (undertaken by Audit NZ) • Interests Register documented at each Trust meeting • Fraud Policy adopted by the Trust (detailing the Trust's policy for fraud prevention) • The Trust's financial matters are managed by an external Accountant, whom also sits on Trust meetings and partakes in business discussions and decision-making (as a non-voting member of the Trust's Executive)
Health & Safety	<ul style="list-style-type: none"> • Health & Safety policy in place, reviewed bi-annually • Evacuation Procedures in place • Meet all building WOF requirements and act in the required manner on IQP reports

Operating Risks	<ul style="list-style-type: none"> • Routine Maintenance Plan in place to ensure facility meets a necessary standard • For cricket-specific events, the Trust meets or exceeds NZC and/or ICC set criteria
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7. Additional Information

Response to other specific Letter of Expectation matters (if applicable)

Wellington Regional Economic Development Agency (WREDA)

The Trust has introduced NZC directly to key Council personnel, with a view to ensuring that Council has involvement in the international match allocation process to be adopted by NZC for the coming summers. The Trust already enjoys a close working relationship with Council events personnel in particular, and intends to develop that relationship further with the newly-established WREDA agency.

Health & Safety

Trust representatives attended the Council's internal H&S briefing in October, ahead of new legislation being introduced. The Trust itself has undertaken to ensure that H&S compliance is indeed a focus of its operations over the coming months, and in doing so to entrench such practices into the operating culture of the venue and organisation.

Trust representatives have engaged directly with Council H&S specialist staff, and will continue to do so to ensure comprehensive policies and practices are developed and enacted.

Naming Rights Sponsor

The Trust set itself an internal goal of retaining a Naming Rights Sponsor to start the 2015-16 financial year. The purposeful and positive progress of the Master Plan within Council has assisted with recent negotiations with prospective partners. The Trust remains confident that a new Naming Rights partner will be recruited ahead of next summer.

Business Continuity Plan

The Trust will discuss the Council's expectations with its BCP specialist staff, and undertakes to review and develop its BCP to a standard acceptable to and endorsed by Council no later than 30 September 2015.

Allocation of NZ Test Matches

Please see earlier commentary in the "Operating Environment Update". The Trust is aware that securing test matches (and other international matches if available) is critical to the ongoing success and sustainability of the venue. The Trust has had informal discussions with NZC as regards the "Future Tours Programme" (FTP), an 8-year programme of visits and likely matches up to and including 2023. Based on this information, which remains confidential and subject to confirmation hopefully by June 2015, the Trust intends to work closely with Council and WREDA to obtain and confirm a playing programme that meets the Council's strategic objectives, leverages maximum exposure for both cricket and the city, and protects and enhances the Basin's local, national, and international reputation.

Access to the Basin Reserve

A major theme of the Trust's "Master Plan" is the objective of widening the usage of the Basin Reserve beyond a recreation ground, and opening it up as a public space to other informal users, including walkers, cyclists and visitors. At a high level, the Trust is seeking to do this through a variety of measures, including the design of the ground being more 'open' (change of exterior fencing), and a 'greening' of the western embankment, with more user amenities such as playground features, picnic tables, etc. There are also plans to increase and improve the night security lighting within the ground, and in doing so allow for a return to 24 hour access.

The ground was closed during hours of darkness in 2011, in response to a large increase in vandalism at night and anti-social behaviour within the precinct. There are now plans to increase and improve the night security lighting within the ground, and in doing so allow for a return to 24 hour access.

Ratio of shareholders funds to total assets

A statement of the ratio of shareholders' funds to assets is not considered appropriate at this time.

Estimate of amount intended for distribution

There is no intention to pay out reserves to stakeholders.

Acquisition procedures

There is no intention to make any acquisitions.

Activities for which the board seeks compensation from a local authority

None.

Estimate of commercial value of shareholders investment

The net value of the Stakeholder's investment in the trust is estimated to be valued at \$355,000 as at 30 June 2015.

Other matters (if applicable) e.g. water supply services LGA requirements

None.

Supplementary information the entity wishes to include

None.

8. Appendix: Accounting Policies

9. Appendix: Forecast Financial Statements

Appendix: BRT Performance measures and targets 2015-16

Measure	Frequency	Measurement	Target Q1	Q2	Q3	Q4	FY
Administrative Measures							
Achieve targets within allocated budgets	Annual	Budget forecasts are met					
Comply with financial, technical and regulatory standards	Quarterly	Council reports submitted within stated timeframes					
Asset Management Plan carried out	Quarterly	Planned maintenance activities effected within budget					
Operating Measures							
Number of events	Quarterly						
- cricket (incl minimum of 1 test match pa)		Cricket matches (incl minimum of 1 test match)		3	8		11
- other sports		Sports events	6			6	12
- community		Other events				4	4
Number of event days	Quarterly						
- cricket		Cricket days		6	21		27
- other sports		Sports days	6			6	12
- community		Other days				4	4
Numbers attending events	Quarterly	Attendance figures	800	3,800	18,200	4,500	27,300
Practice facility usage	Quarterly	Cricket use		30	40		
Hirer satisfaction with venue and events	Quarterly	Positive formal feedback received					
Playing surface to be maintained to an international standard	Annual	Based upon NZC and ICC feedback					
Council subsidy per visitor	Quarterly	Subsidy < \$6.00 per visitor					
Financial measures							
Results within budget	Annual						
Capital expenditure – within budget	Annual						
Event income	Annual	\$100,000					
Non-event income as a % of total income	Annual	75% of total income					
Business Plan developed	Annual	Submission of Business Plan					

APPENDIX II: FINANCIAL BUDGETS, MEASURES AND TARGETS

BASIN RESERVE TRUST (INCORPORATED)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDING:

	30 June 2016 \$'	30 June 2017 \$'	30 June 2018 \$'
Income:			
Grant Income	808,000	590,000	625,000
Ground Hire Income	202,000	130,000	207,000
Other Income	75,100	120,100	122,600
Interest Income	3,500	3,500	3,500
Total Income	1,110,600	843,600	958,100
Expenditure:			
Building Expenses	42,000	44,500	45,000
Ground Expenses	388,000	364,500	414,500
Occupancy Expenses	137,700	133,200	139,000
Event Running Expenses	115,000	75,000	123,000
Administration Expenses	93,690	97,190	94,690
Other Expenses	22,050	32,050	22,050
Finance Costs	-	-	-
Depreciation	81,100	75,900	71,800
Total Expenditure	879,540	807,340	910,140
Total Comprehensive Income (Deficit) for the Period	231,060	36,260	47,960

These financial budgets have been prepared using accounting policies that comply with NZIFRS

BASIN RESERVE TRUST (INCORPORATED)

STATEMENT OF FINANCIAL POSITION AS AT

	<u>30 June 2016 \$'s</u>	<u>30 June 2017 \$'s</u>	<u>30 June 2018 \$'s</u>
Trust Funds and Liabilities			
Total Non Current Liabilities	-	-	-
Total Current Liabilities	145,500	145,500	145,500
Total Trust Funds	721,000	757,000	805,000
Total Trust Funds and Liabilities	<u>866,500</u>	<u>902,500</u>	<u>950,500</u>
Assets			
Non Current Assets	808,000	632,000	660,200
Current Assets	258,500	270,500	290,300
Total Assets	<u>1,066,500</u>	<u>902,500</u>	<u>950,500</u>

STATEMENT OF CASH FLOWS FOR THE YEARS ENDING:

	<u>30 June 2016 \$'s</u>	<u>30 June 2017 \$'s</u>	<u>30 June 2018 \$'s</u>
Net Cash Flows from Operating Activities	122,500	112,000	119,800
Net Cash Flows from Investing Activities	(50,000)	(100,000)	(100,000)
Net Cash Flows from Financing Activities	"	"	"
Net Increase (Decrease) in Cash Held	<u>72,500</u>	<u>12,000</u>	<u>19,800</u>
Cash at the Beginning of Year	100,000	172,500	184,500
Cash at the End of Year	<u>172,500</u>	<u>184,500</u>	<u>204,300</u>

These financial budgets have been prepared using accounting policies that comply with NZIFRS

BASIN RESERVE TRUST (INCORPORATED)

DETAILED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDING

	30 June 2016 \$'	30 June 2017 \$'	30 June 2018 \$'
Grant Income:			
Grant Wellington City Council	805,000	590,000	625,000
Grant Other	-	-	-
	<u>805,000</u>	<u>590,000</u>	<u>625,000</u>
Ground Hire Income:			
Ground Hire International	160,000	80,000	158,000
Ground Hire Domestic Cricket	38,000	48,000	38,000
Ground Hire Winter Sports	2,000	-	8,000
Ground Hire Other Events	2,000	2,000	3,000
	<u>202,000</u>	<u>130,000</u>	<u>207,000</u>
Other Income:			
Concession Income	25,000	20,000	22,500
Signage	50,000	100,000	100,000
Screen Hireage	-	-	-
Donations	-	-	-
Picket Fence Income	100	100	100
Miscellaneous Income	-	-	-
	<u>75,100</u>	<u>120,100</u>	<u>122,600</u>
Interest Income:			
Interest Income	3,500	3,500	3,500
	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>
Total Income	<u>885,600</u>	<u>843,600</u>	<u>958,100</u>

These financial budgets have been prepared using accounting policies that comply with NZIFRS

BASIN RESERVE TRUST (INCORPORATED)

DETAILED INCOME STATEMENT FOR THE YEARS ENDING

	30 June 2016 \$'s	30 June 2017 \$'s	30 June 2018 \$'s
Expenditure			
Building Expenses			
Repairs & Maintenance	10,000	12,000	10,000
Cleaning	2,000	2,000	2,000
Electrical Services	8,000	8,000	8,000
Fire System	8,000	8,500	7,000
Painting	2,000	2,000	3,000
Pest Control	4,500	4,500	5,000
Plumbing	8,000	8,000	8,500
Other	1,500	1,500	1,500
	<u>42,000</u>	<u>44,500</u>	<u>45,000</u>
Ground Expenses:			
Electrical Services	8,000	4,000	8,000
Equipment Hire	9,000	9,500	10,000
Cleaning	3,000	3,000	3,500
Irrigation	1,000	-	1,000
Painting	18,000	12,000	18,000
Plumbing	5,000	6,000	5,000
Rubbish Removal	15,000	15,000	16,000
Ground Structures	30,000	30,000	35,000
Turf	300,000	285,000	320,000
Karori Park Operation Contribution	-	-	-
	<u>388,000</u>	<u>364,500</u>	<u>414,500</u>
Occupancy Expenses:			
Gas	10,000	10,500	11,000
Electricity	23,000	24,000	25,000
Rates	28,500	29,500	30,500
Security	12,500	13,000	13,500
Telephones	3,200	3,300	3,500
Water Rates	35,000	32,000	37,000
Television	3,000	3,000	3,000
Insurance	8,800	8,800	1,000
Consumables/Laundry & Toilet	13,800	14,000	14,500
	<u>137,700</u>	<u>136,200</u>	<u>139,000</u>

These financial budgets have been prepared using accounting policies that comply with NZIFRS

BASIN RESERVE TRUST (INCORPORATED)

DETAILED INCOME STATEMENT FOR THE YEARS ENDING

	<u>30 June 2016 \$'s</u>	<u>30 June 2017 \$'s</u>	<u>30 June 2018 \$'s</u>
Expenditure			
Event Running Expenses:			
Event Running	90,000	65,000	88,000
Casual Staff	25,000	20,000	25,000
	<u>115,000</u>	<u>75,000</u>	<u>123,000</u>
Administration Expenses:			
Audit	13,000	13,500	14,000
Accounting	9,600	9,600	9,600
Bank Fees	90	90	90
Consultants	15,000	18,000	15,000
Management Fee	56,000	56,000	56,000
	<u>93,690</u>	<u>97,190</u>	<u>94,690</u>
Other Expenses:			
Interest Expense	-	-	-
Marketing	20,000	10,000	20,000
Miscellaneous	2,000	2,000	2,000
Picket Fence Expenses	50	50	50
	<u>22,050</u>	<u>12,050</u>	<u>22,050</u>
Depreciation Expense:			
Depreciation Expense	81,100	75,900	73,900
	<u>81,100</u>	<u>75,900</u>	<u>73,900</u>
Total Expenditure	879,540	607,340	810,140
Net Surplus (Deficit) for the Year	8,060	36,260	-47,980

These financial budgets have been prepared using accounting policies that comply with NZIFRS



**Wellington Regional Stadium Trust
Statement of Trustees Intent
For the year ending 30 June 2016**

Registered Office: Westpac Stadium
Waterloo Quay
Wellington

Chair: John Shewan

Chief Executive: Shane Harmon

The Wellington Regional Stadium Trust (the Trust) was established by the Wellington Regional Council (Stadium Empowering) Act 1996 and its settlors are the Wellington City Council and the Greater Wellington Regional Council.

The Trust recognises the interest that the ratepayers of Wellington City Council and the Greater Wellington Regional Council have in the Trust and its activities and have agreed to be subject to the reporting requirements of both Councils and their monitoring procedures. The Trust is not a Council Controlled Organisation.

May 2015



1. INTRODUCTION

The 2016 financial year will be another bumper year for the Stadium with a full calendar of events including a number of new events that should draw significant visitation from outside the region and associated economic impact.

The year will feature the following challenges and opportunities;

- A strong event calendar with a particular focus on non-sporting major events that will drive significant visitation to Wellington;
- Ongoing sale of membership and box holder licences as well as pursuing new revenue opportunities ensuring the Trust has diversified revenue streams that mitigate risk around any one particular stream;
- Working with Wellington City Council (WCC), Wellington Rugby Union (WRFU) and New Zealand Rugby (NZRU) to revive the Sevens with a view to renewal of the Sevens contract;
- Continued investment in the Stadium through development of plans to enhance the inner concourse, replace the turf and explore options for partnerships to develop a connected venue with free wifi throughout;
- A range of activities designed to improve the overall customer experience for patrons and increase attendance.

In 2014 the Trust developed its long term strategic plan that identified seven key strategic pillars;

1. Future Regional Venues Strategy
2. Attracting Domestic & International Events
3. Marketing and Branding
4. Improving Customer Experience
5. Building relationships with our Hirers
6. Maximising Revenue
7. Facility Management

Each of these pillars and associated activities is addressed in the Statement of Intent (SOI).

With respect to the five major challenges identified above, plans are in place to achieve positive outcomes for the Trust and are being implemented by management.

In the 2016 financial year, Westpac Stadium will remain New Zealand's most utilised venue. While there has been a strong focus on declining crowds for some sports across New Zealand, crowds attending events at the Stadium have remained consistent over the years with the Stadium's unrivalled variety of events providing some mitigation against declining crowds within any one category. Annual attendances have averaged around 500,000 for the 15 years.

The Trust continues to derive diverse revenue streams. While membership renewals have been below expectations it is expected that the corporate box target will be achieved this year. The shortfall in memberships will be offset to a large part by the improved outlook for major events and new sponsorship opportunities.

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The renewal of the Sevens contract after 2016 will largely depend on the performance of the 2016 event. The issues with the Sevens have been well documented and the Trust is working closely with WCC and New Zealand Rugby to ensure a successful 2016 event.

Over the next two years the Trust will continue to invest in the Stadium. There is an ongoing challenge to maintain and enhance our facility in order to meet public expectations. There has been substantial local and national government investment in stadiums across Australasia in recent years in an effort to compete with the at-home experience. Other New Zealand venues saw significant investment in the lead into Rugby World Cup 2011. The Trust's current priorities include enhancing the concourse, investment in technology with a view to becoming a fully connected venue and turf replacement.

The Trust's role in increasing attendance is to improve the live experience by improving the environment for customers and the level of service. In addition, the Trust continues to take a more collaborative and proactive approach with its hirers in developing strategies that attract crowds. The Trust has instigated a review of how the Stadium and its anchor hirers can work collaboratively to drive large increases in memberships. This work will continue through 2015.

2. STRATEGIC DIRECTION

a) CORE PURPOSE

The objectives of the Wellington Regional Stadium Trust as set out in the founding Trust Deed established by the Wellington City and Greater Wellington Regional Councils ('the Councils') are as follows:

- To own, operate and maintain the Stadium as a high quality multi-purpose sporting and cultural venue;
- To provide high quality facilities to be used by rugby, cricket and other sports codes, musical, cultural and other users including sponsors, event and fixture organisers and promoters so as to attract to the Stadium high quality and popular events for the benefit of the public of the region; and
- To administer the Trust assets and the Stadium on a prudent commercial basis so that it is a successful, financially autonomous community asset.

The Councils also have general objectives for the Trust. These are that it should:

- Have a partnership approach with the Councils and their entities;
- Have a regional focus where this is appropriate;
- Appropriately acknowledge the contribution of Councils;
- Achieve maximum effectiveness and efficiency of, and concentrated focus on service delivery;
- Operate at better than breakeven after depreciation expense.

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The Trust meets all the general objectives of the Councils noting that the overriding requirement of the Trust Deed means that the Trust must generate sufficient profit to repay loans and finance capital expenditure.

Alignment with Councils Policies and Strategies

In 2011 the Wellington City Council (WCC) developed a 2040 Strategy setting out its vision for the city. The Trustees fully support these policies and strategies and contributes directly to these priority areas.

The Economic Development Strategy

The WCCs' Economic Development Strategy sets out the city's plans for ensuring long term economic development of the city that improves the citizens' quality of life and community prosperity.

Every five years the Trust has conducted an economic impact and community contribution study of the benefits that the Stadium has brought to the region. The recently completed 15-year study shows that almost 7.8 million visits have been made by people attending events at the Stadium. Of these visits, around 1.8 million have been from people outside the Wellington region spending an additional \$889 million in the region's economy, more than two and half times original estimates.

The Stadium has continued to provide an exceptional return on the original investment to the Wellington Region.

The Event Policy

The 2040 strategy records that the Westpac Stadium is a significant amenity and provider of key international events.

The Stadium has played a critical role in recent years in hosting major events including Rugby, Cricket and FIFA U20 World Cups.

The Stadium's diverse sporting events calendar is unrivalled in New Zealand. Only Westpac Stadium and ANZ Stadium in Sydney hosted all five major outdoor sporting codes last year.

Wellington's challenge in attracting outdoor concerts has been well documented. It is particularly pleasing that the Stadium will host a bumper season of stadium-filling, non-sporting events in 2015/16, with the Elton John and AC/DC concerts, and four nights of the Edinburgh Military Tattoo.

The Stadium continues to support the Basin Reserve through providing turf services.

The Accessible Wellington Action Plan

The Accessible Wellington Action Plan aims to enhance Wellington's reputation as an inclusive and socially responsible city and one that is accessible, safe and easy to get around. The Plan seeks to improve access for people with disabilities, parents with prams, older people with age related decrease in mobility and sensory abilities.

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The location of the Stadium and its design were in large part driven by the power of its accessibility. The Stadium is ranked as the No.1 accessible stadium in New Zealand according to strategy and communications consultancy, the gamba group.

Its position in the transport hub and an easy walk from the CBD and entertainment precinct ensures the city, its residents and its visitors all benefit from the Stadium's events.

Westpac Stadium has a well-developed access plan to enable easy access to the Stadium for all patrons. It provides people movers operating up and down the Fran Wilde Walk, special drop off areas, mobility parks and assisting people with wheelchairs directly to their seats. In 2011 Be.Accessible reviewed the Stadium and issued us with a Platinum rating, their highest level of achievement. The Trust will continue to provide easy access for its patrons.

We continue to receive positive feedback from patrons requiring accessible access.

We have also agreed to partake in WCC's current audit of organisations accessibility.

The Digital Strategy

The Digital Strategy aims to achieve global recognition as a creative, digital city.

The Stadium will be conducting an RFP during 2015 to seek partners to assess the costs and capability for Westpac Stadium to become a fully connected venue offering free wifi and venue specific content to mobile devices.

In addition the Stadium is partnering with local companies to re-launch its website and to develop a Customer Relationship Management platform.

Wellington Regional Economic Development Agency (WREDA)

The Trust has strong existing relationships with Grow Wellington, Positively Wellington Tourism, Destination Wellington, Positively Wellington Venues and Major Events.

We commit to a strong partnership approach with WREDA with a view to enhancing Wellington's standing as a major event host.

Wellington City Council's Long Term Plan

The Trust is fully supportive of the city and region's long term plans in particular those plans which will offer opportunities for collaboration and mutual benefit. In particular the Trust identifies the following plans that provide strong synergies with the Stadium's plans:

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1. A longer airport runway: bringing in more international visitors, and enhancing business and education connections.

The Stadium will be a beneficiary of a longer runway through increased visitation for major events. In addition a longer runway removes one of the impediments for major artists visiting Wellington, as staging and equipment has often had to be transported via road from Auckland.

2. Screen and tech industries: supporting smart and sustainable economic growth.

The Stadium is exploring the possibility of becoming a fully connected venue delivering unrivalled digital technology to fans and hirers. The Trust will be actively seeking local partners as part of that strategy.

3. New and improved venues for music, sport, and conventions

The Trust is very supportive of the proposed investment in sports and events infrastructure.

A new indoor arena and the Wellington Convention Centre will complement the Stadium's current offerings. The convention centre will complement the Stadium's already busy functions business. The Trust is also supportive of the investment in the Basin Reserve.

It is important that both venues continue to complement each other and that the investment ensures a growth in the number of events and overall attendances for Wellington as opposed to displacement of existing events within the region.

The Trust is very grateful that the Stadium has been included in the Draft Long Term Plan. This is covered later in the SOI.

4. Reigniting our sense of place through events and public space improvements

The Trust applauds the commitment to increase funding for major events. A partnership driven approach to attracting and securing the right events for Wellington is vital. The Trust commits to being an active partner in this strategy.

Greater Wellington Regional Council's Long Term Plan

The Trust supports Greater Wellington Regional Council's Draft Long Term Plan in particular those plans which cover public transport infrastructure and getting more people on public transport

The Trust supports further investment in public transport and encourages patrons to utilise public transport while attending events at the Stadium. The Trust plans to encourage cycling through installing more bike racks at the Stadium.



b) OPERATING ENVIRONMENT UPDATE

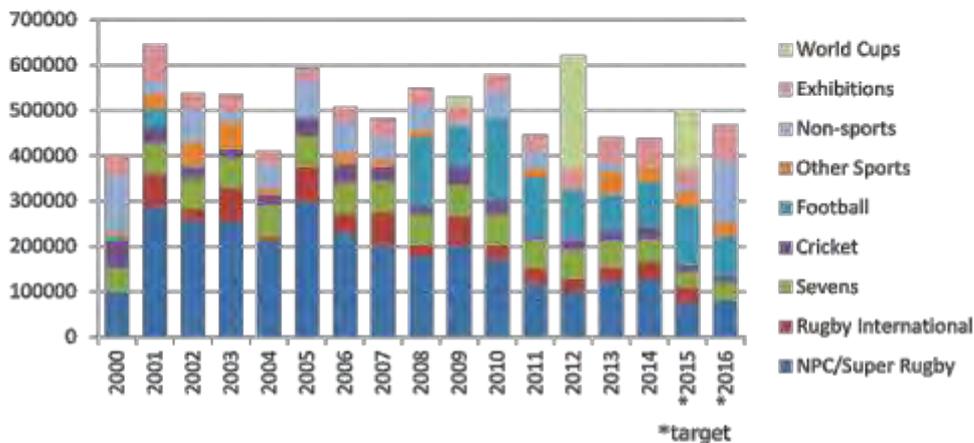
The 2014/2015 event calendar was unique in that we hosted two World Cups.

The events outlook for 2015/16 is particularly positive and the Trust looks forward to another full year of quality events. The Trust’s focus lies particularly on those events that will fill the stadium and generate economic return for the region.

The renewal of memberships is a continuing challenge for the Trust. The Trust expects that sales will continue throughout the year and on an ongoing basis. However our diverse revenue streams and improved event outlook mean that the Trust will continue to operate with positive cash flows enabling the Trust to continue to invest in the facility.

While crowds at some events have been trending down in recent years, the Stadium continues to attract similar annual attendances as it has since opening in 2000.

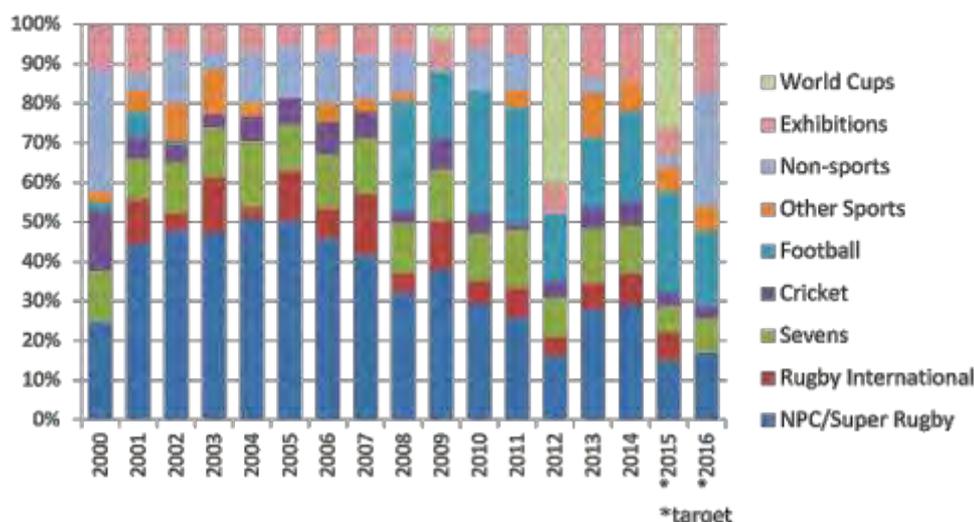
The following table highlights aggregate crowds by event type since the stadium opened. This year 500,000 fans will attend events at the stadium which is consistent with our long term average.



The mix of events has changed significantly over that period, and the Stadium is no longer reliant on any one code or event for its attendances.

The following table highlights the diverse mix of attendances over the years represented as a percentage of the overall attendance in any given year.

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c) STRATEGIC FRAMEWORK

The Trust's five year objectives are:

1. To be viewed by the residents of the region and our stakeholders as a valued and essential asset.
2. To operate the best venue in New Zealand measured by:
 - Satisfaction of hirers
 - Patron satisfaction
 - Event calendar and diversity
 - Calibre of international events held
 - Environmental impact
 - Relationship with our neighbours
 - Adherence to world's best practice
3. To remain financially autonomous
4. To provide a full and balanced event calendar to patrons
5. To have a successful ongoing renewal of memberships and corporate boxes
6. To maintain and enhance the facility to the standard of international best practice
7. To be a good employer and provide personal development opportunities to employees in a safe working environment.



3. NATURE AND SCOPE OF ACTIVITIES

The nature and scope of the Trust's activities are dictated in the first instance by the Trust Deed, settled with both Councils.

To meet its obligations under its Trust Deed, the Trust identifies the key objectives of:

- Presenting a full and balanced event calendar;
- Maintaining and enhancing the facility;
- Achieving a level of profitability that finances continuing capital expenditure and meets debt reduction obligations.

The Board and management have taken a longer term view to the Stadium's business. In 2014, the Trust identified what we believe are going to be the key issues and opportunities over the next 10-15 years and how we can position ourselves optimally.

In line with the obligations listed above under its Trust Deed; the Trust has developed a number of themes that form the basis of its long term planning;

1. Future Regional Venues Strategy;
2. Attracting Domestic & International Events;
3. Marketing and Branding;
4. Improving Customer Experience;
5. Building relationships with our Hirers;
6. Maximising Revenue;
7. Facility Management.

For the 2015/16 year the Trust's focus on each is outlined as follows:

1. Future regional venues strategy

In the 2014/15 SOI, the Trust flagged its support for the need for a regional strategy for sports and other entertainment venues addressing the region's needs for the next 30 to 50 years.

The Trust is therefore very supportive of Wellington City Council's focus on new and improved venues contained in its Draft Long Term Plan.

A new indoor arena and the Wellington Convention Centre will complement the Stadium's current offerings. The Trust has previously argued that an indoor arena would generate a bigger increase in events and therefore economic return for the region than a roof on the Stadium.

The convention centre will complement the Stadium's already busy functions business. The Trust feels that the convention centre will attract new business in a segment that Wellington is unable to compete in currently.

The Trust is also supportive of the investment in the Basin Reserve. It is important that both venues continue to complement each other and that the

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investment ensures a growth in the number of events and overall attendances for events in Wellington as opposed to replacement of existing events within the region.

The Trust is keen to work with the Councils and venues to ensure best practice governance across sports and entertainment venues. Stadium management will ably assist in a cooperative manner as required.

The Trust is grateful that WCC has considered the Stadium in its Draft Long Term Plan.

In 2014, at the request of WCC, the Trust conducted an investigation into the feasibility and likely cost of a major redevelopment of Westpac Stadium that would enable the Stadium to be reconfigured into rectangular mode for certain sports in addition to adding a roof. The report highlighted that the costs of reconfiguration and adding a roof would be over \$300m. As a result no further action was taken.

Specifically WCC has allocated \$5.0 million for a significant upgrade of the public concourse with a view towards:

- (i) Improving the overall fan experience for sporting events at the Stadium;
- (ii) Making Westpac Stadium a more desirable host for large scale exhibitions that drive out-of-region visitation and grow the local economy. This is consistent with our settlers' desires for more non-sporting events to be held at the Stadium.

The proposed upgrades would cover the following elements:

- (i) Removal of some of the steel cladding around the major thoroughfares to bring natural light and the city's wonderful vista into the stadium;
- (ii) The enhancement and renovation of food and beverage outlets;
- (iii) Refurbishment of the concourse floor;
- (iv) Cladding of current grey concrete walls and pillars;
- (v) Develop consistent look and feel and way finding around the concourse;
- (vi) Making the space more suitable for exhibition clients;
- (vii) Improved lighting.

Specific plans and business cases will be developed to support the investment.

This timing of this funding would enable the Trust to complete the works in advance of the British and Irish Lions visit in 2017.

2. Attracting domestic and international events

Westpac Stadium remains the busiest stadium in New Zealand, hosting over 50 event days each year in addition to community event days. Furthermore the Stadium hosts up to 1,000 non-event day functions, conference and meetings each year.

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Large scale international events are crucial to the viability of the Stadium. Large events such as the recent All Blacks v South Africa test match and the Football United Tour are significant drivers of revenue. Securing major events is a major focus of the Trust ongoing.

The events schedule through to 2016 is very healthy including the six non-sporting event nights that have been announced for the summer of 15/16.

The event calendar is so busy it creates challenges with existing hirers and finding free weekends for major events. Nonetheless we are generally able to balance the schedule and will seek alternative venues within the region should the need arise.

The likely calendar for 2015 though to mid-2016 can be seen in the following tables. Some of these are placeholders in advance of schedules being confirmed.

Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Phoenix	Sevens (2 Days)	CWC 2015	Hurricanes	A-League Finals (x 2)	FIFA U20 (x2)
Miro	CWC 2015	CWC 2015	Phoenix	Hurricanes	FIFA U20 (x2)
Cricket		CWC 2015	Expo (3 days)	Hurricanes	FIFA U20 (x2)
Cricket		Hurricanes	Phoenix	Hurricanes	FIFA U20
		Phoenix	Hurricanes	FIFA U20 (x2)	Super Rugby Finals (x2)
			AFL		
			Phoenix		

Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Super Rugby Final	Warriors	Expo (3 Days)	ITM Cup	Phoenix	Phoenix
Expo (3 Days)	Expo (2 Days)	ITM Cup	ITM Cup Finals (x 2)	Phoenix	Phoenix
	ITM Cup	ITM Cup	Phoenix	Eden Park	Cricket
	ITM Cup	Expo (3 Days)	Phoenix	Cricket	ITM



Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
Phoenix	Cricket	TBA (Sporting event)	Hurricanes	Hurricanes	Hurricanes
Phoenix	Phoenix	Hurricanes	Phoenix	Hurricanes	Test
Sevens (2 Days)	Tattoo (3 Days)	Phoenix	Hurricanes	Expo (3 Days)	Expo (3 Days)
		Hurricanes	Phoenix	Expo (3 Days)	Super Rugby Finals (x2)
		Phoenix	A-League Finals (x 2)		

The Trust plays the role of active partner with its hirers, maintaining a close relationship with each across event marketing and operations in the lead into each event.

Exhibitions continue to occupy a large number of events days. In 2015/16 a record 20 days are expected to be occupied by exhibitions.

The two events that pose the most risk in the next twelve months are the Anzac Day St Kilda match and Sevens.

The Trust is keen to retain the AFL. It is unique to Wellington as being the only region outside of Australia to have hosted an AFL premiership game. Nonetheless we recognise that the future depends on achieving KPIs around attendance and visitation. The Trust encourages the AFL to take a long term view of the development of the game in New Zealand in a similar way to its approach to Western Sydney.

Our most important annual event, the Sevens, created some unique challenges in 2014 particularly in relation to alcohol management due to the introduction of the Sale and Supply of Alcohol Act in December 2013 and how the Act is policed. These issues and subsequent PR had a significant impact on crowd figures for 2015. Nonetheless this year's event saw a big shift in the make-up of an albeit smaller crowd, attracting a broader demographic than in previous years.

The Trust believes that overall the Sevens brand and experience needs refreshing. There is a unique opportunity to broaden its appeal with the Rio Olympics taking place in 2016. Planning for next year's event has already started and the Stadium is working closely with WCC and NZRU who recently took over the management of the event.



3. Marketing and branding

Media and PR

In 2014/15 the Trust adopted a more proactive public relations approach with key media outlets, being on the front foot as issues have arisen. The main objective is to achieve a balanced and fact-based debate rather than an emotional, inaccurate or misleading one. By and large the Trust is pleased with what it views to be more balanced reporting of its activities.

Planned activities for the upcoming year include:

Stadium Birthday: In 2015, the Stadium celebrates its 15th Birthday. This presents an opportunity to open up the doors to the wider Wellington Region and thank residents for their support of the Stadium with a range of activities. This event will take place in July.

Community Mural Project: Twelve schools from around the wider Wellington region will be invited to participate in a project to painted murals that will be mounted on the internal walls of the stadium concourse. Students will work with a professional artist in a workshop format to explore ideas, develop their design concept, and receive training and support. The project has the support of the Wellington, Porirua and Hutt City Councils who will support with promotion and awareness.

Digital Strategy

With more fans consuming their news and information online than ever before it is important that the Stadium is connecting with fans across multiple platforms. A Fan Development and Digital Manager was hired in July 2014 to lead the work in this area.

Website: A refresh of the Stadium's website is almost complete. Wellington-based web-agency Ocular won the tender for this work. The rebuild will incorporate a more dynamic design update, with a focus on user engagement, multi-media content and social media integration.

The site will be redeveloped to be fully mobile optimised, with clearer navigation, simple design and engaging and dynamic content.

Social Media: In 2014 the Stadium increased its social media presence adding a YouTube channel, LinkedIn profile, Google+ and Instagram accounts to the existing Facebook and Twitter accounts. Each of these channels offers different ways to publish relevant information and connect with fans in the environments in which they are operating daily.

A daily content calendar is now in place, providing a combination of news, images, video and event updates. These channels provide us with a valuable opportunity to engage with sports fans from around the region, promote our events and support our hirers in their communications activities.



In 2015/16, the focus will be on building the size of our social network. While not the most important metric, the size of the community will help spread the word and encourage increased engagement with our target audience.

E-newsletters: The Trust will launch two new e-newsletters. In addition to the existing monthly member update, there will be a general monthly fan newsletter as well as a quarterly hospitality newsletter. With these two new publications, the Stadium will be able to better connect with fans on a regular basis, sending information directly to their inboxes.

4. Improving customer experience

Our aim is to be more than just a venue, instead working alongside our hirers to continuously improve the fan experience. The Stadium will help to facilitate the sharing of issues and ideas, develop proactive solutions and work towards best practice across all our events.

Fan Research: Gemba Research has been appointed to conduct a three-year fan research programme on behalf of the Trust. This programme will begin in 2015, tracking a monthly sample of fan feedback throughout the year. Results will be available on a monthly or cumulative basis, with the research questions designed to show trends over time.

Fan and Member Advisory Group: The Trust will invite a group of fans representing a range of demographics to form a regular fan advisory group. The group will be invited to attend bi-annual meetings with the Trust and hirer representatives to discuss a range of topics. This will act as a focus group and provide an opportunity to get qualitative feedback from a small sample of fans.

Customer Relationship Management: The Trust has recently overhauled its previously separate databases, and is now using Salesforce CRM to ensure better management and communication with our customers.

Food: The Stadium introduced a whole new range of food items that have been very well received over the last twelve months. The Trust acknowledges the substantial amount of media coverage generated on this topic recently in Australia and New Zealand and commits to working harder to deliver increased quality and value to customers.

5. Building relationships with our hirers

Ultimately our key customer is our hirer. We have worked hard to develop strong relationships with our key hirers over the last twelve months.

This year we will commence a hirer's forum which will provide an opportunity to gather all our main hirers and partners together to discuss topical issues that face the whole industry, share information and ideas. Topics to be covered will include research, technology, ticketing trends, security/alcohol legislation, health and safety and catering.



6. Maximising revenue

The Trust has diverse revenue streams. The mix of events and hirers provides some degree of risk mitigation to a downturn in any one sport or event.

However, maintaining and growing revenue is critical to our business.

The Trust's mix of revenue streams compare favourably to other major stadiums around the world and in many cases better in terms of diversity.

The Trust has strengthened its business development capability as it enters a new period where long term revenue streams are not ensured.

Specifically in 2015/16 the Trust will target:

- New memberships;
- Corporate box sales;
- Additional casual hospitality revenue;
- New band signage clients
- A new naming rights sponsor for the Stadium Members Club
- A new naming rights sponsor for the Mezzanine Bar

7. Facility management

As the Stadium turns fifteen, continued investment is vital in order that we remain competitive.

The original master plan was initiated in recognition of the fact that stadiums age quickly and must undergo major face lifts or reconstruction on a 15–20 year basis to remain relevant.

The stadium environment is increasingly competitive. There has been significant investment in stadiums in both Australia and New Zealand in recent years. Regional, state and federal governments recognise the value of modern stadiums in attracting events, generating economic activity and promoting sport.

In New Zealand, Eden Park underwent a \$200m renovation for RWC 2011. A new \$60m stand opened at AMI Stadium prior to the Christchurch earthquake. In addition Forsyth Barr Stadium was constructed at a cost of \$250m.

Four years ago, Westpac Stadium was the most modern facility in the country. It has now slipped to third and will move to fourth when the new stadium is built in Christchurch.

In Australia most major stadia have undergone or are about to undergo significant renovations as the event attraction market becomes increasingly competitive and venues aim to compete with the at-home experience. In Sydney alone, \$600m has been allocated for upgrades to its two main stadia that are 15 and 27 years old respectively.



All of these major upgrades were beyond the financial means of the venues themselves and are funded through a combination of venue capital reserves, borrowing, local, state and federal governments.

The Trust has spent \$7.6m to date in completing the following key master plan projects:

- Addition of new changing rooms and upgrade of existing ones (predominantly for Sevens Tournaments and World Cup use)
- New media facility
- Upgrade of Stadium Members Lounge (in advance of membership renewals)
- Construction of the East Mezzanine Bar/Lounge (enhancement of public facilities)

Over the next three years, the Trust has earmarked an additional \$6.8m for investment in new master plan related projects. These priorities are being worked through currently. In addition, The Stadium turf is coming to the end of its economic life and must be replaced, ideally before the British & Irish Lions tour in 2017.

Priority projects will be identified on the basis of:

- a) Improving the fan experience and attracting more fans i.e. growing audiences;
- b) Attracting more events to the venue, with a particular focus on non-sporting events;
- c) Consistency with an integrated regional venue strategy.

In recent times the stadium has also been a major beneficiary of exhibitions utilising the unique internal concourse. There is no other space within Wellington that can cater for events of this scale. Over the last four years we have almost doubled our attendances at exhibition style events to 63,000 visitors in 2014.

These events include Beervana, Armageddon, the Home and Garden Show; Better Home and Living Show and the Food Show. We are also attracting increasing interest in trade specific shows, such as the 2014 Foodstuffs trade show which attracted 2,000 trade visitors, the majority from outside the Wellington region ensuring almost 100% hotel occupancy over the two days.

To continue to attract these events, investment in the inner concourse is vital.

In 2015/16 the Trust will develop business cases and plans with a view to delivering the following projects;

- Concourse upgrade;
- Use of technology to draw more fans;
- Turf replacement/upgrade.

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Planned capital expenditure is summarised below.

	2015/16 \$m	2016/17 \$m	2017/18 \$m
Concourse upgrade – WRST funded	1.00	1.00	0.50
Concourse upgrade – WCC funded (provisional as per Draft LTP)		5.00	
Technology upgrade	0.75	0.75	-
Turf replacement	1.86	0.37	-
Other master plan projects	0.83	2.00	-
Other capital expenditure	1.30	0.99	0.78
Total	5.74	10.11	1.28

Operating Profitability

The Trust Deed requires the Trust to be financially autonomous. This means the Trust must generate sufficient profits to meet loan repayments and provide funds to complete capital replacement and development programmes to enable the Trust to meet its obligation to maintain the building to the standard of international best practice.

The major difference the Stadium can make to attendance at events is to improve the experience of the patrons across all areas of the facility. The Stadium Master Plan was developed to do that, but it can only be completed if we can continue to satisfactorily fund these projects.

While the Stadium has reported healthy surpluses on an annual basis, a major part of that surplus each year has been amortisation of the \$43 million of membership and box income received in 1999/2000 and spent on construction of the Stadium. Accounting standards require that the total revenue received from those sources is spread evenly over the 15 year term and reported annually as profit, although no further cash was received by the Trust.

From 2015 onwards the funds from the new memberships and corporate boxes are most likely to be paid on an annual basis representing a more accurate picture.

The financial projections are outlined on the following pages. The Trust has applied to WCC for funding of \$5 million as part of the LTP process to allow it to bring forward capital expenditure, particularly in the internal concourse area. Should this funding be obtained, we are required to record it as income in the year of receipt. It has therefore been shown as a separate line item. This has the effect of increasing the projected surplus, and operating cash flows in the 16/17 year. The offsetting capital expenditure is included in the same year.

Excluding this provisional grant income, the Trust projects a healthy operating surplus of between \$3.21m and \$4.47m and operating cash flows range between \$2.2m and \$4.42m.



Depreciation increases over the three year period from \$3.81m to \$4.47m as a result of the ongoing capital expenditure programme, which has spending of \$17.12m during the three years.

Changes in accounting standards have resulted in a change to the accounting treatment of the limited-recourse loans received from the two Councils at the time the Stadium was built. The loans will resume being shown at their face value, with no notional interest adjustment required each year. The Trust believes this is a much fairer presentation.



**SUMMARY STATEMENT OF FINANCIAL PERFORMANCE
FOR THE THREE YEARS ENDING 30 JUNE**

	2015/16	2016/17	2017/18
	\$m	\$m	\$m
Revenue			
Events	6.52	4.93	7.08
Members Boxes & Sponsorship	4.56	4.77	4.77
Other	2.70	2.68	2.65
Total Revenue	13.78	12.38	14.50
<i>Less:</i>			
Event Operating Costs	3.20	2.48	3.26
Other Operating Costs	5.80	5.79	5.90
Interest	0.73	0.90	0.87
Total Operating Expenses	9.73	9.17	10.03
Operating Surplus before depreciation	4.05	3.21	4.47
<i>Less:</i>			
Depreciation	3.81	4.12	4.47
Net Surplus	0.24	(0.91)	-
<i>Plus:</i>			
Grant income (for capital expenditure) *		5.00	
Total Surplus	0.24	4.09	-

* Provisional, subject to approval in WCC Draft Long Term Plan

Net operating cash flows	3.66	7.21	4.42
Surplus cash at the end of each year after meeting loan repayments	1.03	1.04	0.98
Bank Loan at year end	10.40	13.30	10.10
Net debt (Loan less cash)	9.37	12.26	9.12



PROJECTED EVENTS SCHEDULE 12 months ending 30 June

CONFIRMED	2016	2017	2018
Rugby Union	14	13	12
Cricket	1		1
Football	11		
Other Sport	1		
Concerts/Other Events	6		
Exhibition Days	11		
Total Confirmed	44	13	13
UNCONFIRMED			
Rugby		2	2
Cricket	1	1	1
Football		11	12
Other Sporting Events	1	1	4
Concerts/Other Events		1	1
Exhibition Days	9	14	14
Total Unconfirmed	11	30	34
Community Events	5	5	5
Total Events	60	48	52

SENSITIVITY OF NET SURPLUS TO UNCONFIRMED EVENTS

	2016	2017	2018
Net Revenues from Events	\$m	\$m	\$m
Confirmed	3.03	1.33	2.32
Unconfirmed	0.29	1.08	1.56
Total	3.32	2.41	3.88



**SUMMARY STATEMENT OF CASHFLOWS
FOR THE THREE YEARS ENDING 30 JUNE**

	2015/16	2016/17	2017/18
	\$m	\$m	\$m
Cashflows provided from operating activities	13.40	11.38	14.48
Cashflows from grants (to be used for capital expenditure)*		5.00	
Cashflows applied to operating activities	(9.74)	(9.17)	(10.06)
Net cashflows from operating activities	3.66	7.21	4.42
Cashflows applied to investing activities	(5.74)	(10.10)	(1.28)
Net cashflows from investing activities	(5.74)	(10.10)	(1.28)
Cashflows provided from financing activities	1.90	2.90	
Cashflows applied to financing activities			(3.20)
Net cashflows from financing activities	1.90	2.90	(3.20)
Net increase (decrease) in cash	(0.18)	0.01	(0.06)
Opening balance brought forward	1.21	1.03	1.04
Cash at year end	1.03	1.04	0.98

* Provisional, subject to approval in WCC Draft Long Term Plan



**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE**

	30-Jun 2016 \$m	30-Jun 2017 \$m	30-Jun 2018 \$m	30-Jun 2019 \$m	30-Jun 2020 \$m
Trust Funds					
Retained Surpluses	43.68	47.77	47.76	45.59	43.77
Limited Recourse Loans	40.39	40.39	40.39	40.39	40.39
	84.07	88.16	88.15	85.98	84.16
Non Current liabilities					
Revenue in Advance	1.53	0.50	0.47	0.00	1.27
Bank Loan	10.40	13.30	10.10	11.95	8.05
	11.93	13.80	10.57	11.95	9.32
Current Liabilities					
Revenue in Advance	3.05	3.08	3.10	3.07	3.19
Payables	1.23	1.23	1.23	1.23	1.23
	4.28	4.31	4.33	4.30	4.42
Total Funding	100.28	106.27	103.05	102.23	97.90
Represented by:					
Property Plant & Equipment	98.57	104.55	101.35	100.53	96.19
Current Assets	1.71	1.72	1.70	1.70	1.71
Total Assets	100.28	106.27	103.05	102.23	97.90



4. PERFORMANCE MEASURES

Non-Financial Performance Measures

Measure	How Measured
<ul style="list-style-type: none"> Delivering an outstanding Sevens in 2016 for both patrons and event managers 	<ul style="list-style-type: none"> Key stakeholders are satisfied with management of the Sevens operation Improved attendances for 2016 Renewal of contract beyond 2016
<ul style="list-style-type: none"> Secure a strong Rugby international calendar for 2016 and 2017 	<ul style="list-style-type: none"> A minimum of 4 international rugby matches over both years
<ul style="list-style-type: none"> Deliver more large scale non-sporting events 	<ul style="list-style-type: none"> Secure at least one concert per year Secure at least three other events outside the traditional rugby and football regular season calendar per year
<ul style="list-style-type: none"> Continued investment in stadium infrastructure 	<ul style="list-style-type: none"> Stadium technology RFP completed Turf replacement strategy completed and agreed A concourse upgrade plan developed to the satisfaction of key stakeholders
<ul style="list-style-type: none"> Deliver a full event calendar 	<ul style="list-style-type: none"> Securing 45-50 event days per year. (Excludes community events).
<ul style="list-style-type: none"> Host unique events that deliver economic benefit to the region 	<ul style="list-style-type: none"> Maintaining economic benefit to the Region at an average of \$40 million per year Working with promoters to deliver special events to Wellington
<ul style="list-style-type: none"> Continue to enhance food and beverage offering 	<ul style="list-style-type: none"> Greater range and quality of offerings Higher customer satisfaction in research
<ul style="list-style-type: none"> Improved fan experience 	<ul style="list-style-type: none"> Achieve year on year improved research results from patrons



Financial Performance Measures

The key performance indicators agreed with the Wellington City Council and Greater Wellington Regional Council are:

- Revenue – total, and event
- Net surplus (deficit)
- Net cash flow
- Liquidity ratio
- Bank borrowing to total assets
- Capital expenditure
- Events held and attendance numbers
- Patron and hirer satisfaction

We have reviewed these indicators and believe these are appropriate to the purpose of the Council's monitoring the Trust performance. They are reported on by the Trustees in their six monthly reports.



5. BOARD APPROACH TO GOVERNANCE

Role of the Board

The Board of Trustees is responsible for the proper direction and control of the Trust's activities. This responsibility includes such areas of stewardship as the identification and control of the Trust's business risks, the integrity of management information systems and reporting to stakeholders. While the Board acknowledges that it is responsible for the overall control framework of the Trust, it recognises that no cost effective internal control system will prevent all errors and irregularities. The system is based on written procedures, policies and guidelines, and an organisational structure that provides an appropriate division of responsibility, sound risk management and the careful selection and training of qualified personnel.

Board Operation

The Board has three Standing Committees that focus on specific areas of the Board's responsibilities. These Committees are the Finance Committee, the Audit Committee and Health & Safety Board Sub-Committee.

The Board meets regularly, generally eight times per year. The Finance Committee meets when required. The Audit Committee meets at least annually. The Health & Safety Committee meets quarterly.

Board Performance

The policy of the Board has been that the Chairman conducts an interview with each Board member prior to the expiry of their term. Each new Board member undertakes an induction program to familiarise themselves with the Stadium, its operation and Board issues. Given the experience of the current Board it has been deemed that a Board development program is not necessary. If there are any Board performance issues, the Chair will bring them to the attention of the Chair of CCO Performance Subcommittee.

At the first meeting of the new financial year, the Chairman of the Audit Committee conducts a review of the Chairman's performance.

A full Board performance review has recently been conducted and no significant issues identified.

Board Membership

The Trust Deed states that there shall be not less than five, nor more than eight Trustees.

The Trustees are appointed jointly by the Settlers (Wellington City Council and Greater Wellington Regional Council).

The Wellington City Council and the Greater Wellington Regional Council can each independently appoint one of their elected Councillors as a Trustee.



The current Trustees are:

Name	Appointed until:
John Shewan (Chair)	30 June 2015
Steven Fyfe	30 June 2016
Susan Elliott	30 June 2017
Mark McGuinness	30 June 2017
Rachel Taulelei	30 June 2017
Therese Walsh	30 June 2018
Nigel Wilson	formal declaration of results of GWRC 2016 elections
Simon Marsh	formal declaration of results of WCC 2016 elections

6. ORGANISATIONAL HEALTH, CAPABILITY AND RISK ASSESSMENT

Health & Safety

The Trust is across the changes to Health and Safety legislation and will take these changes into account in its ongoing planning and monitoring of Stadium activities.

The Trust has well developed health & safety policies which were reviewed by an external consultant and are regularly updated.

A Health & Safety booklet has been produced which includes Stadium policies, the roles for staff and contractors, incidents and accident investigation, general site safety, emergency procedures and induction.

The Trust has established a Board Health and Safety Sub-Committee which meets regularly to develop process, monitor activity and review incidents.

All staff receive regular training in respect of health & safety procedures.

Contractors coming on-site are required to:

- Complete a health & safety agreement
- Complete a health & safety induction plan
- Provide a contractors safety plan
- Operate safely and report any hazards, near misses and injuries

There are no associated liabilities to the Council.

RISK MANAGEMENT

Earthquakes

Prior to construction (July 1995), the Trust commissioned a full geo-technical report on the site. The ground was improved with vibro-replacement producing gravel columns at spacing of two to three metres to mitigate the effect of earthquakes.

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The Trust has used the learnings from the recent earthquakes to strengthen its crowd control and evacuation procedures.

The Trust is conducting a study to enable the Stadium to better understand its current percentage of New Building Standard (% NBS), the interaction between the reclaimed land and the building structure, the differential lateral spread expected and as well as a building seismic assessment. While it is not expected that significant issues will emerge, the study may highlight remedial actions that if implemented may enhance the structures.

Insurance

The Stadium insurance programme is managed by Marsh Ltd. The Trust operates a maximum first loss policy that provides cover for the maximum credible loss for fire, earthquake and other perils. The current maximum cover insured is \$150m for material damage and \$25.6m for business interruption.

The building reinstatement value is \$223.7m. The Trust has used the maximum first loss policy since 2003 based on modelling work undertaken with Marsh which has supported \$150m as being appropriate cover in this context.

The Trust would have difficulty in acquiring full reinstatement cover and this would come at a prohibitive cost.

The Stadium is required to cover the first \$7.0 million of any earthquake claim. There have been no material changes to the cover or the deductibles from the previous year.

Business Continuity Plan

The Stadium has a Business Continuity Plan. The Trust has ongoing interactive training sessions with all staff to reinforce the content and requirements of the plan.

Communication and Access to Information

The Trust enjoys a positive and open relationship with both of its settlors, and both settlors have representation on the Board of Trustees. The Trustees confirm they intend to continue to operate on a "no surprises" basis with communication of any significant event likely to impact on either party made as soon as possible. This has worked well in the past.



7. ADDITIONAL INFORMATION

Reporting

The Trustees will present a six monthly report to both Councils, which will include a written report on agreed key performance indicators and financial statements for the period. The Trust will provide a formal briefing to both Councils, twice a year, on activities to date and review the outlook.

Audited financial statements will also be available on completion of the annual audit.

The Trustees will inform the Councils of any significant expected obligations or contingent liabilities to third parties.

Major Transactions

There are no major transactions likely to occur in the planning period that are not identified in the Business Plan.

Any particularly contentious transactions will be brought to attention of the Council at the earliest opportunity.

Accounting Policies

General accounting policies of the Trust are set out in the Statement of Significant Accounting Policies. These policies are consistent with the policies applied in the previous year, apart from the presentation change relating to the limited recourse loans.



OTHER ITEMS TO BE INCLUDED IN THE STATEMENT OF INTENT

Ratios

The ratio of Trust Funds to Total Assets is expected to be:

30 June 2016	44%
30 June 2017	44%
30 June 2018	46%

The ratio of total Trust Assets to Trust Liabilities is expected to be:

30 June 2016	178%
30 June 2017	178%
30 June 2018	187%

Trust Funds are defined as the residual interest in the assets of the Trust after the deduction of its liabilities.

Assets are defined as service potential or future economic benefits controlled by the Trust as a result of past transactions or other past events.

Liabilities are defined as future sacrifices of service potential or of future economic benefits that the Trust is presently obliged to make to other entities as a result of past transactions or other past events.

Distributions to Settlers

Section 5 of the Trust Deed sets out the powers of the Trustees regarding the income of the Trust.

The Trust is required to pay surplus funds to the Wellington City Council and Wellington Regional Council in reduction of their limited recourse loans after meeting costs, liabilities and debt reductions and after allowing for the appropriate capital expenditure and transfers to reserves.

The Trust does not expect to have surplus funds available for repayment in the years covered by this Statement of Intent.

No other distributions to settlers are intended to be made.

Investments in other organisations

The Trustees currently have no intention of subscribing for, purchasing or otherwise acquiring shares in any other company or other organisation.

Compensation from local authority

There are no activities for which the Trust seeks compensation from any local authority.



Trust's estimate of the commercial value of settlor's investment in the Trust

Not applicable

Other matters as set out in the Funding Deed

Significant Third Party Obligations

There are no significant third party obligations other than those disclosed in the Financial Statements.

Relevant Legislation

The Trustees confirm that the Trust will comply with all relevant legislation affecting the conduct of this business.



STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity and Period

Wellington Regional Stadium Trust Incorporated (the Trust) is a charitable trust established by the Wellington City Council ('WCC') and Greater Wellington Regional Council ('GWRC'). The Trust is domiciled in New Zealand.

The Trust is responsible for the planning, development, construction, ownership, operation and maintenance of the Westpac Stadium, Wellington, as a multi-purpose sporting and cultural venue.

The financial statements are prepared in accordance with the Charitable Trust Act 1957. The Trust is also a charitable entity under the Charities Act 2005, registration CC10754.

For the purposes of financial reporting the Trust is a public benefit entity.

Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice.

The Trust is a public sector public benefit entity. The financial statements will be prepared in accordance with Tier 2 PBE reporting standards. The Trust qualifies for Tier 2 Reporting Standards because it does not have public accountability as, and it is not large

The financial statements are presented in New Zealand dollars. The functional currency of the Trust is New Zealand dollars. The financial statements are prepared on the historical cost basis except for interest rate swaps and the limited recourse loans.

The accounting policies set out have been applied consistently to all periods presented in these financial statements

Revenue

Revenue is recognised when billed or earned on an accrual basis.

Interest

Interest income is accrued using the effective interest rate method.

Rental income

Rents are recognised on a straight line basis over the term of the lease.

Expenses

Expenses are recognised when the goods or services have been received on an accrual basis.

Interest

*Wellington Regional Stadium Trust
Statement of Intent May 2015*

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Interest expense is accrued using the effective interest rate method. The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

Taxation

As a Charitable Trust, the Trust meets requirements for exemption from income tax and accordingly no provision for income tax is recorded in the financial statements.

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive.

Financial Instruments

The Trust classifies its financial assets and financial liabilities according to the purpose for which they were acquired. The Trust determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Non Derivative Financial Instruments

Non derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Trust becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Trust's contractual rights to the cash flows from the financial assets expire or if the Trust transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date. Financial liabilities are derecognised if the Trust's obligations specified in the contract expire or are discharged or cancelled.

Financial Assets

Cash and cash equivalents comprise cash balances and call deposits with up to three months maturity. These are recorded at their nominal value.

Trade and other receivables are stated at their cost less impairment losses.

Financial Liabilities

Financial liabilities comprise trade and other payables and borrowings, and are all classified as other financial liabilities. Financial liabilities with duration more than 12 months are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.



Amortisation is recognised in the Statement of Comprehensive Income as is any gain or loss when the liability is derecognised.

Financial liabilities entered into with duration less than 12 months are recognised at their nominal value.

Derivative Financial Instruments

Derivative financial instruments are recognised at fair value as either assets or liabilities. The Trust does not hold any derivatives that qualify for hedge accounting. Derivatives that do not qualify for hedge accounting are classified as held for trading financial instruments with fair value gains or losses recognised in the Statement of Comprehensive Income. Fair value is determined based on quoted market prices.

Employee Entitlements

Employee entitlements that the Trust expects to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay. These benefits are principally annual leave earned but not yet taken at balance date, and bonus payments.

No provision for sick leave is accrued, as past experience indicates that compensated absences in the current year are not expected to be greater than sick leave entitlements earned in the coming year.

Other Liabilities & Provisions

Other Liabilities and provisions are recorded at the best estimate of the expenditure required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

Leases

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased items are classified as operating leases. Payments made under these leases are expensed in the Income Statement in the period in which they are incurred. Payments made under operating leases are recognised in the Statement of Comprehensive Income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Statement of Comprehensive Income as an integral part of the total lease payment.

Finance leases transfer to the Trust as lessee substantially all the risks and rewards incident on the ownership of a leased asset. Initial recognition of a finance lease results in an asset and liability being recognised at amounts equal to the lower of the fair value of the leased property or the present value of the minimum lease payments. The capitalised values are depreciated over the period in which the Trust expects to receive benefits from their use.



Property, Plant and Equipment

Recognition

Expenditure is capitalised as property, plant and equipment when it creates a new asset or increases the economic benefits over the total life of an existing asset and can be measured reliably. Costs that do not meet the criteria for capitalisation are expensed.

Measurement

Items of property, plant and equipment are initially recorded at cost.

The initial cost of property, plant and equipment includes the purchase consideration and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential and that can be measured reliably is capitalised. Borrowing costs are not capitalised.

Impairment

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported in the Statement of Comprehensive Income.

Disposal

Gains and losses arising from the disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income in the period in which the transaction occurs.

Depreciation

Depreciation is provided on all property, plant and equipment, with certain exceptions. The exceptions are land, some aspects of the pitch category and assets under construction (work in progress). Depreciation is calculated on a straight line basis, to allocate the cost or value of the asset (less any residual value) over its useful life. The estimated useful lives of the major classes of property, plant and equipment are as follows:

Land	indefinite
Pitch	10 years to indefinite
Buildings	8 to 70 years
Replay screen & production equipment	3 to 25 years
Fitout	5 to 50 years
Fittings	3 to 20 years
Plant & machinery & equipment	2 to 70 years

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance date.

Work in progress



The cost of projects within work in progress is transferred to the relevant asset class when the project is completed, and then depreciated.

Statement of Cash Flows

The statement of cash flows has been prepared using the direct approach. Operating activities include cash received from all income sources of the Trust; record the cash payments made for the supply of goods and services and include cash flows from other activities that are neither investing nor financing activities. Investing activities relate to the acquisition and disposal of assets. Financing activities relate to activities that change the funding structure of the Trust.

**FOR THE TRUSTEES
WELLINGTON REGIONAL STADIUM TRUST**

**John Shewan
Chair**

2014/15 THIRD QUARTER REPORT

Purpose

1. This report outlines progress towards the delivery of the 2014/15 Annual Plan as at 31 March 2015.

Recommendation

That the Economic Growth and Arts Committee:

1. Note the information.

Background

2. The quarterly report informs councillors of progress against the annual plan, and also ensures the annual report does not contain any unexpected and significant variances from performance. Responsibility for the report falls within the purview of the Governance, Finance and Planning Committee.

Discussion

3. The attached quarterly report, with the accompanying appendix one, outlines the Council's progress against planned or budgeted performance for:
 - Income
 - Operational expenditure
 - Capital expenditure
 - Service delivery (KPI performance)
 - Compliance with Treasury Policy
 - Key programmes.
4. Significant variances are explained, by activity group, in appendix one to the quarterly report. This quarterly report explains variances greater than 10%.
5. Details relating to significant projects are highlighted, by relevant committee, on pages 2-4 of the quarterly report itself.

Attachments

Attachment 1.	Third Quarter Report 2014/15	Page 167
Attachment 2.	Appendix one - Q3 report 2014/15	Page 171

Author	Shanan Smith, Senior Advisor Planning and Reporting
Authoriser	John McGrath, Acting Director Strategy and External Relations

SUPPORTING INFORMATION

Consultation and Engagement

Not applicable.

Treaty of Waitangi considerations

Not applicable.

Financial implications

This report outlines progress against the planned projects, spending and service levels indicated in the Annual Plan.

Policy and legislative implications

Not applicable.

Risks / legal

Not applicable. This report outlines progress towards the annual plan and annual report, which are legislative requirements.

Climate Change impact and considerations

Not applicable.

Communications Plan

Not applicable.

QUARTERLY REPORT

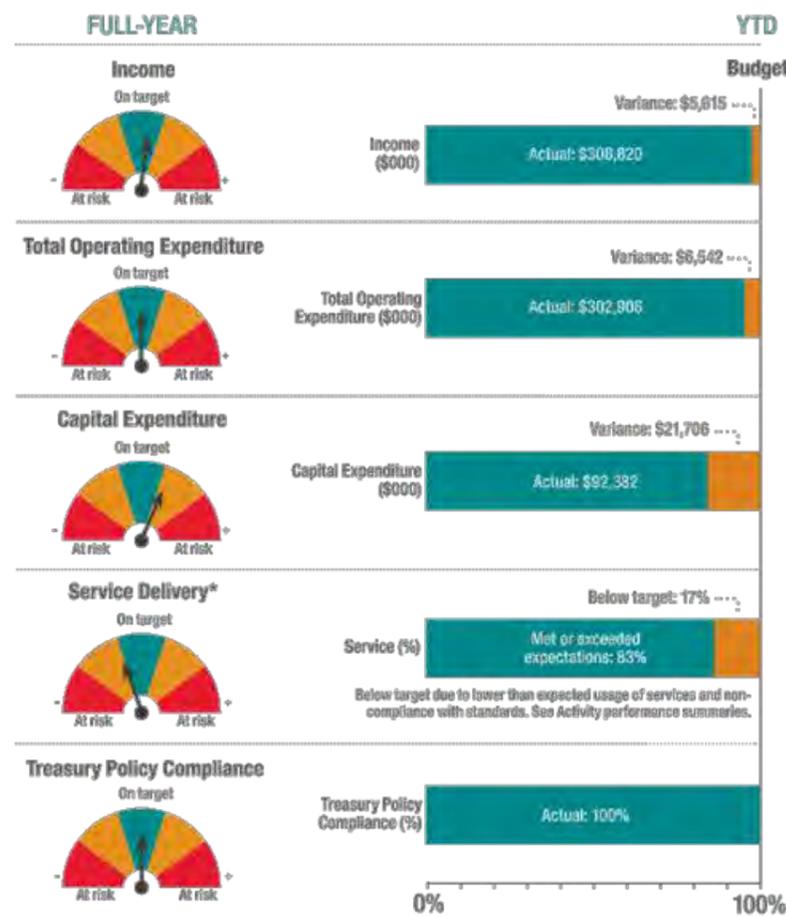
QUARTER THREE (1 JANUARY – 31 MARCH 2015)

This report summarises the Council's progress in the third quarter of 2014/15 towards fulfilling the intentions outlined in the Annual Plan. Quarterly performance is assessed against:

- income
 - total operating expenditure
 - capital expenditure
 - service delivery (KPI performance)
 - Treasury policy compliance.
- Areas where there is a risk to or significant variance from budgeted expectations are discussed in the performance summaries for each of the Council's seven activity areas.

Council is making good progress with the major projects it had planned for the year and is largely on track to meet year-end targets. Service performance exceptions are mainly due to lower than forecast use of services. See activity performance summaries for more information.

HOW ARE WE PERFORMING?



Note: that the figures for service performance only include key performance indicators (KPIs) that are measured on a monthly or quarterly basis. Annual KPIs will be incorporated at year-end (30 June 2016). In some areas, KPIs exceeded their targets by over 10%. These exceptional results are also outlined in the Activity performance summaries.

FINANCIAL SNAPSHOT

STATEMENT OF FINANCIAL PERFORMANCE

The Council's consolidated financial performance for the period 1 July 2014 to 31 March 2015 is presented in this section. Positive numbers in the financial statements indicate a favourable variance from budget and negative numbers (represented by brackets) indicate an unfavourable variance from budget.

	YTD 2014/15			Full year 2014/15	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
Rates Income	191,509	191,450	59	254,667	255,267
Other Income	1,889	2,011	(121)	11,423	13,681
Lease Income	27,592	27,376	215	36,245	36,574
Interest Income	0	33	(33)	8	44
Income from Activities	86,185	80,835	5,350	129,765	123,205
Development Contributions	1,645	1,500	145	2,000	2,000
Total Income	308,820	303,205	5,615	434,108	430,771
Personnel Expenditure	73,318	73,248	(70)	96,907	97,678
General Expenses	141,711	142,333	622	200,378	200,245
Financing Expenditure	14,890	17,281	2,390	20,897	23,041
Depreciation & Loss/Gain on Sale	72,988	76,585	3,599	98,194	102,164
Total Expenditure	302,906	309,448	6,542	416,376	423,127
Net Operating Surplus/(Deficit)	5,914	(6,243)	12,157	17,732	7,644

The year-to-date net operating surplus of \$5.914m is \$12.157m better than the budgeted deficit of \$6.243m. This favourable variance is attributable to a combination of factors as outlined below.

INCOME

Year-to-date total income is above budget by \$5.615m:

- Income from Activities is \$5.350m above budget mainly due to higher New Zealand Transport Agency funding (\$4.7m) for the capital roading programme and recognition of increased government funding from the housing upgrade programme (\$0.703m).

EXPENDITURE

Year-to-date total expenditure is under budget by \$6.542m:

- Depreciation & Loss/Gain on Sale is \$3.599m under budget largely due to savings as a result of lower infrastructure asset values at 30 June 2014 than forecast. These differences will be permanent.
- Financing Expenditure is under budget by \$2.390m due to lower levels of borrowings resulting from delays in the capital programme in the first nine months of the year.

FULL YEAR FORECAST

The forecast Net Operating Surplus for the year is currently \$10.1m more than budget. This includes \$4.0m of depreciation savings resulting from lower infrastructure asset values at 30 June 2014, \$6.1m additional funding from the New Zealand Transport Agency funding in respect of the capital roading programme, \$1.3m recognition of additional government grant income from the housing upgrade programme and \$2.1m of financing expenditure savings due to a more favourable borrowings position. Offsetting these favourable forecast variances is lower revenue from parking, pools and fitness centres, the ASB centre and building consents (\$3.1m), and Council-approved overspends for Community Events and the Events Development Fund (\$1.6m).

NET OPERATING EXPENDITURE

	YTD 2014/15			Full Year 2014/15	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
Governance	10,543	10,837	294	14,281	14,438
Environment	94,200	101,308	7,108	126,371	133,486
Economic Development	18,487	19,466	979	24,770	23,774
Cultural Wellbeing	15,575	14,875	(600)	18,047	17,190
Social and Recreation	37,862	38,319	466	49,945	50,228
Urban Development	15,121	14,413	(707)	20,346	19,270
Transport	17,149	18,536	1,387	24,405	25,028
Total Activity Area	208,927	217,854	8,927	278,166	283,414
Council	(214,841)	(211,611)	3,230	(295,897)	(291,058)
Total	(5,914)	6,243	12,157	(17,732)	(7,644)

CAPITAL EXPENDITURE

	YTD 2014/15			Full Year 2014/15	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
Environment	18,116	26,645	8,530	33,122	33,216
Economic Development	1,339	2,030	691	2,471	2,471
Cultural Wellbeing	113	1,875	1,763	2,321	2,321
Social and Recreation	20,913	23,440	2,527	31,421	30,775
Urban Development	13,430	14,037	608	25,714	23,058
Transport	28,522	30,637	2,115	42,612	39,803
Total Activity Area	82,432	98,665	16,233	137,661	131,644
Council	9,949	15,423	5,474	19,297	20,369
Total	92,382	114,088	21,706	156,958	152,013

Year to date

Year to date underspend is due to several projects being behind schedule: Water and Sewer Network renewals \$7.4m; Earthquake Strengthening programme \$1.7m; Housing Renewal works \$1.6m; Zoo upgrades \$1.3m; and the refurbishment of the Museum of City and Sea \$1.2m.

Full year forecast

The full year forecast includes forecast overspends in three large projects: Johnsonville Triangle roading project \$5.1m offset by unbudgeted external funding \$4.8 m (net forecast overspend \$0.3m); Victoria Street upgrade \$4.9m offset by unbudgeted external funding \$2.2m (net forecast overspend \$2.7m); and the Housing Upgrade Programme (Kotuku project) \$1.4m (ahead of budget - to be brought forward from 2015/16). The forecast overspends are offset by forecast project underspends of \$11.0m.

STATEMENT OF BORROWINGS

Total committed borrowing facilities are \$451.5m providing headroom of \$111.5m. Our liquidity ratio is at 112% compared to the policy minimum of 110%.

	Forecast 30 June 2015 \$000	YTD 31 March 2015 \$000	30 June 2014 \$000
Facilities at start of year	460,500	460,500	429,000
New/matured facilities (net)	(9,000)	(9,000)	31,500
Facilities at end of period	451,500	451,500	460,500
Borrowings at start of year	348,000	348,000	341,000
Change in core borrowing + (-)	22,457	16,843	6,638
Repayment of loans + (-)	-	-	-
Change in working capital requirement + (-)	(1,457)	(24,843)	362
Net borrowings at end of period	369,000	340,000	348,000
Plus unutilised facilities	82,500	111,500	112,500
Total borrowing facilities available	451,500	451,500	460,500

Note: 'Borrowing facilities' excludes \$5m of uncommitted funding lines. Facilities do not include short term commercial paper/deposits.

TREASURY POLICY COMPLIANCE

All of the core policy compliance requirements were achieved as shown below.

PRUDENTIAL TREASURY LIMITS

Prudential limits*	Policy limit (%)	Actual (%)	Compliance
Borrowings as a % of equity	<10	5.3	Yes
Borrowing as a % of income	<150	86.1	Yes
Net interest as a % of annual rates income	<20	8.2	Yes

Interest rate risk control limits (interest rate exposure)	Policy limit (%)	Actual (%)	Compliance
Fixed interest proportion	50-95	92	Yes
Broken down: 0-3 year bucket	20-60	20	Yes
Broken down: 3-5 year bucket	20-60	21	Yes
Broken down: 5-10 year bucket	20-60	59	Yes

Liquidity/funding risk (access to funds)**	Policy limit (%)	Actual (%)	Compliance
Liquidity/funding risk (access to funds)**	>110	112	Yes
Broken down: 0-3 year bucket	20-60	52	Yes
Broken down: 3-5 year bucket	20-60	28	Yes
Broken down: 5-10 year bucket	15-60	20	Yes

* Equity is based on the 2014/15 annual plan. Net interest is actual. Annual rates and income are based on 2014/15 annual plan.

** Liquidity is defined as: Current borrowings + committed loan facilities divided by 12 month peak borrowings (for the purpose of measuring liquidity short dated Commercial Paper is excluded).

Item 2.3 Attachment 1

KEY PROGRAMMES

		Q1 Actual (1 Jul–30 Sep 2014)	Q2 Actual (1 Oct–31 Dec 2014)	Q3 Actual (1 Jan–31 Mar 2015)	Q4 Planned (1 Apr–30 Jun 2015)
Committee	Programme	Milestones			
GOVERNANCE	ACCOUNTABILITY AND PLANNING	Annual Report adopted			
		Long-term plan: <ul style="list-style-type: none"> Workshop series commenced. 	Long-term plan: <ul style="list-style-type: none"> Financial strategy. Infrastructure strategy. Programme overview. 	Long-term plan: <ul style="list-style-type: none"> Funding and financial policies. Performance framework. Adopt draft plan documents and consultation document. 	Long-term plan: <ul style="list-style-type: none"> Consultation. Adopt final plan.
		Mid-term capex review – \$15m investment package adopted and to be implemented, including: <ul style="list-style-type: none"> Funding for Meet the Locals enclosure at Wellington Zoo. Expansion of City to Sea Museum. Victoria Street transformation in line with Central City Framework. Urban catalyst projects. 			
ECONOMIC GROWTH AND ARTS	ECONOMIC DEVELOPMENT	Region wide consultation on development of Wellington Regional Economic Development Agency (WREDA).	<ul style="list-style-type: none"> WREDA established on 5 December 2014. WREDA Chair (Peter Biggs) and Board appointed. Recruitment process for WREDA Chief Executive commenced. 	<ul style="list-style-type: none"> WREDA transition and implementation. Continue recruitment process for WREDA Chief Executive. Developing draft business plan for 2015/16. To be presented to WRS Committee in April. 	
	8 BIG IDEAS	Convention centre: <ul style="list-style-type: none"> Public consultation undertaken. 	Convention centre: <ul style="list-style-type: none"> Final commercial terms agreed for Council consideration and final decision on proposal. Developer subsequently indicated problems in finalising deal on proposed site. 	Convention centre: <ul style="list-style-type: none"> Progress options for delivery of the project and report back to Council. 	
		Tech hub: <ul style="list-style-type: none"> Developed Expression of Interest (EOI) documentation. 	Tech hub: <ul style="list-style-type: none"> EOI process completed and preferred provider identified. 	Tech hub: <ul style="list-style-type: none"> Business case developed. 	Tech hub: <ul style="list-style-type: none"> Negotiations with preferred partner subject to LTP funding approval. Business case to be considered by Economic Growth and Arts committee.
		Airport runway extension: <ul style="list-style-type: none"> Results of economic impact assessments received. 	Airport runway extension: <ul style="list-style-type: none"> Reports peer reviewed by council officers and external experts. Report back to Council and approval of additional funding to complete RMA approvals process. 	Airport runway extension: <ul style="list-style-type: none"> Wellington Regional Mayoral Forum agreed in principle to fund up to \$150 million towards the project. Continue to develop business case for runway extension. 	Airport runway extension: <ul style="list-style-type: none"> Plan to present updates to the regional councils. Monitor progress of RMA approvals process.
		Film museum: <ul style="list-style-type: none"> Preliminary investigations and concept development continue. 			
	MAJOR EVENTS	World of Wearable-Arts – 25 Sep to 12 Oct. Beervana – 22 to 23 Aug. All Blacks v South Africa Test – 13 Sep. LUX Light Festival – 22 Aug to 1 Sep. Oktoberfest – 19 to 20 Sep.	SkyShow – 8 Nov. Toi Māori Art Market – 14 to 16 Nov. Rugby League Four Nations Final – 15 Nov. Capital Christmas – 10 to 24 Dec. New Year's Eve Festival – 31 Dec.	IRB Sevens – 6 to 7 Feb. Homegrown Music Festival – 7 Mar. ICC Cricket World Cup – 14 Feb to 29 Mar. Cuba-Dupa – 28 to 29 Mar.	World Water Ski Racing Championships – 9 to 20 Apr. WW100 and ANZAC Commemorations – 25 Apr. AFL match – 25 Apr. FIFA Under-20 World Cup – 30 May to 20 Jun.
COMMUNITY SPORTS AND RECREATION	HOUSING UPGRADE	Berkeley Dallard and Etona: <ul style="list-style-type: none"> Construction completed and buildings reoccupied. 			
		Arlington Site 1: <ul style="list-style-type: none"> Business case under development. 			Arlington Site 1: <ul style="list-style-type: none"> Councillor workshop on redevelopment options.
		Arlington Site 2: <ul style="list-style-type: none"> RFP under development. 	Arlington Site 2: <ul style="list-style-type: none"> High-level brief issued to potential suppliers. 	Arlington Site 2: <ul style="list-style-type: none"> RFP issued. 	Arlington Site 2: <ul style="list-style-type: none"> RFP results evaluation. Commence development of detailed design.

KEY PROGRAMMES

		Q1 Actual (1 Jul–30 Sep 2014)	Q2 Actual (1 Oct–31 Dec 2014)	Q3 Actual (1 Jan–31 Mar 2015)	Q4 Planned (1 Apr–30 Jun 2015)
Committee	Programme	Milestones			
COMMUNITY SPORTS AND RECREATION	HOUSING UPGRADE	<p>Marshall Court:</p> <ul style="list-style-type: none"> Under construction. <p>Kotuku:</p> <ul style="list-style-type: none"> Tender evaluation complete. 	<p>Kotuku:</p> <ul style="list-style-type: none"> Construction contract commenced. 	<p>Marshall Court:</p> <ul style="list-style-type: none"> Construction complete. Units let to suitable occupants. <p>Kotuku:</p> <ul style="list-style-type: none"> Under construction. 	<p>Standalone properties renewal and upgrade programme:</p> <ul style="list-style-type: none"> Programme planning and investigation continues. First 15 properties completed.
	RECREATION UPGRADES	<p>Keith Spry Pool:</p> <ul style="list-style-type: none"> Teaching pool and children's pool tanks completed. Maintenance work started on existing pool. 	<p>Keith Spry Pool:</p> <ul style="list-style-type: none"> Upgrade work on new pools and change rooms continued. 	<p>Keith Spry Pool:</p> <ul style="list-style-type: none"> Upgrade work completed and pool opened to the public in February 2015. 	
ENVIRONMENT	WATER UPGRADES	<p>Seismic strengthening:</p> <ul style="list-style-type: none"> Strengthening of Maupuia No1 and No2 reservoirs completed. Melrose reservoir design work completed. 	<p>Seismic strengthening:</p> <ul style="list-style-type: none"> Melrose reservoir tender completed. 	<p>Seismic strengthening:</p> <ul style="list-style-type: none"> Melrose reservoir construction commenced. Completion due January 2016. Auto-shut valve (ASV) at Roseneath No 2 reservoir installed. Linden and Newlands reservoir design work completed. 	<p>Seismic strengthening:</p> <ul style="list-style-type: none"> Linden and Newlands reservoir construction contract awarded. ASV installations at Montgomery, Mt Wakefield and Broadmeadows reservoirs commences.
	NATURAL ENVIRONMENT	<p>Our Capital Spaces:</p> <ul style="list-style-type: none"> Completed pre-engagement for review of Biodiversity Action Plan. Completed sediment reduction plan for Porirua Harbour Strategy. Established interagency planning group for the development of Watts Peninsula as a heritage park. Funding approved for Mountain Bike Economic Growth Initiative (MBEGI) to develop business plan for Wellington as a premier mountain bike destination. 	<p>Our Capital Spaces:</p> <ul style="list-style-type: none"> Biodiversity Strategy approved by Environment Committee to formally consult. Consultation on draft Suburban Reserves Management Plan completed. MBEGI undertaking economic modelling for visitor mountain biking activity in Wellington. 	<p>Our Capital Spaces:</p> <ul style="list-style-type: none"> Consultation completed on Our Natural Capital – Biodiversity Strategy. We received 52 detailed submissions and 26 oral submissions. Completed consultation on Mt Victoria Master Plan. 	<p>Our Capital Spaces:</p> <ul style="list-style-type: none"> Final Biodiversity Strategy to Environment Committee for approval (4 June). Mt Victoria Master Plan finalised. MBEGI completed business plan for Wellington as a premier mountain bike destination.
TRANSPORT AND URBAN DEVELOPMENT	CITY RESILIENCE	<p>Earthquake strengthening of Council buildings:</p> <ul style="list-style-type: none"> Clarrie Gibbons Building strengthening completed. Network Newtown strengthening commenced. Truby King House chimney strengthening completed. Thistle Hall strengthening continues. 	<p>Earthquake strengthening of Council buildings:</p> <ul style="list-style-type: none"> Network Newtown strengthening nearly completed. Portico demolition commenced. Band Rotunda design work commenced. Planning for strengthening chapel and crematorium at Karori Cemetery commenced. Thistle Hall strengthening completed. 	<p>Earthquake strengthening of Council buildings:</p> <ul style="list-style-type: none"> Band Rotunda strengthening plan and tendering process complete. Thistle Hall contract maintenance period complete. 	<p>Earthquake strengthening of Council buildings:</p> <ul style="list-style-type: none"> Band Rotunda remediation complete. Portico demolition completed. Planning for strengthening chapel and crematorium at Karori Cemetery completed.
		<p>Application submitted to the Rockefeller Foundation's "100 Resilient Cities" programme.</p>	<p>Application to "100 Resilient Cities" programme successful.</p>	<p>Wellington City Council part of the New Zealand delegation to the World Conference on Disaster Risk Reduction in Sendai Japan.</p>	<p>Appoint Chief Resilience Officer to lead development of a city resilience strategy.</p>
		<p>Town Hall strengthening project is awaiting further information on options. Alternative use continues to be worked on.</p>			

KEY PROGRAMMES

		Q1 Actual (1 Jul–30 Sep 2014)	Q2 Actual (1 Oct–31 Dec 2014)	Q3 Actual (1 Jan–31 Mar 2015)	Q4 Planned (1 Apr–30 Jun 2015)
Committee	Programme	Milestones			
TRANSPORT AND URBAN DEVELOPMENT	CITY RESILIENCE	<p>Hataitai Bus Tunnel:</p> <ul style="list-style-type: none"> Portal strengthening design and tender documents completed and issued. Public notification of works and stakeholder briefings. 	<p>Hataitai Bus Tunnel:</p> <ul style="list-style-type: none"> Contract awarded and work to strengthen portals commenced in November 2014. Work is progressing on both sides of tunnel with 26% completed to date. <p>Seatoun Tunnel:</p> <ul style="list-style-type: none"> Received draft assessment report. 	<p>Hataitai Bus Tunnel:</p> <ul style="list-style-type: none"> Work to strengthen portals continues with 90% completed. <p>Seatoun Tunnel:</p> <ul style="list-style-type: none"> Contract tender for strengthening work on hold due to request from GWRC to delay work until after the trolley buses are decommissioned in 2017. 	<p>Hataitai Bus Tunnel:</p> <ul style="list-style-type: none"> Work to strengthen portals completed. <p>Seatoun Tunnel:</p> <ul style="list-style-type: none"> Complete detailed design for strengthening work.
	WATERFRONT FRAMEWORK AND WATERFRONT DEVELOPMENT PLAN	<p>North Kumutoto project:</p> <ul style="list-style-type: none"> Council decision on building, long-term lease and public space projects. 	<p>North Kumutoto project:</p> <ul style="list-style-type: none"> Application for resource consent submitted. 	<p>North Kumutoto project:</p> <ul style="list-style-type: none"> Resource consent application process continues. Council planning report lodged with Environment Court. 	
		<p>TSB Arena and Shed 6:</p> <ul style="list-style-type: none"> Investigations commenced. 	<p>TSB Arena and Shed 6:</p> <ul style="list-style-type: none"> Detailed planning completed and tender documentation prepared. 	<p>TSB Arena and Shed 6:</p> <ul style="list-style-type: none"> Work underway to renew exterior cladding. 	
				<p>Waterfront Development Plan</p> <ul style="list-style-type: none"> Agree and consult on draft three-year Waterfront Development Plan (WDP) 	<p>Waterfront Development Plan</p> <ul style="list-style-type: none"> Consider submissions and adopt final WDP including the design of Frank Kitts Park.
	URBAN DEVELOPMENT	<p>Parliamentary precinct:</p> <ul style="list-style-type: none"> Contractor appointed for Cenotaph upgrade. Construction commenced 1 September. 	<p>Parliamentary Precinct:</p> <ul style="list-style-type: none"> All demolition and ground works completed. Work commenced on new staircase and paving. 	<p>Parliamentary Precinct:</p> <ul style="list-style-type: none"> Work completed and space opened up for public use. 	
		<p>Memorial park:</p> <ul style="list-style-type: none"> Arras Tunnel opened and park construction commenced. 	<p>Memorial park:</p> <ul style="list-style-type: none"> Park construction underway. Australian Memorial construction commenced. 	<p>Memorial park:</p> <ul style="list-style-type: none"> Park construction complete. 	
		<p>Kilbirnie town centre phase two:</p> <ul style="list-style-type: none"> Deferred pending confirmation of design brief. 	<p>Kilbirnie town centre phase two:</p> <ul style="list-style-type: none"> Design brief still to confirmed following consultation. Concept design in progress. 	<p>Kilbirnie town centre phase two:</p> <ul style="list-style-type: none"> Detailed design completed and contract awarded (subject to suitable design being confirmed). 	
		<p>Victoria Street:</p> <ul style="list-style-type: none"> Funding and concept design approved and detailed design commenced. 	<p>Victoria Street:</p> <ul style="list-style-type: none"> Detailed design completed and construction commenced. 	<p>Victoria Street:</p> <ul style="list-style-type: none"> Full construction work underway with construction commencing in southern block. 	
		<p>Lombard Lane:</p> <ul style="list-style-type: none"> Design brief being confirmed. 	<p>Lombard Lane:</p> <ul style="list-style-type: none"> Concept design completed. 	<p>Lombard Lane:</p> <ul style="list-style-type: none"> Project placed on hold subject to adjacent building owner removing building and constructing a new one. 	
		TRANSPORT	<p>Island Bay to City Cycle route:</p> <ul style="list-style-type: none"> Section one (Shorland Park to Wakefield Park) design and consultation. Section two (Wakefield Park to John St) planning and preparation for public consultation. 	<p>Island Bay to City Cycle route:</p> <ul style="list-style-type: none"> Section one (Shorland Park to Wakefield Park) design and consultation completed. Committee agreed to final design. Section two (Wakefield Park to John St) planning and preparation for public consultation. 	<p>Island Bay to City cycle route:</p> <ul style="list-style-type: none"> Council vote deferred while cycling framework is developed in more detail.
<p>Johnsonville road improvements:</p> <ul style="list-style-type: none"> Broderick Rd Bridge construction started. 			<p>Johnsonville road improvements:</p> <ul style="list-style-type: none"> Broderick Rd Bridge construction continues. 	<p>Johnsonville road improvements:</p> <ul style="list-style-type: none"> Broderick Rd Bridge construction continued. State Highway One off-ramp work commenced. Other work commenced: Signal works, street and crossing upgrades, and pedestrian and cycling improvements. 	
<p>Public Transport Spine:</p> <ul style="list-style-type: none"> Undertake core spine assessments to determine physical corridor constraints and detailed assessment of core routes based on integration with the Council's cycle planning. 					

1. GOVERNANCE

Pārongo ā-Tāone

We want to maintain confidence in our decision-making.

We have an obligation to ensure the views of Māori and mana whenua are heard.

WHAT WE DO

- Governance, information and engagement
- Māori and mana whenua partnerships.

HIGHLIGHTS OF THIS QUARTER

- We equipped the council meetings rooms to enable elected members and the public to participate remotely in meetings via audio and audio-visual links.
- We interacted with over 78,000 customers through the Contact Centre.
- We co-hosted with Port Nicholson Block Settlement Trust, the Waitangi Day celebrations at Waitangi Park.
- The Mayor selected her Tuia Rangatahi (Young Māori Leadership Development Programme) representative - Māia Huriwaka, a Year 13 student nominated by Wellington East Girls College.
- 11 March – we sponsored Te Rā Haka where 400 college students from across the region came together at ASB Sports Centre to learn local haka.
- 15 March – we sponsored Te Rā o Kupe, which was hosted by The Kupe Charitable Trust, recognising local Māori music and food.

SIGNIFICANT VARIANCES TO PERFORMANCE¹:

SERVICE DELIVERY

Measure	Actual	Target	Var	Variance explanation
Council, committee and subcommittee reports that are made available to the public five days prior to the meeting (%)	61%	80%	(24%)	Over 80% of agendas were with the elected members five days before meeting and in the public domain four days before the meeting. We continue to achieve 100% for our statutory target to make reports available to the public two days prior to meetings.

NET OPERATING EXPENDITURE

Activity	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
1.1 Governance, Information & Engagement	10,444	10,669	224	14,057	14,213
1.2 Māori Engagement (mana whenua)	99	169	70	225	225
Year to date variance is due to timing of MOU payments.					
TOTAL	10,543	10,837	294	14,281	14,438

CAPITAL EXPENDITURE

No significant variances.

¹ Areas where performance varied from budgeted expectations by more than 10%.

2. ENVIRONMENT

Taiao

We aim to protect and enhance Wellington's natural environment.

WHAT WE DO

- Gardens, beaches and green open spaces
- Waste reduction and energy conservation
- Water
- Wastewater
- Stormwater
- Conservation attractions.

HIGHLIGHTS OF THIS QUARTER

Gardens and green open spaces

- We hosted the Kirsten Reynolds photographic exhibition at the Treehouse in the Botanic Garden.
- We completed the fit out of the Sextons Cottage in the Bolton Street Cemetery for public hire.
- Te Kopahou Reserve Visitors Centre won 2 awards in the NZ Institute of Landscape Architecture awards, the George Malcolm Supreme Award and an award for outstanding design.
- Otari-Wilton's Bush won an international Green Flag Award. Green Flags are awarded for excellent management of the environment, historical features, safety and as great places to play and relax.
- We completed renewals and upgrade work on the Blue Trail at Otari-Wiltons Bush.
- Victoria University Summer Scholars completed work on a range of topics including the Great Kereru Count, visitor use of mobile technology in the Botanic Gardens and pest monitoring in rural areas.
- We developed a new trail at Makara Peak Mountain Bike Park (Peak Flow).
- We completed a pedestrian bridge build on the community track Silversky in Crofton Downs, on behalf of the local community group. This was a project funded by Transpower.
- We completed a new entranceway and car park on Alexandra Road, Mt Victoria to assist with vehicle congestion at the SPCA (in the old Chest Hospital).
- The success of the Southwest Peninsula goat project was reported to stakeholders in the Makara community, with a 4,950 goats killed over the length of the project (2011–14).
- We continued to maintain infrastructure within gardens and green open spaces including maintaining and repairing furniture, carparks and fencing. We installed new bike racks at Princess Bay and an outdoor shower at Surfers Corner in Lyall Bay. We also installed ten commemorative seats in reserves and coastal areas.
- We completed regular garden and turf maintenance over the quarter. Weather wise it was very dry, which impacted on turf areas with no irrigation. Overall we averaged 90% for our operational (mowing, horticulture and sportsfields) maintenance audits which met our targets.
- We completed removal of 1.2 hectares of hazardous trees on Te Ahumairangi. This is part of our ongoing management of high-risk areas.

- We celebrated Parks Week (7 -15 March) with 27 events, located in 25 different open spaces with more than 6000 participants. It was our biggest Parks Week yet and received good media coverage. The week was launched with a Pop Up Forest in Bond Street where 700 native trees were given away.
- 3 University students from Germany completed a 3 month internship working on a range of tasks across Council including a Parks User Survey, street tree data collection and learning about different aspects of local government in NZ.

Climate change, smart energy and waste reduction

- Smart Energy challenge – five teams completed this year’s Smart Energy Challenge, with one team, Switched on Bikes, already launching a new business, a crowdfunding campaign, and gaining media profile.
- Ninety-five homes received a sustainability assessment as part of the Home Energy Saver Programme.
- Forty low-income families received insulation retrofits as part of the Warm Up Wellington programme.
- National Food Waste Prevention Program – a joint project involving all of the nine councils from the Wellington region identified organic waste (including food waste) as a key area to manage. A project was undertaken to understand exactly how much edible food is being thrown away and how people can be helped to reduce waste. A national promotional campaign was launched in March 2015, to publicise the results of the research and raise public awareness.

Water, wastewater and stormwater

- We renewed water mains in Knoll St, Drummond St, and Ranelagh St.
- We renewed sewer drains in Warwick St, Garden Rd, South Karori Rd and Fernlea Ave.
- Stormwater drains were replaced through Massey University out to Wallace St and in Braithwaite St. A section of culvert in Kent Tce was strengthened.

SIGNIFICANT VARIANCES TO PERFORMANCE²:

SERVICE DELIVERY

Measure	Actual	Target	Var	Explanation
Visitors to Botanic Garden	1,180,189	1,027,686	15%	We had an increase in cruise ship visitors, and good weather resulted in high attendance at the Summer City Gardens Magic shows.
WCC Corporate energy use: main CCOs	5,487,118	7,327,696	25%	In previous years this measure included Wellington Waterfront Limited, which is now included in the WCC general result
WCC Corporate energy use: WCC general	14,911,311	13,480,065	(11%)	This result now includes City Shaper (previously called Wellington Waterfront Limited), which was previously included in the main CCOs result.
Freshwater sites (%) within acceptable faecal coliform counts	75%	95%	(21%)	Investigations are ongoing for the four areas where water quality is poor. We have corrected the faults we have found so far.
Zealandia – education programme attendees	4,750	5,277	(10%)	The Trust expects to achieve its year-end target.

² Areas where performance varied from budgeted expectations by more than 10%.

**ECONOMIC GROWTH AND ARTS
COMMITTEE
2 JUNE 2015**

Item 2.3 Attachment 2

NET OPERATING EXPENDITURE

Activity	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
2.1 Gardens, Beaches and Open Space	20,012	20,796	784	27,646	28,176
Under budget due to the timing of the grant funding for the Lyall Bay Surf Club and savings in rates for the Town Belt. This is partly offset by additional street cleaning costs.					
2.2 Waste Reduction & Energy Conservation	392	833	441	118	280
Year to date variance mainly due to timing of general expenditure. Forecast variance relates to increased revenue from rubbish bag sales and waste minimisation activities, which is offset by lower volumes of waste to the landfill.					
2.3 Water	27,456	29,907	2,452	36,994	39,879
Year to date and forecast variance mainly relates to savings on insurance costs and depreciation, following the revaluation of infrastructure assets.					
2.4 Wastewater	29,049	30,284	1,235	38,897	40,377
Year to date and forecast variance relates to savings on wastewater treatment due to reduced flows through Moa Point and savings on electricity.					
2.5 Stormwater	11,849	13,985	2,136	16,611	18,647
Year to date and forecast variance mainly relates to savings on insurance costs and depreciation, following the revaluation of infrastructure assets.					
2.6 Conservation Attraction	5,442	5,503	60	6,104	6,126
TOTAL	94,200	101,308	7,108	126,371	133,486

CAPITAL EXPENDITURE

Activity	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
2.1 Gardens, Beaches and Open Space	2,132	1,968	(164)	3,079	3,073
Programme is ahead of schedule.					
2.2 Waste Reduction & Energy Conservation	316	467	152	979	979
2.3 Water	5,751	10,991	5,240	12,904	13,004
Several projects started later than expected but are scheduled to be completed by year-end.					
2.4 Wastewater	4,502	6,824	2,231	7,420	7,745
Several projects started later than expected but are scheduled to be completed by year-end.					
2.5 Stormwater	3,986	3,524	(462)	4,580	4,255
Some projects have been completed ahead of schedule.					
2.6 Conservation Attractions	1,429	2,872	1,443	4,160	4,160
Zoo upgrades and renewals are behind schedule but are expected to be completed by year-end.					
TOTAL	18,116	26,645	8,530	33,122	33,216

3. ECONOMIC DEVELOPMENT

Whanaketanga ōhanga

By supporting city promotions, events and attractions, we underscore Wellington's reputation as a great place to live and visit.

WHAT WE DO

- City promotions and business support

HIGHLIGHTS OF THIS QUARTER

Events

- Wellington hosted four Cricket World Cup matches that attracted more than 80,000 fans, with 30-35% of attendees coming from outside the Wellington Region. The matches were complimented with a full activation programme including twilight concerts, a quarter final harbour fireworks show, the village green fan zone, street entertainers and fan trails.
- The inaugural CubaDupa transformed Cuba Street into an immersive festival of light, sound and taste. This celebration of Wellington's unique creative energy and cultural diversity attracted thousands to explore the Cuba Quarter as it was filled with food, music, dance and live street art.
- The Homegrown music festival was again a sell-out event and a great success despite some challenges. For the first time in the event's 8 year history the event was postponed a day due to gale force winds. Homegrown then morphed into two days of celebrating Kiwi Music.
- Summer City 2014/15 – more than 90 events showcased the talents of over 500 performers to an audience of over 400,000. We supported this with a marketing campaign that included the 'Our Wellington' Summer brochure and a strong Social Media campaign.
- We welcomed Meridian Energy as a sponsor of Gardens Magic, and presented a stellar line up of over 100 local musicians to more than 50,000 people. Students from Massey University College of Creative Arts designed and built the lighting installations.
- Approximately 20,000 attended the biennial Southeast Asian Night Market, which for the first time ran across two nights.

Innovation

- The Local Heroes speaker series for staff continued with speakers presenting to staff in February and March.
- Following successful response to ICT Grad school request for expression of interest, consortium submitted response to Request for Proposal.
- Supported a second civic hack-a-thon in Miramar.
- Supported Venture-Up, New Zealand's first youth accelerator.
- Provided support to NZ's first Open Source, Open Society conference to be held in April.

Wellington Museums Trust

- The Great Anniversary Weekend Scavenger Hunt attracted 1,800 visitors to the waterfront to experience activity presented by Capital E in partnership with all our Trust institutions, and selected other institutions and precinct businesses.
- Capital E launched their 2015 Schools programmes in OnTV and MediaLab including a new format, Across the Trenches, which is already proving to be the most popular of the script offerings in the OnTV Studio this year.

- Nearly 1,000 people attended City Gallery Wellington's February Tuatara Open Late with a performance by Lawrence Arabia.
- The Yvonne Todd: Creamy Psychology exhibition at City Gallery Wellington closed on 15 March with total attendance for the exhibition of 42,767 and 316 copies of the Yvonne Todd book sold in our shop.
- A major upgrade/replacement of the Planetarium at Carter Observatory was completed.
- The Museum of Wellington City & Sea launched their public fundraising campaign for the Development project with their *What Year Are You?* campaign.
- The Capital E 2015 National Arts Festival ran in March across 14 days, showcasing 11 New Zealand and international productions, four world premieres, one mini Film Festival, and 196 performances.

SIGNIFICANT VARIANCES IN PERFORMANCE³:

SERVICE DELIVERY

Measure	Actual	Target	Var	Explanation
Estimated attendance at Council supported events	497,723	330,000	51%	

NET OPERATING EXPENDITURE

Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
3.1 City Promo & Business Support	18,487	19,466	979	24,770	23,774
Council approved a \$0.8m overspend in relation to Events (C581) on 30th September 2014. The heavy events calendar this year, has led to an additional forecasted overspend.					
TOTAL	18,487	19,466	979	24,770	23,774

CAPITAL EXPENDITURE

Outcome Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
3.1 City Promo & Business Support	1,339	2,030	691	2,471	2,471
TSB Arena work is behind schedule.					
TOTAL	1,339	2,030	691	2,471	2,471

³ Areas where performance varied from budgeted expectations by more than 10%.

4. CULTURAL WELLBEING

Oranga ahurea

Supporting arts activity adds vibrancy to the city as well as promoting inclusive, tolerant and strong communities.

WHAT WE DO

- Arts and cultural activities

HIGHLIGHTS OF THIS QUARTER

Public Art

- The Public Art Panel selected three light box exhibitions for a year's exhibition programme, from December 2015. One public art proposal for a photographic poster project from Newtown through the city was also selected.
- The Public Art Fund supported two innovative digital arts projects, Rainscape and Time Machine, which were presented in February as part of The Performance Arcade.
- In March, a Public Art Fund project took 400 passengers by ferry to the quarantine limit of Mokopuna Island for an artist's vocal performance that revisited the fate of a sick man who died there in 1904.
- Joe Sheehan's major sculpture and soundscape Walk The Line, commissioned by the Wellington Sculpture Trust, for the newly developed Cenotaph precinct, was successfully completed.
- A new exhibition, The Colour of Courtenay Place by artist Gary Peters was installed in the Courtenay Place Park light boxes.
- The international contemporary artists Sasha Huber and Petri Saarikko took up residence at Te Whare Hēra, the live-and-work space dedicated to the Wellington International Artist Residency programme.
- We purchased new artworks by Lucien Rizos, Shannon Te Ao and Shaun Waugh for the City Art Collection.
- Conservation of a number of historic works being presented as part of the upcoming Portrait Gallery exhibition, Capital Characters, was undertaken.
- Toi Pōneke delivered three exhibitions – Black Dog Failure by Mark Antony Steelsmith, Low Noise 2 curated by Jason Wright, and In Response by Connah Podmore and Maria O'Toole.
- The Toi Pōneke 2015 Whitireia NZ artist-in-residence moved into her studio.
- Work continues on repairs to the Zephyrometer and Kereru Sculptures. Both are scheduled for reinstatement next quarter.

Supported projects

- The inaugural Upstream Art Trail in Central Park, which was held from 5–8 March, showcased installations from emerging artists and local schools. It was supported by the Creative Communities Scheme and the Arts and Culture Fund.
- The second Putahi Festival of contemporary Maori Theatre was held at Victoria University from 24–28 February. The event was supported by an Arts and Culture Grant.

Community arts

- Artist Ellen Coup completed a series of murals at the corner of Mandalay Terrace and Cashmere Ave in Khandallah on a bus shelter, electricity substation and two service boxes.

- Artist Ash Sisson completed a mural on a bus shelter at Luxford Street, Berhampore.
- We partnered with the Goethe Institute and Toi Whakaari to welcome Berlin performance artist Uta Plate to Wellington for three months as the artist in resident at the Bolton Street Cottage.

SIGNIFICANT VARIANCES IN PERFORMANCE⁴:

SERVICE DELIVERY

Measure	Actual	Target	Var	Explanation
Te Papa visitors	863,995	1,052,500	(18%)	Highest quarterly attendance this year, but still well below budgeted numbers. Five exhibits have ended this quarter, including Tyrannosaurus which has the 2nd highest opening weekend.
Arts and cultural festivals estimated attendance	560,955	684,000	(18%)	Figures exclude CubaDupa attendance of 50,000, which was funded through the WEID fund.
Total visits to museums and galleries	542,648	452,670	20%	Capital E and Museum of Wellington City & Sea have already achieved their full year targets. Other institutions are also performing well. However, visits to Carter Observatory are below target.

NET OPERATING EXPENDITURE

Outcome Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
4.1 Galleries and Museums	15,575	14,975	(600)	18,047	17,190
Council approved a \$0.8m overspend in relation to Community Events (C130E) on 30th September 2014.					
TOTAL	15,575	14,975	(600)	18,047	17,190

CAPITAL EXPENDITURE

Outcome Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
4.1 Galleries and Museums	113	1,875	1,763	2,321	2,321
Work on the Cable Car precinct and Museum of City and Sea is behind schedule.					
TOTAL	113	1,875	1,763	2,321	2,321

⁴ Areas where performance varied from budgeted expectations by more than 10%.

5. SOCIAL AND RECREATION

Pāpori me te hākinakina

We provide a wide range of services throughout the city to encourage quality of life and healthy lifestyles.

WHAT WE DO

- Recreation promotion and support
- Community support
- Public health and safety.

HIGHLIGHTS OF THIS QUARTER

Recreation promotion and support

- Our facilities hosted New Zealand Basketball Association (NZBA) Camps, Central Pulse v Melbourne Vixens Netball Match, College Sport Wellington Volleyball Regional Champs, College Sport Wellington Futsal Regional Champs, College Sport Wellington Athletes with a Disability Day, National Secondary Schools Futsal Champs, Wellington Regional Long Course Swimming Championships, New Zealand National Junior Swimming Championships, North Island Diving Championships and the Weetbix Tryathlon.
- We started the field preparation for the two training grounds for the FIFA U20 World Cup, Newtown Park and David Farrington Park.
- Summer sport ended and we began the transition of our sportsfields to winter layouts.
- We hosted the Colgate Games, Capital Classics, McEvedy Shield and the NZ Track and Field Championship at Newtown Park, National Lacrosse Tournament at Wakefield Park and PK Softball Tournament at Hataitai Park.
- We provided training fields for the International Rugby 7's competition.
- We converted the old bowling club at Terawhiti in Karori into a football training field for Waterside Karori Football Club.
- We delivered 23 Push Play Events, with 1274 people participating.
- We promoted recreation and programmes delivering four Pop-up Park events, focusing on Mountain Biking, Golf, ASB Programmes and PARKing Day.
- We continued to work with Alex Moore Park Sport and Community Inc. on their proposal for a new indoor sport building at Alex Moore Park, Johnsonville.
- We completed playground upgrades at Tui Park and Lyndhurst Park.

Community support

- We launched a Korean Corner in the Central Library in January. It provides a significant expansion of the Central Library's Korean collection and is the first of its kind in Oceania. It includes customer PCs, DVDs and K-pop music CDs as well as books.
- In March we launched a Chinese Corner at the Central Library. The corner is made up of 300 books including 200 Chinese Language teaching books. The initiative is a joint undertaking between China Hanban, the Confucius Institute and the China Educational Publications Import and Export Corporation.
- We completed the construction of 27 one-bedroom apartments at Marshall Court (Miramar) which has been shortlisted for a NZIA Award.
- We vacated Kotuku Apartments (Kilbirnie) and handed the site over to the construction

company for upgrade.

- We presented at the construction industry's national conference on the housing upgrade programme and Council's social housing service.
- We engaged over 100 tenants in the first phase of the social housing policy review process.
- In partnership with the Police and Community Patrols New Zealand, Pasifika Community Patrol and Western Community Patrol have been set up and a work plan is being developed.
- Successful Neighbours Day Aotearoa 2015 Summer of Neighbourliness, including various programmes and events at summer community fairs and festivals, community gardens, libraries, retirement homes and streets and neighbourhoods.
- The Neighbours Day Aotearoa campaign, #wellynextdoor, was very successful with nearly 7,000 visits from people all over the world. Our partnership with NEC enabled the #wellynextdoor videos to be incorporated into the videowall at Wellington International Airport.
- We facilitated the completion of the Johnsonville Mural and the Bee/community orchard bus stop mural in Khandallah.
- We continued to deliver the Urban Agriculture Programme and coordinated the Heritage Fruit Tree programme, with many volunteers waiting to adopt trees.
- We are partnering with Enviroschools, to enhance our environmental programmes in schools including coordinating bee programmes into schools to enhance our Bee-friendly City programme. This includes providing bee-friendly flower seeds, and putting together Bee Guidelines for the public.
- We further delivered on the Positive Aging Policy with more SeniorNet programmes, and a pictorial emergency resource for older or disabled persons. We also provided more Neighbours Cards to the CCDHB for their Health Passports and facilitated Neighbours Day activities with various retirement homes across the city.
- Wellington City was registered as a Child & Youth Friendly City and as part held a joint forum with UNICEF, to promote and foster child-friendly initiatives to progress accreditation.

Public Health and safety

- We have developed CCTV guidelines which formalise the role of CCTV in the safe city programme and guide future consideration for further cameras.
- We are piloting (in Cuba Street) the Eyes On theft prevention communication network in Cuba St in partnership with the police and local retailers. Critical information regarding shoplifting is shared via text and email in real time. 37 stores have signed up to be part of the programme.
- Worked with the police and the universities to ensure a presence at the students O-weeks. Liquor ban flyers and posters distributed at events and to university halls to raise awareness amongst students. Used social media to promote "The Pack" app during O-week events.
- A dedicated Graffiti Volunteer Coordinator has begun to work with local communities to develop volunteer programmes that will reduce graffiti vandalism, develop community ownership, restoring community pride and responding to the zero tolerance approach to the management of graffiti in the city.

SIGNIFICANT VARIANCES IN PERFORMANCE⁵:

SERVICE DELIVERY

Measure	Actual	Target	Variance	Variance Explanation
Visits to facilities: ASB Sports centre (off peak)	237,779	268,522	(11%)	Off peak variation is due to reduced basketball training prior to school.

⁵ Areas where performance varied from budgeted expectations by more than 10%.

**ECONOMIC GROWTH AND ARTS
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Measure	Actual	Target	Variance	Variance Explanation
Visits to facilities: ASB Sports centre (peak)	206,016	234,862	(12%)	Weekday evening and Saturday usage was strong. We are implementing initiatives to increase Sunday bookings.
ASB Centre courts utilisation (peak)	42%	71%	(41%)	Weekday evening and Saturday usage was strong. We are implementing initiatives to increase Sunday bookings.
ASB Centre courts utilisation (off-peak)	36%	35%	4%	
Libraries website visitor sessions	2,747,316	900,000	205%	In 2012/13 we changed the measurement methodology. We expected results to decrease and we reduced the target accordingly. The expected decrease has not occurred and we will increase the target in the next long-term plan.
Number of uses of Leisure Card	92,878	73,759	26%	Use is consistent with the same period last year.
Occupancy rates (%) of Wellington City Council Community Centres and Halls	36%	45%	(21%)	We changed the methodology for this measure, which now combines community centres and community halls. We also set a new stretch target that we will struggle to meet by year-end.
Dog control – complaints received (% of registered dogs)	2.0%	2.6%	23%	
Percentage of planned inspections carried out for high-risk premises (category 3)	83%	75%	11%	After a slow start to the year, we are on track to achieve this target at year end.
Percentage of inspections carried out for high-risk premises (category 3) carried out during high trading hours.	31%	25%	23%	After a slow start to the year, we are on track to achieve this target at year end.

NET OPERATING EXPENDITURE

Outcome Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
5.1 Recreation Promotion & Support	20,144	19,260	(885)	26,799	25,126
Revenue is unfavourable mainly in the fitness centres and the ASB Sports centre. Also labour costs are over budget partly due to the introduction of the Wellington Wage. This has meant a higher allocation of corporate overheads to this activity.					
5.2 Community Support	11,385	12,841	1,455	14,586	16,821
Under budget primarily due to Social Housing. The key variances are the timing of the recognition of the Crown grant for the Housing Upgrade Project and savings in interest, insurance and depreciation.					
5.3 Public Health and Safety	6,323	6,218	(104)	8,560	8,281
Over budget due to additional cleaning, depreciation and labour costs.					
TOTAL	37,852	38,319	466	49,945	50,228

CAPITAL EXPENDITURE

Outcome Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
5.1 Recreation Promotion & Support	5,048	5,629	581	7,243	7,243
Some projects have started later than anticipated but are expected to be completed by the end of the year.					
5.2 Community Support	14,895	16,902	2,008	22,987	22,222
Under budget mainly due to housing renewal works behind budget. The Housing Upgrade Project is currently expected to be ahead of schedule by year end.					
5.3 Public Health and Safety	989	909	(79)	1,191	1,310
Programme is ahead of schedule.					
TOTAL	20,913	23,440	2,527	31,421	30,775

6. URBAN DEVELOPMENT

Tāone Tupu Ora

Our focus is on enhancing Wellington as a compact, vibrant, attractive and safe city that is built on a human scale and is easy to navigate.

WHAT WE DO

- Urban planning, heritage and public spaces development
- Building and development control.

HIGHLIGHTS OF THIS QUARTER

- An application for a new air traffic control tower has been received. This will be sited in a new location adjacent to the airport retail park.
- An application for the demolition and replacement of BP House on Customhouse Quay has been received. The building has been vacant since the 2013 Seddon earthquakes.
- The Council's planning report for the Site 10 Direct Referral application has been submitted to the Environment Court.
- The Karori and Tawa communities have been consulted regarding the prospect of medium density residential areas (MDRAs) being established. A draft plan change and town centre plan will now be prepared following this consultation. A full plan change will be notified later in the year.
- Detailed designs for the Masons Lane and Eva/Leeds Streets projects have been completed.
- The first tranche of special housing areas approved by Council in the first quarter have now been approved by Government as part of the implementation of the Wellington Housing Accord.
- Retailers on Bond Street launched a website bondstcollective.co.nz to complement the activation project.
- Enabling works for the Transmission Gully project have begun.

SIGNIFICANT VARIANCES IN PERFORMANCE⁶:

SERVICE DELIVERY

Measure	Actual	Target	Var	Variance Explanation
Land Information Memorandums (LIMs) issued within 10 days	74%	100%	(26%)	Performance was affected by continued high work volumes and training of new staff, which was undertaken this quarter.
Earthquake strengthened council buildings: programme achievement	Partially-Achieved	Achieved	n/a	Partially achieved due to delays in work on the Town Hall and Portico.

NET OPERATING EXPENDITURE

Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
6.1 Urban Planning and Policy	8,887	8,792	(95)	12,011	11,951
6.2 Building & Development Control	6,234	5,622	(612)	8,336	7,319
Building and Resource consent volumes and income lower than budgeted.					
TOTAL	15,121	14,413	(707)	20,346	19,270

⁶ Areas where performance varied from budgeted expectations by more than 10%.

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CAPITAL EXPENDITURE

Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
6.1 Urban Planning and Policy	10,050	8,931	(1,119)	21,531	17,500
Victoria Street and Parliamentary Precinct projects - external funding received not included in original budgets.					
6.2 Building & Development Control	3,379	5,106	1,727	4,183	5,558
Under budget as the Earthquake Strengthening programme is behind schedule.					
TOTAL	13,430	14,037	608	25,714	23,058

7. TRANSPORT

Waka

We manage the transport network so it is sustainable, safe and efficient.

WHAT WE DO

- Transport
- Parking.

HIGHLIGHTS OF THIS QUARTER

Parking

- The parking sensor trial commenced in Blair and Allen streets with sensors embedded into the pavement. Customers can now enter their parking space number at the pay machine with no need to go back to their car to place a ticket on their dashboard. The trial will conclude in June 2015.

Transport

This quarter we:

- completed 5.4km footpath renewal against a target of 6.5km. The planned annual total for footpath renewal is 25km.
- completed 2.9km kerb and channel renewals against a target of 3.0km. The planned annual total for kerb and channel renewal is 12.0km.
- repaired or replaced nearly 6,000 signs and poles and 1.6km of handrails.
- undertook repairs at 18 of our bus shelters and maintained Lambton Interchange.
- installed and repaired 24 items of street furniture (seats, bins, cycle racks)
- maintained and/or renewed 41 'Give Way' triangles, 117 turning arrows, 6km of centre lines and 662 cats-eyes.
- replaced 14 faded accessibility parking symbols
- approved 1,730 Corridor Access Requests for utility network maintenance and other temporary activities on the transport network, monitoring activity as appropriate.
- provided nearly 600 approvals for significant temporary traffic management plans.
- completed lighting design work for the Cuba Mall lighting upgrade.

SIGNIFICANT VARIANCES IN PERFORMANCE⁷:

SERVICE DELIVERY

Measure	Actual	Target	Var	Variance Explanation
Quarry – legislative compliance	Not-achieved	Achieved	n/a	This quarter, there were two non-compliant events. The first incident, which occurred on 17 February, was an environmental breach of consent relating to the quality of water discharged to the stream. This breach resulted in a warning only from GWRC (no formal enforcement action was taken). The quarry operator responded to the incident by installing an additional valve which will prevent a similar incident from occurring again in the future. The second incident occurred on 16 March, when heavy rainfall resulted in significant surface run-off and floodwater entering the stream. The quarry operator tested the water entering the stream and identified that the suspended solids concentration was 209g/m ³ (120g/m ³ is permitted). GWRC was notified and took no action as the event was deemed to be beyond the quarry

⁷ Areas where performance varied from budgeted expectations by more than 10%.

**ECONOMIC GROWTH AND ARTS
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				operator's control.
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NET OPERATING EXPENDITURE

Outcome Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
7.1 Transport	27,652	29,009	1,357	38,449	39,114
Year to date and forecast variance mainly relates to savings on insurance costs and depreciation, following the revaluation of infrastructure assets.					
7.2 Parking	(10,503)	(10,473)	29	(14,044)	(14,086)
TOTAL	17,149	18,536	1,387	24,405	25,028

CAPITAL EXPENDITURE

Outcome Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
7.1 Transport	28,478	30,564	2,086	42,492	39,623
Delays in several projects, including the Karori Road wall and Island Bay Cycleway network					
7.2 Parking	44	73	29	120	180
TOTAL	28,522	30,637	2,115	42,612	39,803

WELLINGTON SCULPTURAL HIGHWAY PROPOSAL- PUBLIC ART PANEL RESPONSE

Purpose

1. The purpose of the report is to inform the Economic Growth and Arts Committee of the Public Art Panel's response to Marco Zeeman's *Wellington Sculptural Highway* proposal.

Summary

2. On 28 April 2015 Marco Zeeman presented the *Wellington Sculptural Highway* proposal to the Council.
3. Marco Zeeman requested the following:
 - Council's support in principle for the project
 - That the Council appoints a representative/s to the project team
4. Wellington City Council has a Public Art Policy, Public Art Panel and City Arts team to guide and approve public art activity including proposal submission and assessment, support in principle for public art activity.
5. On 25 May 2015 Marco Zeeman presented his *Wellington Sculptural Highway* proposal to the Council's Public Art Panel. The Public Art Panel's responses follow:
 - The Wellington City Council's Public Art Panel support the integration of art concepts and/or design features and/or physical artworks in the city's public infrastructure as outlined in outcome 6 of the Council's Public Art Policy.
 - The Public Art Panel supports Mr Zeeman to continue his discussions with the New Zealand Transport Agency.
 - The proposal for the *Wellington Sculptural Highway* is at a high level stage. For the Public Art Panel to assess the proposal in relation to the Council's criteria for public art activity, including support in principle, more detailed information is required. This would include a fully developed concept and process.
 - As the Wellington City Council has an established process for guiding and assessing public art activity through the City Arts team and Public Art Panel, it would not be necessary for a representative to join the *Wellington Sculptural Highway* project team. The City Arts team can continue to provide advice and feedback on the proposal and project as it develops.

Recommendation

That the Economic Growth and Arts Committee:

1. Receive the information.

Background

6. On 28 April 2015 Marco Zeeman presented his *Wellington Sculptural Highway* proposal to Council.
7. Marco Zeeman requested the following:
 - Council's support for the project
 - That the Council appoints a representative/s to the project team
8. The *Wellington Sculptural Highway* focuses on two significant NZTA projects currently underway - the new Linden to MacKay's Crossing and Kapiti Expressway (new and improved highway). It proposes that 12 interchanges from Linden to Otaki would be enhanced with the addition of large sculptures, each unique and identifiable to the community they service. Mr Zeeman advises the estimated cost of this section of the 'Northern Corridor' is estimated at over \$1.7+ Billion. The total cost of his proposal is unknown but estimated at less than 1% of the overall highway budget. One of the 12 interchanges is within the boundaries of Wellington City.
9. On 25 May 2015 Marco Zeeman presented his *Wellington Sculptural Highway* proposal to the Council's Public Art Panel.

Discussion

10. Wellington City Council has a Public Art Policy, Public Art Panel and City Arts team to guide and approve public art activity including proposal submission and assessment. The City Arts team assesses proposals in collaboration with Council's Public Art Panel to ensure they meet the criteria and reflect the outcomes for public art activity. This includes support in principle for public art activity.
11. The inclusion of art concepts and/or design features and/or physical artworks in infrastructure projects is one of the Council's key outcomes for public art activity. To ensure an integrated approach it is important that public art is considered at the start of an infrastructure project.
12. In a letter dated 12 May 2015 to Hon Nathan Guy (Member of Parliament for Otaki), the Hon Simon Bridges (Minister of Transport) advises of his expectation for "the NZ Transport Agency to focus its investment on providing transport outcomes to reduce severe trauma and to reduce road congestion."
13. The Public Art Panel recommends Mr Zeeman could focus on approaching the New Zealand Transport Agency regarding the inclusion of artworks in infrastructure projects at the consenting stage.
14. Panel members advise the most appropriate time to advocate for the inclusion of artworks in an infrastructure project is at the consenting stage. During this stage artworks can be included to mitigate the effects of new highways and

roads. Advocating for the inclusion of artworks at this early stage also ensures the artwork is fully integrated into the design brief and budget.

15. The Public Art Panel supports Mr Zeeman to continue his discussions with the New Zealand Transport Agency.
16. Wellington City Council encourages all ideas to be developed through robust processes and engagement with relevant parties at the proposal stage and thereafter. In addition, the Council seeks evidence of a high level of artistic engagement, with curators and artists, in terms of project personnel and processes at proposal stage and thereafter.
17. In a letter dated 14 May 2015 Sue Elliot, the Chair of the Wellington Sculpture Trust confirms the Trust's support to provide guidance on briefs to artists, selection processes and assessment.
18. People seeking support from the Wellington City Council for public art activity must show that their proposed activity is of a high standard of artistic merit and has a strong link to one of the outcomes in the Council's Public Art Policy, and meet mandatory requirements including taking place within the Wellington City Council area.
19. In the experience of the Public Art Panel, support in principle can be interpreted as ongoing support for the project with an expectation of a future commitment including funding.
20. The proposal for the *Wellington Sculptural Highway* is at a high level stage. For the Public Art Panel to assess the proposal in relation to the Council's criteria for public art activity, more detailed information is required. This would include a fully developed concept and process.
21. As the Wellington City Council has an established process for guiding and assessing public art activity through the City Arts team and Public Art Panel, it would not be necessary for a representative to join the *Wellington Sculptural Highway* project team. However, the Panel recommends Mr Zeeman clearly defines the parameters for his working party including the terms of reference. The City Arts team can continue to provide advice and feedback on the proposal and project as it develops.

Attachments

Nil

Author	Natasha Petkovic-Jeremic, Manager City Arts
Authoriser	Derek Fry, Director City Growth & Partnerships

UPDATE ON PROJECTS

Purpose

1. The Committee will receive an update on the projects work underway.

Recommendation

That the Economic Growth and Arts Committee:

1. Receive the information.

Discussion

2. The Director of City Growth and Partnerships will update the Committee on a number of projects currently underway, including the renewal of the Te Papa agreement and a number of innovation projects underway.
3. There will also be a presentation by the Manager of Major Events on recent major events held and the calendar for the remainder of the year.

Attachments

Nil

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