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**ORDINARY MEETING**

**OF**

**ECONOMIC GROWTH AND ARTS COMMITTEE**

**AGENDA**

**Time:** 9.15am  
**Date:** Tuesday, 24 November 2015  
**Venue:** Committee Room 1  
Ground Floor, Council Offices  
101 Wakefield Street  
Wellington

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**MEMBERSHIP**

Mayor Wade-Brown

Councillor Ahipene-Mercer  
Councillor Coughlan (Chair)  
Councillor Eagle  
Councillor Foster  
Councillor Free  
Councillor Lee  
Councillor Lester

Councillor Marsh (Deputy Chair)  
Councillor Pannett  
Councillor Peck  
Councillor Ritchie  
Councillor Sparrow  
Councillor Woolf  
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](mailto: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.*

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## **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:** 8 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 13 October 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.



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## 2. General Business

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### TE PAPA UPDATE

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#### Purpose

1. At the Economic Growth and Arts Committee meeting, the Chief Executive of Te Papa will present an update to the Committee.

#### Summary

2. Reflecting the final Wellington City Council 2015-2025 Long Term Plan, the funding agreement between Wellington City Council and the Museum of New Zealand Te Papa Tongarewa (Te Papa) has been renewed for three years, through to June 2018.
3. At the Economic Growth and Arts Committee meeting, the Chief Executive of Te Papa will present an update to the Committee.

#### Recommendation/s

That the Economic Growth and Arts Committee:

1. Receive the information.

#### Background

4. The funding agreement between Wellington City Council and the Museum of New Zealand Te Papa Tongarewa (Te Papa) has been renewed through to June 2018.

#### Discussion

5. The key principles and structure of the agreement remain largely similar to the previous agreement:
  - Funding provided by the Council is expected to contribute to positive economic, social and cultural outcomes for Wellington. The priority for Te Papa in this three-year period is recognised as the redevelopment of its core experience (the free long-term exhibitions);
  - The Council will continue to be recognised as a funding partner for short-term exhibitions such as Dreamworks Animation;
  - The level of Council benefits received as a funding partner is largely consistent with the prior agreement;
  - Te Papa will continue to provide the Council with a Forward Plan of events and activities that contribute to the key objectives of the agreement; and
  - WCC will now be recognised as Te Papa's Destination Partner, rather than as a Founding Partner.
6. The primary objectives of WCC recognised in the agreement are to:

- Drive out-of-region and international visitation to Wellington year round through promotion and events linked to the museum renewal programme;
  - Provide clear Wellington branding opportunities on travelling exhibitions as agreed by both parties;
  - Provide the opportunity for the city to leverage connections and partnerships overseas as agreed by both parties; and
  - Proactively attract national and/or international promotion of Wellington, and Te Papa, through all campaigns.
7. The secondary objectives of WCC recognised in the agreement are to:
- Work with the Wellington Regional Economic Development Agency to leverage business events/conferences and related opportunities from major exhibitions;
  - Work collaboratively, and take a leadership role, with Wellington region galleries, venues and attractions, including coordinating events and exhibitions where appropriate;
  - Maximise opportunities to strengthen Wellington's international connections by interacting with the diplomatic community, maximising relationships with New Zealand international target markets, hosting international delegations and leading delegations from Wellington to other countries; and
  - Actively contribute to the cultural fabric of Wellington and its reputation as New Zealand's arts and culture capital.
8. Under the agreement, Te Papa will continue to provide the Council with regular progress reports. This includes updates to the Committee.
9. Reflecting this, at the Economic Growth and Arts Committee meeting, the Chief Executive of Te Papa will present an update on Te Papa's recent performance and plans for the summer exhibition season.

## Attachments

Nil

Author	Warrick Dent, Manager City Events
Authoriser	Derek Fry, Director City Growth & Partnerships



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## **SUPPORTING INFORMATION**

### **Consultation and Engagement**

Funding in this agreement reflects the Council's Long Term Plan which is consulted on.

### **Treaty of Waitangi considerations**

Te Papa considers Treaty considerations in its operations as appropriate.

### **Financial implications**

The funding agreement reflects the Council's Long Term Plan.

### **Policy and legislative implications**

N/A

### **Risks / legal**

Performance obligations under this agreement are monitored by officers

### **Climate Change impact and considerations**

N/A

### **Communications Plan**

Te Papa and WCC liaise on communications as appropriate.



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## **REPORTS FROM COUNCIL CONTROLLED ORGANISATIONS FOR THE QUARTER ENDING 30 SEPTEMBER 2015**

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### **Purpose**

1. To provide reports from Basin Reserve Trust, the Wellington Museums Trust and the Wellington Regional Economic Development Agency for the quarter ended 30 September 2015.

### **Recommendations**

That the Economic Growth and Arts Committee:

1. Receive the information.
2. Note the Positively Wellington Venues deficit for quarter one and that the Wellington Regional Economic Development Agency is working to ensure the financial position is delivered to plan by year end.
3. Note any issues for the Chairperson to raise with the entities covered by this report.

### **Background**

2. 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.
3. The Economic Growth and Arts Committee is tasked with the assessment of the efficiency and effectiveness of the following entities:
  - Basin Reserve Trust (BRT)
  - Wellington Museums Trust (WMT)
  - Wellington Regional Stadium Trust (WRST)
  - Wellington International Airport (WIAL)
4. The Committee also receives information from the Wellington Regional Economic Development Agency (WREDA). WREDA is jointly owned by the Wellington City Council (80%) and the Greater Wellington Regional Council (20%). The shareholders jointly monitor the company via the Wellington Regional Strategy (WRS) Committee. The membership of the WRS Committee is 10 persons in total, appointed (from time to time) as follows:
  - One regional councillor.
  - Four members nominated by Wellington City Council.
  - One member nominated by each of Porirua City Council, Hutt City Council, Kapiti Coast District Council, and Upper Hutt City Council.
  - One member nominated by the three Wairarapa district councils.

5. Wellington Regional Stadium Trust is not a CCO, but is 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.
6. WRST provides half-yearly written reports so is not included in this report.
7. The organisations included in this report are:
  - Basin Reserve Trust (BRT)
  - Wellington Museums Trust (WMT)
  - Wellington Regional Development Agency Ltd (WREDA)
8. Officers have reviewed the Quarterly reports from the organisations noted in paragraph 7 and consider that there are no material issues that are not covered in the reports.

### 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.

### Basin Reserve Trust

ACTIVITY SUMMARY	
<ul style="list-style-type: none"> <li>• Q1 is typically the quietest period in terms of sports and other events held at the Basin Reserve. However, the Trust has successfully encouraged use of the ground during the off-season by a number sporting and non-sporting groups.</li> <li>• The cricket programme for the 2015/16 season has been negotiated successfully with NZ Cricket and will include a Pakistan ODI in January, a test match against Australia in February, two Whiteferns internationals in February and March, four Plunket Shield matches, 4 Ford Trophy matches and 4 Georgie Pie Super Slam matches.</li> <li>• Planning work continued for the Basin to host a Robbie Williams Concert in November. Particular attention is being focused on the playing surface to ensure that the concert does not compromise the Trust's ability to host the first cricket match in December.</li> </ul> <p><b>Events</b></p> <ul style="list-style-type: none"> <li>• 3 club rugby matches.</li> </ul> <p><b>Training</b></p> <ul style="list-style-type: none"> <li>• 15 Wellington Phoenix training sessions</li> <li>• 1 Wellington Firebirds training session</li> </ul> <p><b>Repairs and Maintenance</b></p> <ul style="list-style-type: none"> <li>• Work continued on the upgrade of the ground keeping facilities</li> <li>• Design work was undertaken on addressing deferred maintenance issues in the RA Vance Stand</li> <li>• Improvement work was undertaken on the gate houses</li> </ul> <p><b>Other activity</b></p> <ul style="list-style-type: none"> <li>• 7 St Marks School rugby training sessions</li> <li>• 3 Police fitness assessments</li> <li>• The Trust continues to work on securing a naming rights sponsor for the Basin Reserve.</li> </ul>	

SUMMARY FINANCIALS				
FINANCIAL PERFORMANCE	Q1 Actual	Q1 Budget	Variance	FYE

**SUMMARY FINANCIALS**

Total Revenue	276	253	23 ✓	886
Operating Expenses	183	201	18 ✓	880
Net Surplus	93	52	41 ✓	6
<b>FINANCIAL POSITION</b>				
Total Assets	930	856	74	888
Total Liabilities	165	90	75	38
Equity	765	766	(1)	850
<b>CASH FLOWS</b>				
Total Net Cash Flows	156	41	115	73
Opening Cash	48	100	(52)	100
Closing Cash	204	141	63	173

A review of the financial statements of the Basin Reserve Trust highlights the following points:

- The Trust had an operating surplus for the quarter of \$93k after allowing for depreciation of \$21k, \$41k ahead of budget.
- Income of \$276k was \$23k (9%) ahead of budget as a result of increased ground hire income during the quarter, most notably the receipt of the first instalment of venue hire charges for the Robbie Williams concert.
- Expenditure for the quarter of \$183k was \$18k (9%) better than budget as a result of the timing of some ground maintenance work.

**KEY PERFORMANCE INDICATORS**

MEASURE		Q1	3 Year	Comments
		30 Sep 15	Trend	
Cricket Events	Target	0	Steady	Cricket begins at the Basin in Q2
	Actual	0 ✓	→	
Other Sports Events	Target	6	Steady	As a result of recent ground upgrades, the Trust has been able to actively encourage other sports to utilise the Basin Reserve outside the cricket season
	Actual	18 ✓	→	
Community Events	Target	0	Steady	As a result of recent ground upgrades, the Trust has been able to actively encourage schools and community organisations to utilise the Basin Reserve outside the cricket season.
	Actual	10 ✓	→	
Cricket Event Days	Target	0	Steady	
	Actual	0 ✓	→	
Other Sports Events Days	Target	6	Steady	
	Actual	18 ✓	→	

KEY PERFORMANCE INDICATORS				
Community Event Days	Target	0	Steady	
	Actual	10 ✓	→	
Practice Facility Usage Days	Target	0	Steady	
	Actual	1 ✓	→	
Numbers attending events	Target	800	Steady	
	Actual	900 ✓	→	

KPI COMMENTARY
<p>The Trust met or exceeded all its events performance measures largely as a result of having the ground available for the entire winter season and the Trust actively encouraging other sports, community and school groups to use the ground</p>

OUTLOOK
<p>Key activities and issues anticipated in the next quarter include:</p> <ul style="list-style-type: none"> <li>• Work is on track to complete the refurbished Groundsman's cottage and shed in October. The Mayor will officially open the new building on 25 November 2015.</li> <li>• The Basin Reserve successfully hosted Robbie Williams on October 31 – the first concert hosted at the Venue in four years.</li> <li>• Deferred maintenance work is expected to begin on the RA Vance Stand in November with the timing of scaffolding work having to be adjusted around events at the Basin Reserve</li> </ul>

**Wellington Museums Trust**

**ACTIVITY SUMMARY**

Programmes:

- Capital E had a successful collaboration with Lux Light Festival, hosting a light installation by Massey design students at night and giving children the opportunity to contribute to our own evolving light installation during the day.
- Demented Architecture opened at City Gallery and proved to be very popular with visitors.
- Space Place participated in the 'International Year of Light New Zealand' project by distributing free light experiment kits to visiting schools. This was in collaboration with Auckland University and Otago Museum.
- Wellington Museum hosted A Short History of Jazz (part two), celebrating a decade of Jazz at each session held every Sunday in September.

Total visitation for the quarter was 147,070 (4,403 above the SOI projections of 142,667 for Q1). Space Place performed strongly during the quarter with visitors exceeding target by 2,195. Although it is early days, the Trust has observed that the new operating model which includes lower admission charges may be starting to attract a younger audience. Capital E had a successful quarter with the interactive Musical Forest installation attracting large numbers of families in July and August. Visitation during the quarter was 25,016 or 9,441 above target. City Gallery also performed strongly in terms of visitation with 49,147 visits (11,657 above the Q1 target) due to the popularity of its programme (e.g. Demented Architecture). This performance was in spite of the gallery being closed for 2 weeks for the replacement of the switchboard. The Cable Car Museum did not reach its target for the quarter but is expected to reach the annual target supported by a forecast strong cruise ship season in 2015/16.

**SUMMARY FINANCIALS**

\* Variance (Actual minus Budget). ✓ Favourable variance to budget ✗ Unfavourable variance to budget

FINANCIAL PERFORMANCE (\$000)	Q1 Budget 30 Sep 15	Q1 Actual 30 Sep 15	Variance* 30 Sep 15	YTD Budget 30 Sep 15	YTD Actual 30 Sep 15	Variance* 30 Sep 15	FY Budget 30 Jun 16
<b>WELLINGTON MUSEUMS TRUST (EXCL. SPACE PLACE)^</b>							
Total Revenue	2,576	2,608	32 ✓				10,297
Opex before Depreciation	2,478	2,289	(189) ✓				9,914
Depreciation	104	96	(8) ✓				415
Net Surplus (Loss)	(8)	224	232 ✓				(30)
<b>SPACE PLACE^</b>							
Total Revenue	262	221	(41) ✗				1,050
Opex before Depreciation	288	260	(28) ✓				1,161
Net Surplus (Loss)	(31)	(41)	(10) ✗				(123)
<b>FINANCIAL POSITION^</b>							
Total Assets	6,175	9,164	2,989				4,571
Total Liabilities	1,060	3,053	1,993				1,171

Equity	3,515	4,472	957	3,400
<b>CASH FLOWS<sup>^</sup></b>				
Total Net Cash Flows	1,695	947	(748)	72
Opening Cash	92	3,066	2,974	92
Closing Cash	1,787	4,013	2,226	165

<sup>^</sup> The SOI reports the Financial Performance for both Space Place and Wellington Museums Trust (excluding Space Place) separately. The Financial Position and Cash Flows are consolidated.

In Q1, the Trust's financial performance (excluding Space Place) exceeded budget in terms of revenue (positive \$32k variance to budget) and most significantly operating expenditure (positive \$189k variance to budget). The Q1 net surplus was \$224k or a positive variance to budget of \$232k.

Despite stronger than forecast visitation to Space Place in Q1, total revenue was below budget by \$41k as a result of lower admissions prices resulting from changes to the operating model. Operating expenditure was contained below budget so that the net result was a \$41k loss versus a budget loss of \$31k.

The Trust's balance sheet (which includes Space Place) is dominated by \$4.0m cash the majority of which was earmarked for the Attic redevelopment project. The Attic project is the main reason for the higher than forecast balance sheet totals at 30 September 2015.

The Trust's cash flow for Q1 showed a negative variance to budget of \$748k comprised of payments to suppliers exceeding budget by \$467k and GST by \$293k. Nonetheless, the Trust still recorded a net increase in cash on hand of \$947k, lifting the cash balance to \$4.0m at 30 September 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		Q1	YTD	3 Year Trend	Comments
		30 Sep 15	30 Sep 15		
Council grant/visit	Actual	\$11.11 ✗		↘	The grant per visitor has steadily increased due to grants increasing at a faster rate than visitor numbers – therefore a declining metric.
	Target	\$11.09			
Full cost subsidy*/visit	Actual	\$16.48**		n/a	** Figure is provisional.
	Target	\$15.13			
Average spend/visit	Actual	\$2.46 ✗		→	Despite not achieving the annual KPI of \$2.61 per visit in the first quarter, the overall trend is steady.
	Target	\$2.61			
Total visits	Actual	147,070 ✓		↗	The strong Q1 performance was led by strong visitation figures for City Gallery and Capital E.
	Target	142,667			
Cable Car	Actual	40,642 ✗		→	Despite missing its Q1 target, the full year target is expected to be met due to strong cruise ship numbers.  Q1 2014 = 38,337
	Target	50,830			
City Gallery	Actual	49,157 ✓		↗	A strong performance which could have been better but the City Gallery was closed for 2 weeks in August for
	Target	37,500			



			its switchboard replacement.
Capital E	Actual	25,016 ✓	↗ Successful Q1 with <i>Musical Forrest</i> attracting large numbers of families plus increasing school visits to Capital E's OnTV and MediaLab activities.
	Target	15,575	
Wellington Museum	Actual	19,540 ✗	↗ The lower than target result is due to the increased construction activity in and around the building.  Q1 2014 = 25,692
	Target	28,200	
Space Place	Actual	12,207 ✓	→ Very pleasing result, higher than recent prior year visitation performances.  Q1 2014 = 10,550
	Target	10,012	

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

#### ISSUES & OUTLOOK

The Trust will be opening the Attic on Saturday 14<sup>th</sup> November. The opening is the culmination of redevelopment plans for the Wellington Museum which has increased its exhibition space by approximately 30% and included a large repairs and maintenance programme on the building.

The cruise ship season has begun and is expected to bring a record number of passengers to the city which generally benefits some of the Trust's facilities, notably the Wellington Museum and the Cable Car Museum.

**Wellington Regional Economic Development Agency (WREDA)**

ACTIVITY SUMMARY	
<b>General</b>	
<ul style="list-style-type: none"> <li>The arrival of the new Chief Executive, Chris Whelan.</li> <li>Completion of WREDA's first Annual Report combining 3 separate organisations</li> <li>Single digital portal being finalised for all of WREDA</li> </ul>	
<b>Events</b>	
<ul style="list-style-type: none"> <li>68,693 tickets sold, 76 performances, 22% of the attendees came from outside the region</li> <li>87 conferences and events held</li> </ul>	
<b>Economic Development</b>	
<ul style="list-style-type: none"> <li>An estimated \$70m of economic value to the region has been brought in through Dreamworks shooting a new film, The Ghost in the Shell, in and around Wellington.</li> <li>Result 9 Accelerator for Government Services has been well received</li> <li>Working with local education providers to have a combined approach to attracting international students to Wellington</li> </ul>	
<b>Tourism and Marketing</b>	
<ul style="list-style-type: none"> <li>From a tourism perspective direct arrivals from Australia achieved double-digit growth, domestic guest nights were up 11% as a result of new services</li> <li>Marketing work continued to support a number of exhibitions and events in the City</li> </ul>	

SUMMARY FINANCIALS							
FINANCIAL PERFORMANCE	Q1 Actual	Q1 Budget	Variance	YTD Actual	YTD Budget	Variance	FYE
Total Revenue	6,060	5,910	150				26,733
Operating Expenses	5,740	5,874	134				26,633
Net Surplus	320	36	284				100
FINANCIAL POSITION							
Total Assets	6,676	7,339	(663)				4,202
Total Liabilities	4856	5,364	(508)				2,541
Equity	1,820	1,975	(155)				1.661
CASH FLOWS							
Cash Flow in	7,361	8,020	(659)				
Cash Flow out	6,485	7,210	(725)				
Closing Cash	876	810	66				
The major variances and matters of interest of the financial statements of WREDA are							
<ul style="list-style-type: none"> <li>Revenue is up on budget due to unbudgeted income in the quarter for Creative HQ conferences and programmes, partly offset by lower Destination Wellington drawdowns</li> <li>Overall, expenses are in line with budget although there are a number of expenses over and under budget due largely to timing differences.</li> <li>The above budget surplus is largely a result of timing</li> </ul>							

**SUMMARY FINANCIALS**

- WREDA's balance sheet has cash on hand of \$2.6 m.
- The Venues Project made a loss of \$296,000 compared with a breakeven budget. The main contributors to this are a higher portion of lower margin business and the timing of some expenditure. These variances are currently being addressed to ensure the year-end budget is met.

**KEY PERFORMANCE INDICATORS**

MEASURE	Q1		Comments
	Annual Target	30 Sep 15	
Direct spend and attendance at Events	Annual Target	n/a	Major Events has not yet transferred
	Actual	n/a	
Utilisation rate Venues	Annual Target	56%	Utilisation rate is a stretch target, expect to get closer to the target by year end
	Actual	51%	
Maintain convention market share	Annual Target	16%	
	Actual	18%	
Australian arrivals	Annual Target	2%	The Q1 actual results reflects the new Jetstar services which were not in existence in Q1 2014/15
	Actual	20%	
Increase in commercial guest nights	Annual Target	4%	
	Actual	(4%)	
Increase spend overseas visitors	Annual Target	4%	The Q1 actual results reflects in part the new Jetstar services
	Actual	20%	
Number of visitors to website	Annual Target	10%	
	Actual	1%	
Attract screen production to Wellington (economic value to the Wellington Region)	Annual Target	\$20m	
	Actual	\$73m	
Assist in raising of capital	Annual Target	\$0.75m	
	Actual	\$1.8m	
Increase in value of new businesses setting up in Wellington	Annual Target	\$45m over 3 years	
	Actual	\$1.3m	

**KPI COMMENTARY**

WREDA has met or exceeded the majority of its KPIs for Q1. Apart from the Venues utilisation rate, all KPIs are expected to be met by year end. At this stage Major Events has not transferred to WREDA.

**OUTLOOK**

Key activities and issues anticipated in the next quarter include:

- New organisational structure in place for WREDA
- Single location for the whole of WREDA
- Progress the transfer of Major Events
- Delivery of PWV budget
- Begin search process for the Chief Executive role at PWV.

**Attachments**

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Attachment 2.	Wellington Museums Trust	Page 25
Attachment 3.	WREDA	Page 33

Authors	Richard Hardie, Portfolio Manager Warwick Hayes, CCO Project Manager Barry Turfrey, Economic Development Unit
Authoriser	Derek Fry, Director City Growth & Partnerships

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## **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

**BASIN RESERVE TRUST**

**2015-16**

**Prepared for Wellington City Council**

**For the 1<sup>st</sup> Quarter 2015-16**

**Signed** \_\_\_\_\_

**Date** \_\_\_\_\_

**Basin Reserve Trust  
WCC Monitoring Subcommittee**

**For the quarter to 30 September 2015**

1. **OVERVIEW**

The three month period under review is generally a period of planning and preparation for the upcoming summer.

The Trust has been active as follows:

**Trust Meetings**

The trustees met on August 21, as part of its bi-monthly meeting schedule.

**Audit 2015**

The Trust's audit was completed by Audit NZ in September 2015, with no issues highlighted.

**Master Plan**

The Trust continues to work with Council on delivering the projects outlined in the Basin Reserve Masterplan. Plans for refurbishing the RA Vance Stand are well underway with work expected to begin in November 2015. The project is being carefully managed to cause minimum disruption to events scheduled at the Basin Reserve such as the upcoming Robbie Williams concert and a very busy Cricket schedule over the Summer.

**Naming Rights Sponsor**

The Trust is acutely aware of the need to secure a replacement naming rights sponsor for the venue. After some initial leads went cold, the Trust is in the process of developing collateral that describes the future of the Basin Reserve and can communicate the key opportunities to potential partners. Members of the Trust are currently following up on leads through their own business networks.

**Cricket Programme**

The 2015-16 cricket season is now confirmed and contains the following:

- Australian Test Match – February 12 to 16
- Pakistan ODI – January 25
- 4 Plunket Shield Matches – December 17 to 20, March 8 to 11, March 23 to 26 and March 30 to April 2
- 4 Ford Trophy Matches – December 27, 30, January 13 and 17
- 4 Georgie Pie Super Smash Matches – November 22, 25, 29 and December 2
- 3 Days of Women's Domestic Cricket – January 2 to 4
- 2 Whiteferns Internationals – February 28 and March 1
- Various community matches, covering club cricket, wanderers and charity fundraising events – approximately 10 matches

This represents a significant increase in events over the 2014/15 baseline, largely as a result of business returning to normal post Cricket World Cup 2015. The addition of a Blackcaps vs Pakistan ODI to the calendar is an exciting challenge for the Trust, and demonstrates an excellent regional strategy for securing international events.

**Grounds Keeping Cottage**

During Q1 of 2015-16, considerable progress was made on the Grounds Keeping Cottage refurbishment. This involved construction of a new vehicle bay on ground level, while the existing wooden cottage itself was restored nearby and then placed on top. Early in Q2, this work has been completed and the Trust is pleased to advise the project has been a notable success. Informal feedback from the public so far has been very complimentary.

**Club Rugby**

The Trust has been in discussion with WRFU and OBU over the future use of the Basin Reserve for club rugby. Negotiations are ongoing and the Trust is hopeful of a resolution shortly.

**Robbie Williams Concert**

The Trust have been kept informed of planning for the Robbie Williams concert and are supportive of steps taken in management of the ground during this period. The Trust is cognizant of the proximity of this event to commencement of the cricket season and the stress this will place on the playing surface.

**General Renewals and Maintenance**

While the majority of renewals and maintenance work commences in Q2, the Trust is pleased to advise of improvements to the two gate houses. Early September saw the placement of powder coated 'wrought iron' gates, in place of the former wooden panels. These have been met favourably by visitors to the ground and have helped to open up the ground to the passing public.

2. **OPERATIONS**

2.1 ***Performance Analysis***

***Events***

- 3 Club Rugby matches played over three weekends
- 15 Wellington Phoenix trainings
- 7 St Marks School rugby trainings
- 3 Police fitness assessments
- 1 Wellington Firebirds training

2.2 ***Performance Measures***

The actuals against budget are attached.

3. **FINANCIAL REPORT**

Financial accounts are attached.



**Wellington Museums Trust**  
**2015-16**  
**Report as at 30 September 2015 (Quarter 1)**

**Visitor Numbers**

Institution	2015-16 Target	YTD Visitor Numbers (to 30 Sept 2015)	% of Annual Target	Q1 Target	Q1 Visitor Numbers Achieved	% of Q1 Target
Cable Car	221,000	40,642	18%	50,830	40,642	80%
Capital E	62,300	25,016	40%	15,575	25,016	161%
Space Place	44,500	12,207	27%	10,012	12,207	122%
City Gallery Wellington	150,000	49,157	33%	37,500	49,157	131%
Nairn Street Cottage	2,200	504	23%	550	504	92%
Wellington Museum	120,000	19,540	16%	28,200	19,540	69%
<b>TOTAL</b>	<b>600,000</b>	<b>147,066</b>	<b>25%</b>	<b>142,667</b>	<b>147,066</b>	<b>103%</b>

- We are very pleased with the performance of Space Place in its first quarter since rebranding and note that visitation is strong at City Gallery and Capital E. The Cable Car Museum result reflects seasonal variation and Wellington Museum's lower than target result is due to the increased construction activity in and around the building. We expect the second quarter of the year to be significantly better due to cruise ship season and the opening of the Attic in early November.

**Highlights**

- Capital E's public programme had a very successful quarter with the Musical Forrest, our interactive installation in July/August, attracting large numbers of families to explore, create, and experiment with sound, dance and music. We were also had a successful collaboration with Lux Light Festival, hosting a light installation by Massey design students at night and giving children the opportunity to contribute to our own evolving light installation during the day.
- Capital E's OnTV and MediaLab are fully established at the Queens Wharf location and we are now seeing an increase in school visitor numbers in comparison to the same period last year.
- Capital E welcomed over 1500 Wellingtonians through their doors during Wellington's *Open Weekend* to mark the city's 150<sup>th</sup> birthday celebration visitors were able to explore the entire building including our digital studios which are not usually open to the general public.
- Demented Architecture* opened at City Gallery and is proving to be very popular with visitors.
- Visitor numbers remained strong at City Gallery for the first quarter in spite of a two week closure in August for Council's replacement of the Switchboard.
- Wellington Museum held two very successful *Third Thursdays* during the quarter: the first was a games night in partnership with Cerberus Games (bringing over 65 people into the museum after hours). The other was the launch of Andy Laking's 'The Empire City' book. This brought approximately 150 people into the museum, including Mayor Celia Wade Brown and Bret McKenzie.
- Space Place participated in the '*International Year of Light New Zealand*' project by distributing free light experiment kits to visiting schools. This was a collaboration between Auckland University and Otago Museum, who supplied the kits and included Space Place on all advertising collateral.
- The wrap and scaffolding has come down from Wellington Museum's exterior, unveiling a bold and prominent colour scheme. Feedback on this has been substantially positive.
- Wellington Museum hosted A Short History of Jazz (part two), where we celebrated a decade of Jazz at each session held every Sunday in September at 2pm. Radio New Zealand recorded the series.

**Pat Stuart**  
Chief Executive

## Wellington Museums Trust 2015-16 Key Performance Indicators Report

### Residents' Awareness (Annual Survey)

Residents' Awareness	Target 2015-16	Achieved 2015-16
City Gallery Wellington	92%	
Wellington Museum	92%	
Capital E	90%	
Cable Car Museum	92%	
Space Place	92%	
Nairn Street Cottage	60%	
<b>Trust Average</b>	<b>86%</b>	<b>#DIV/0!</b>

### Physical Visitation\*

Visitor Numbers	Target 2015-16	Achieved 2015-16	Target Q1 (to 30-Sep-15)	Achieved Q1 (to 30-Sep-15)	Target Q2 (to 31-Dec-15)	Achieved Q2 (to 31-Dec-15)	Target Q3 (to 31-Mar-16)	Achieved Q3 (to 31-Mar-16)	Target Q4 (to 30-Jun-16)	Achieved Q4 (to 30-Jun-16)
City Gallery Wellington	150,000	49157	37,500	49,157	37,500		37,500		37,500	
Wellington Museum	120,000	19540	28,200	19,540	31,800		31,800		28,200	
Capital E	62,300	25016	15,575	25,016	15,575		15,575		15,575	
Cable Car Museum	221,000	40642	50,830	40,642	59,670		59,670		50,830	
Space Place	44,500	12207	10,012	12,207	12,237		12,238		10,013	
Nairn Street Cottage	2,200	508	550	508	550		550		550	
<b>Trust Total</b>	<b>600,000</b>	<b>147,070</b>	<b>142,667</b>	<b>147,070</b>	<b>157,332</b>	<b>-</b>	<b>157,333</b>	<b>-</b>	<b>142,668</b>	<b>-</b>

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

### Virtual Visitation^

Virtual Visitor Numbers	Target 2015-16	Achieved 2015-16	Achieved Q1 (to 30-Sep-15)	Achieved Q2 (to 31-Dec-15)	Achieved Q3 (to 31-Mar-16)	Achieved Q4 (to 30-Jun-16)
City Gallery Wellington	76,000	140,142	140,142			
Museums Wellington^^	90,500	46,389	46,389			
Capital E	36,000	15,069	15,069			
<b>Trust Total</b>	<b>202,500</b>	<b>201,600</b>	<b>201,600</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

^^Museums Wellington has one website covering Wellington Museum, Cable Car Museum, Nairn Street Cottage and Space Place

**Social Media Profile<sup>^^^</sup>**

Social Media Numbers	Target 2015-16	Achieved 2015-16	Achieved Q1 (to 30-Sep-15)	Achieved Q2 (to 31-Dec-15)	Achieved Q3 (to 31-Mar-16)	Achieved Q4 (to 30-Jun-16)
City Gallery Wellington	16,500	66,504	66,504			
Museums Wellington <sup>^^^</sup>	4,000	4,991	4,991			
Capital E	4,000	3,743	3,743			
Race Place	5,750	7,000	7,000			
<b>Trust Total</b>	<b>30,250</b>	<b>82,238</b>	<b>82,238</b>	-	-	-

<sup>^</sup>A snapshot of the number Facebook friends, Twitter and Instagram followers at period end.

<sup>^^</sup>Museums Wellington here covers Wellington Museum, Cable Car Museum and Nairn Street Cottage

**Quality of Physical Visit**

Quality of the Visitor Experience	Target 2015-16	Achieved 2015-16	Achieved Q1 (to 30-Sep-15)	Achieved Q2 (to 31-Dec-15)	Achieved Q3 (to 31-Mar-16)	Achieved Q4 (to 30-Jun-16)
City Gallery Wellington	90%	87%	87%			
Wellington Museum*	90%	#DIV/0!	-			
Capital E	90%	98%	98%			
Cable Car Museum*	90%	#DIV/0!	-			
Race Place*	90%	#DIV/0!	-			
Nairn Street Cottage*	90%	#DIV/0!	-			
<b>Trust Average</b>	<b>90%</b>	<b>#DIV/0!</b>	<b>93%</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>

<sup>^</sup>Please note: for Q1, Museums Wellington are not presently recording these figures, however from 1 November a new system for the core monitoring questions will be in place across all Museums Wellington sites.

**Repeat Visitation**

Repeat Visitation	Target 2015-16	Achieved 2015-16	Achieved Q1 (to 30-Sep-15)	Achieved Q2 (to 31-Dec-15)	Achieved Q3 (to 31-Mar-16)	Achieved Q4 (to 30-Jun-16)
City Gallery Wellington	40%	77%	77%			
Wellington Museum*	25%	#DIV/0!	-			
Capital E	40%	49%	49%			
Cable Car Museum*	25%	#DIV/0!	-			
Race Place*	20%	#DIV/0!	-			
<b>Trust Average</b>	<b>30%</b>	<b>#DIV/0!</b>	<b>63%</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>

<sup>^</sup>Please note: for Q1, Museums Wellington are not presently recording these figures, however from 1 November a new system for the core monitoring questions will be in place across all Museums Wellington sites.

<b>on Council Revenue</b>						
on Council Revenue '000)	Target 2015-16	Achieved 2015-16	Achieved Q1 (to 30-Sep-15)	Achieved Q2 (to 31-Dec-15)	Achieved Q3 (to 31-Mar-16)	Achieved Q4 (to 30-Jun-16)
ity Gallery Wellington	545		170			
useums Wellington*	569		91			
apital E	1,034		263			
pace Place	674		142			
<b>rust Total</b>	<b>2,988</b>		<b>754</b>			

*\*Museums Wellington includes the Wellington Museum, Cable Car Museum and the Nairn Street Cottage.*

<b>pend per Visit*</b>						
pend per Visit (\$)	Target 2015-16	Achieved 2015-16	Achieved Q1 (to 30-Sep-15)	Achieved Q2 (to 31-Dec-15)	Achieved Q3 (to 31-Mar-16)	Achieved Q4 (to 30-Jun-16)
ity Gallery Wellington	1.51		1.46			
useums Wellington**	1.36		1.48			
apital E	4.65		2.73			
pace Place	12.88		9.25			
<b>rust Average</b>	<b>2.61</b>		<b>2.46</b>			

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

*\*\*Museums Wellington includes the Wellington Museum, Cable Car Museum and the Nairn Street Cottage.*

<b>ouncil Subsidy per Visit^</b>						
ubsidy per Visit (\$)	Target 2015-16^^	Achieved 2015-16	Achieved Q1 (to 30-Sep-15)	Achieved Q2 (to 31-Dec-15)	Achieved Q3 (to 31-Mar-16)	Achieved Q4 (to 30-Jun-16)
ity Gallery Wellington	14.16		8.11			
useums Wellington^^^	5.03		6.63			
apital E	20.81		11.92			
pace Place	10.16		6.52			
<b>rust Average</b>	<b>11.09</b>		<b>11.11</b>			

*^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 Wellington Museum, Cable Car Museum and the Nairn Street Cottage.*

**ECONOMIC GROWTH AND ARTS  
COMMITTEE  
24 NOVEMBER 2015**

Actual 30-Jun-15	<b>STATEMENT OF FINANCIAL PERFORMANCE</b> (excluding Carter Observatory)	Actual Qtr to 30-Sep-15	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
<b>Revenue</b>									
1,655	Trading Income	240	199	199	199	199	794	1,014	823
6,213	Council Operating Grant	1,554	1,554	1,554	1,554	1,554	6,215	6,371	6,532
1,769	Council Rental Grant	442	442	442	442	442	1,769	1,768	1,767
896	Other Grants	286	193	193	193	193	772	732	732
1,059	Sponsorships and Donations	11	102	102	102	102	406	423	333
120	Investment Income	36	23	23	23	23	90	94	98
273	Other Income	39	63	63	63	63	251	261	263
<b>11,985</b>	<b>Total Revenue</b>	<b>2,608</b>	<b>2,574</b>	<b>2,574</b>	<b>2,574</b>	<b>2,574</b>	<b>10,298</b>	<b>10,662</b>	<b>10,549</b>
<b>Expenditure</b>									
4,671	Employee Costs	1,120	1,138	1,138	1,138	1,138	4,550	4,668	4,873
1,338	Council Rent	338	338	338	338	338	1,353	1,353	1,353
2,560	Exhibitions & Programmes	285	382	382	382	382	1,527	1,955	1,489
525	Marketing & Promotions	123	124	124	124	124	495	570	500
1,094	Occupancy Costs (excluding Council Rent)	266	297	297	297	297	1,189	1,192	1,199
139	Communication Costs	28	27	27	27	27	110	110	110
101	Trustee Fees & Expenses	20	19	19	19	19	77	77	77
239	Technology Costs	37	36	36	36	36	146	147	148
333	Professional Fees	11	10	10	10	10	41	41	42
163	Administration Expenses	50	77	77	77	77	307	307	305
16	Other Operating Expenses	13	30	30	30	30	119	125	125
506	Depreciation	96	104	104	104	104	415	415	415
0	Interest	0	0	0	0	0	0	0	0
<b>11,675</b>	<b>Total Expenditure</b>	<b>2,384</b>	<b>2,582</b>	<b>2,582</b>	<b>2,582</b>	<b>2,582</b>	<b>10,328</b>	<b>10,959</b>	<b>10,634</b>
<b>310</b>	<b>Net Surplus/(Deficit) before Taxation</b>	<b>224</b>	<b>(8)</b>	<b>(8)</b>	<b>(8)</b>	<b>(8)</b>	<b>(30)</b>	<b>(297)</b>	<b>(86)</b>
	Taxation Expense								
<b>310</b>	<b>Net Surplus/(Deficit)</b>	<b>224</b>	<b>(8)</b>	<b>(8)</b>	<b>(8)</b>	<b>(8)</b>	<b>(30)</b>	<b>(297)</b>	<b>(86)</b>
<b>2.6%</b>	<b>Operating Margin</b>	<b>8.6%</b>	<b>-0.3%</b>	<b>-0.3%</b>	<b>-0.3%</b>	<b>-0.3%</b>	<b>-0.3%</b>	<b>-2.8%</b>	<b>-0.8%</b>

Actual 30-Jun-15	<b>STATEMENT OF FINANCIAL PERFORMANCE</b> (Carter Observatory)	Actual Qtr to 30-Sep-15	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
<b>Revenue</b>									
440	Trading Income	121	154	154	154	154	616	652	650
312	Council Operating Grant	80	82	82	82	82	329	336	342
0	Council Rental Grant	0	0	0	0	0	0	1	2
92	Other Grants	20	21	21	21	21	82	82	82
0	Sponsorships and Donations	0	5	5	5	5	19	19	19
0	Investment Income	0	0	0	0	0	0	1	2
2	Other Income	0	1	1	1	1	4	4	4
<b>846</b>	<b>Total Revenue</b>	<b>221</b>	<b>262</b>	<b>262</b>	<b>262</b>	<b>262</b>	<b>1,049</b>	<b>1,094</b>	<b>1,101</b>
<b>Expenditure</b>									
599	Employee Costs	176	169	169	169	169	677	693	708
0	Council Rent	0	0	0	0	0	0	0	0
33	Exhibitions & Programmes	2	22	22	22	22	88	68	68
38	Marketing & Promotions	32	31	31	31	31	123	94	94
62	Occupancy Costs (excluding Council Rent)	16	26	26	26	26	104	104	104
7	Communication Costs	1	4	4	4	4	17	17	17
0	Trustee Fees & Expenses	0	0	0	0	0	0	0	0
5	Technology Costs	0	1	1	1	1	4	4	4
0	Professional Fees	0	0	0	0	0	0	0	0
92	Administration Expenses	34	36	36	36	36	144	144	144
19	Other Operating Expenses	0	1	1	1	1	4	4	4
5	Depreciation	1	3	3	3	3	11	11	11
0	Interest	0	0	0	0	0	0	0	0
<b>860</b>	<b>Total Expenditure</b>	<b>262</b>	<b>293</b>	<b>293</b>	<b>293</b>	<b>293</b>	<b>1,172</b>	<b>1,138</b>	<b>1,154</b>
<b>(14)</b>	<b>Net Surplus/(Deficit) before Taxation</b>	<b>(41)</b>	<b>(31)</b>	<b>(31)</b>	<b>(31)</b>	<b>(31)</b>	<b>(123)</b>	<b>(44)</b>	<b>(53)</b>
	Taxation Expense								
<b>(14)</b>	<b>Net Surplus/(Deficit)</b>	<b>(41)</b>	<b>(31)</b>	<b>(31)</b>	<b>(31)</b>	<b>(31)</b>	<b>(123)</b>	<b>(44)</b>	<b>(53)</b>
<b>-1.7%</b>	<b>Operating Margin</b>	<b>-18.5%</b>	<b>-11.7%</b>	<b>-11.7%</b>	<b>-11.7%</b>	<b>-11.7%</b>	<b>-11.7%</b>	<b>-4.0%</b>	<b>-4.8%</b>

Total YE 30-Jun-15	STATEMENT OF FINANCIAL POSITION	Actual 30-Sep-15	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
<b>Shareholder/Trust Funds</b>									
2,123	Share Capital/Settled Funds	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
373	Restricted Funds	374	38	38	38	38	38	38	38
1,792	Retained Earnings	1,975	1,354	1,315	1,277	1,239	1,239	897	759
4,288	<b>Total Shareholder/Trust Funds</b>	4,471	3,497	3,441	3,386	3,330	3,330	2,831	2,706
<b>Current Assets</b>									
545	Cash and Bank	44	10	10	10	10	10	10	10
995	Accounts Receivable	787	120	120	120	120	120	126	132
130	Other Current Assets	230	100	100	100	100	100	105	110
1,670	<b>Total Current Assets</b>	1,060	230	230	230	230	230	241	253
<b>Investments</b>									
2,521	Deposits on Call	3,969	1,778	143	1,749	156	156	228	214
0	Other Investments	0	0	0	0	0	0	0	0
2,521	<b>Total Investments</b>	3,969	1,778	143	1,749	156	156	228	214
<b>Non-Current Assets</b>									
4,079	Fixed Assets	4,119	4,151	4,157	4,163	4,169	4,169	4,214	4,238
29	Other Non-current Assets	15	16	16	16	16	16	16	16
4,108	<b>Total Non-current Assets</b>	4,134	4,167	4,173	4,179	4,185	4,185	4,230	4,254
8,299	<b>Total Assets</b>	9,164	6,175	4,546	6,159	4,571	4,571	4,898	4,721
<b>Current Liabilities</b>									
3,566	Accounts Payable and Accruals	2,744	572	577	622	671	671	1,115	1,250
447	Provisions	309	488	493	498	500	500	525	551
0	Other Current Liabilities	0	0	0	0	0	0	0	0
4,013	<b>Total Current Liabilities</b>	3,054	1,059	1,070	1,120	1,171	1,171	1,640	1,801
<b>Non-Current Liabilities</b>									
0	Loans - WCC	0	0	0	0	0	0	0	0
0	Loans - Other	0	0	0	0	0	0	0	0
0	Other Non-Current Liabilities	1,639	1,601	0	1,601	0	0	0	0
0	<b>Total Non-Current Liabilities</b>	1,639	1,601	0	1,601	0	0	0	0
4,286	<b>Net Assets</b>	4,471	3,515	3,476	3,438	3,400	3,400	3,058	2,920
0.42	<b>Current Ratio</b>	0.35	0.22	0.21	0.21	0.20	0.20	0.15	0.14
0.52	<b>Equity Ratio</b>	0.49	0.57	0.76	0.56	0.74	0.74	0.65	0.62

Total YE 30-Jun-15	STATEMENT OF CASH FLOWS	Actual	Budget	Budget	Budget	Budget	Total YE	Total YE	Total YE
		Qtr to 30-Sep-15	Qtr to 30-Sep-15	Qtr to 31-Dec-15	Qtr to 31-Mar-16	Qtr to 30-Jun-16	30-Jun-16	30-Jun-17	30-Jun-18
	<b>Cash provided from:</b>								
	2,059 Trading Receipts	469	481	353	353	353	1,538	1,655	1,462
	8,294 WCC Grants	3,714	3,679	478	3,679	478	8,313	8,475	8,644
	988 Other Grants	307	213	213	213	213	854	814	814
	1,059 Sponsorships and Donations	11	106	106	106	106	425	442	352
	120 Investment Income	36	23	23	23	23	90	95	100
	275 Other Income	39	64	64	64	64	254	264	267
	<b>12,795</b>	<b>4,576</b>	<b>4,565</b>	<b>1,236</b>	<b>4,457</b>	<b>1,236</b>	<b>11,475</b>	<b>11,745</b>	<b>11,638</b>
	<b>Cash applied to:</b>								
	5,270 Payments to Employees	1,296	1,307	1,307	1,307	1,307	5,227	5,360	5,581
	4,788 Payments to Suppliers	2,210	1,743	1,743	1,704	1,702	6,894	7,060	6,835
	123 Net GST Cashflow	1	(292)	(292)	(292)	(292)	(1,169)	(1,217)	(1,215)
	0 Other Operating Costs	0	0	0	0	0	0	0	0
	0 Interest Paid	0	0	0	0	0	0	0	0
	<b>10,181</b>	<b>3,508</b>	<b>2,758</b>	<b>2,758</b>	<b>2,719</b>	<b>2,717</b>	<b>10,952</b>	<b>11,203</b>	<b>11,202</b>
	<b>2,614 Total Operating Cash Flow</b>	<b>1,068</b>	<b>1,807</b>	<b>(1,522)</b>	<b>1,719</b>	<b>(1,481)</b>	<b>523</b>	<b>542</b>	<b>436</b>
	<b>Investing Cash Flow</b>								
	<b>Cash provided from:</b>								
	0 Sale of Fixed Assets	0	0	0	0	0	0	0	0
	0 Other	0	0	0	0	0	0	0	0
	<b>Cash applied to:</b>								
	601 Purchase of Fixed Assets	122	113	113	113	113	450	470	450
	0 Other	0	0	0	0	0	0	0	0
	<b>601</b>	<b>122</b>	<b>113</b>	<b>113</b>	<b>113</b>	<b>113</b>	<b>450</b>	<b>470</b>	<b>450</b>
	<b>(601) Total Investing Cash Flow</b>	<b>(122)</b>	<b>(113)</b>	<b>(113)</b>	<b>(113)</b>	<b>(113)</b>	<b>(450)</b>	<b>(470)</b>	<b>(450)</b>

Budget 30-Jun-15	STATEMENT OF CASH FLOWS (CONT)	Actual Qtr to 30-Sep-15	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
<b>Financing Cash Flow</b>									
<i>Cash provided from:</i>									
0	Drawdown of Loans	0	0	0	0	0	0	0	0
0	Other	0	0	0	0	0	0	0	0
<i>Cash applied to:</i>									
0	Repayment of Loans	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	<b>Total Financing Cash Flow</b>	0	0	0	0	0	0	0	0
2,013	<b>Net Increase/(Decrease) in Cash Held</b>	947	1,695	(1,635)	1,606	(1,594)	73	72	(14)
1,053	<b>Opening Cash Equivalents</b>	3,066	92	1,787	152	1,758	92	165	237
3,066	<b>Closing Cash Equivalents</b>	4,013	1,787	152	1,758	165	165	237	223
		(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Budget 30-Jun-15	<b>CASH FLOW RECONCILIATION</b>	Actual Qtr to 30-Sep-15	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
296	<b>Operating Surplus/(Deficit) for the Year</b>	183	(38)	(38)	(38)	(38)	(153)	(342)	(139)
<i>Add Non Cash Items</i>									
511	Depreciation	97	106	106	106	106	426	426	426
0	Other	0	0	0	0	0	0	0	0
807		280	68	68	68	68	273	84	287
<b>Movements in Working Capital</b>									
(134)	(Increase)/Decrease in Receivables	208	(7)	0	0	0	(7)	(6)	(6)
(27)	(Increase)/Decrease in Other Current Assets	(100)	135	0	0	0	135	(5)	-5
665	Increase/(Decrease) in Accounts Payable	(959)	6	6	45	49	105	444	135
1,303	Increase/(Decrease) in Other Current Liabilities	1,639	1,606	-1,596	1,606	-1,598	17	25	26
1,807		788	1,739	-1,590	1,650	-1,549	250	458	149
<b>Net Gain/(Loss) on Sale:</b>									
0	Fixed Assets	0	0	0	0	0	0	0	0
0	Investments	0	0	0	0	0	0	0	0
2,614	<b>Net Cash Flow from Operations</b>	1,068	1,807	(1,522)	1,719	(1,481)	523	542	436
0		0	0	0	0	0	0	0	0



**WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY (WREDA)**

**Quarterly Report for the 3 months ending 30 September 2015**

**Overview**

This quarter has seen the culmination of WREDA's global search and recruitment of a market-leading Chief Executive Officer, with Chris Whelan arriving in September to take the reins of the organisation. Chris' arrival is a significant milestone in WREDA's development, which has galvanised the team. From an operational perspective, the new era has begun.

Chris arrives at a point where the Business Units have momentum across the breadth of WREDA's existing activities. Continuing a strong year for tourism in Wellington, our direct arrivals from Australia experienced double-digit growth this quarter, and domestic commercial guest nights were up by 11% in July-August. We delivered marketing and venue support for the most successful season of WOW® ever, attended by close to 55,000 people. The launch of the first Lightning Lab Manufacturing in Hutt Valley expanded this successful programme beyond digital enterprise. Across WREDA, key performance indicators are tracking in line with budget, and are expected to be largely met or exceeded by year end.

WREDA's first Annual Report was completed on time and resulted in a clean audit opinion with only minor matters raised in the audit management letter. Positively Wellington Tourism, Grow Wellington and Creative HQ effectively joining WREDA half way through the year significantly added to the complexity of the report, so its successful delivery was an excellent achievement.

As a key asset in our strategy to win respect and admiration among leaders and stakeholders, Chris has taken up the mantle as WREDA's lead spokesperson. He has been quoted in the media in relation to all aspects of the organisation's activity, as well as an introductory feature in the Dominion Post, and a long form interview on Newstalk ZB. Opinion pieces for media are in the works, and he has accepted invitations to speak at a number of events and forums. These include a Wellington Employers Chamber of Commerce Breakfast, the AnimFX NZ conference, EY Panel discussion, and the Screen Production and Development Association Conference.

Looking to the future work has commenced work on a new organisational structure for WREDA. This is likely to be completed and socialised with staff and stakeholders during the second quarter. Following completion of this process, Major Events from Wellington City Council will transfer into WREDA.

The search has also begun for a single location for WREDA's offices. This will be an important step in enhancing our operational integration and sending a clear signal, internally and externally, that we are one team. A number of locations have been visited, and several remain under consideration. Our target for co-location is Quarter 3.

Financially, revenue is ahead of budget due to increased funding for the Lean 15 conference, and higher management grant to Venues reflecting higher activity. This has been partly offset by lower uptake, at this stage, of Destination Wellington funding.

Operating expenditure is below budget due primarily to a lower marketing spend. Overall this resulted in a higher than expected surplus when compared to budget. The surplus is expected

to be in line with budget by year end. Detailed financials and commentary are included later in the report.

<b>Summary Financials</b>	<b>Actual 30-Sep-15</b>	<b>Budget 30-Sep-15</b>	<b>Variance YTD</b>
<b>Financial Performance</b>			
Total revenue	6,060,331	5,910,046	150,285
Operating costs	5,705,490	5,841,772	(136,282)
Depreciation	34,361	32,288	2,073
<b>Net Surplus/(Deficit)</b>	<b>320,480</b>	<b>35,986</b>	<b>284,494</b>
<b>Financial position</b>			
Total assets	6,676,374	7,339,306	(662,932)
Total liabilities	4,855,958	5,364,572	(508,614)
Shareholders funds	1,820,416	1,974,734	(154,318)
<b>Total</b>	<b>6,676,374</b>	<b>7,339,306</b>	<b>(662,932)</b>
<b>Cashflow</b>			
Cash in	7,361,555	8,019,864	(658,309)
Cash out	6,485,995	7,209,676	(723,682)
<b>Net cash surplus/deficit</b>	<b>875,561</b>	<b>810,188</b>	<b>65,373</b>

## Attraction Activities

### Marketing

Tourism marketing to the Australian and local markets followed up the *It's Never Just a Weekend When It's In Wellington* campaign with multi-media campaigns to support the *Gallipoli: The Scale of Our War* and *The Great War Exhibition*. *The Wellington Guide* summer edition was also launched across New Zealand and Australia.

Event marketing, with estimated advertising value of over \$610,000 across the quarter, was implemented to support:

- Lux Light Festival
- Visa Wellington On a Plate
- Capital 150<sup>th</sup>
- World of Wearable Art
- Wellington Sevens

Over 200 Wellington stories featured in 18 different international media forums, reaching over 8.5 million people.

The WellingtonNZ.com website and digital media channels show an increase of 208% time on site for the *Word on the Street* blog.

Attraction marketing for the Education sector will focus on the International Student Growth project.

#### **Events**

Work continues on providing support for the Royal Edinburgh Military Tattoo to be held in February.

Potential business events were sought through attendance and presentations at the International Association of Professional Conference Organisers and **"Show Me Wellington 2015"** – the Wellington region's conference and events expo, involving over 100 exhibitors and 700 buyers and stakeholders.

WREDA supported another highly successful season of WOW which was delivered during this and the following quarter.

Some 87 conventions and events were delivered in Wellington venues, including 9 multi day conferences with over 4,800 delegates

Business event highlights include:

- The Ministry of Justice - CMJA 17th Triennial Conference 2015 (4 day international conference for 360 delegates)
- Gold Awards 2015 – celebrating excellence in Wellington business
- New Zealand Association of Event Professionals
- New Zealand Council of Trade Unions Women's Leadership Conference
- New Zealand Fire Service - 2015 Health & Safety Summit
- New Zealand Institute of Medical Radiation Technology Conference
- NZBio conference

The Quarterly totals for shows and performances were:

- 68,693 tickets sold
- 76 performances
- 22% came from outside of the Wellington region.
- Total attendance – 93,940

Event Highlights

- Ryan Adams – Sold out
- Disney on Ice Season – sold 22,592 tickets across 13 shows (average. 1,738)
- Alan Davies (2 shows) – First show sold out, Second show 88% sold
- Tall Blacks vs Australian Boomers – Sold out
- RNZB: A Midsummer Night's Dream – sold 6,124 tickets across 5 shows (average. 1,225)
- Lord of the Dance – sold 8,940 tickets across 8 shows (average. 1,118)
- NZSO: Renee Fleming – sold out

### Development Activities

#### Business Start-ups/ Accelerators

The WREDA initiated Lightning Lab Manufacturing Accelerator in Lower Hutt has commenced and will run for the next three months. It creates an intensive 'boot-camp' environment to support, accelerate and grow early stage manufacturing businesses.

The Result 9 Accelerator is New Zealand's first Accelerator for Government services and has been well-received by the Ministry of Business, Innovation and Employment with three out of the five project teams being funded to proceed with their solutions.

#### Contracts

We are currently renegotiating the Regional Business Partnership Programme contract with Callaghan Innovation and New Zealand Trade and Enterprise. Under this contract, which maintains WREDA's links with the high growth business sector, we provide business and innovation support services, deliver the Business Mentors programme, provide Business Capability grant funding and support access to R&D grant funding, and provide innovation advice to regional businesses. We have proposed a joint working arrangement with the Wellington Employers Chamber of Commerce to deliver this contract.

Venues have negotiated a new Food and Beverages contract which will provide an improved commercial return.

#### Services

Maintaining quality service for the cruise ship season has resulted in gaining the Trip Advisor Excellence Award.

Work is continuing to create a consolidated WREDA digital presence, building on existing success and investment in the WellingtonNZ.com website. The aim is to drive internal business integration and efficiencies in resource across websites, social media and e-newsletters.

Work is under way in preparation for new H&S legislation which comes into effect on April 4, 2016. This will be ongoing as new regulations and standards are introduced

#### Joint Ventures

WREDA will sub-contract the Wellington Employers Chamber of Commerce to provide business mentoring services in order to deliver the Regional Business Partnership Programme in conjunction with New Zealand Trade and Enterprise and Callaghan Innovation.

In Education, WREDA is working with a coalition of local education providers, as well as the Wellington Chamber of Commerce and Education New Zealand, to build local capacity, work readiness and employment pathways. A bid for funding will be submitted to Education NZ and Wellington City Council in November.

Wellington supported Tourism New Zealand and Air New Zealand via hosting famils, overseas workshops and training of 103 travel agents and tour operators in South America, India and Australia during this quarter.

The *Let Wellington Inspire Your Creative Spirit* regional campaign will also be launched in Australia, in partnership with Tourism New Zealand.

Investment by Wellington Airport enabled a second phase of the campaign supporting Jetstar's new routes from Melbourne and Gold Coast.

Support will continue for regional development projects such as increased hotel inventory in Wellington city, the development of a Convention Centre, Film Museum and Airport runway extension for Wellington.

WREDA is also actively involved in assisting with design, operating models and feasibility analysis for the Convention Centre and Indoor Arena projects.

#### **Looking Ahead**

##### **Projects**

In partnership with Te Papa, WREDA will be supporting the New Zealand-wide *DreamWorks Animation Exhibition*.

The *Wondrous Wellington Advent Calendar* will be back for its sixth year, celebrating and promoting local businesses and adding some Christmas vibe as the city builds towards Christmas.

In early November WellingtonNZ.com will launch its investment hub showcasing an expanding range of commercial opportunities to attract business investment in the region.

CreativeHQ plan to run two more accelerators in Wellington over the next financial year; one aimed at increasing the number of women in tech start-ups, a second R9 Accelerator designed to drive innovation in Government services. An Accelerator to attract Chinese entrepreneurs and start-ups, and potential investors, using Wellington as a stepping stone to the NZ and US markets. Is also being planned

The end of October will see the second largest conference ever delivered in Wellington – Royal Australasian College of Ophthalmologists – with over 1000 delegates, 250 exhibitors and 150 "satellite" conference delegates.

The second quarter will also see delivery of Robbie Williams' "Let Me Entertain You" Tour at the Basin (October 31). Work is continuing to leverage other promoter interest based on this initiative.

Installation and opening of Mojo at the St James Theatre is on track for late November/early December. The strengthening of the theatre is likely to commence over the next few months.

Work is also underway with the Webstock organisers to celebrate the 10<sup>th</sup> anniversary of Webstock in February 2016.

#### **Venues Project**

The Venues Project represents the operations of the 5 Wellington City Council venues operated by WREDA. Any surplus or deficit is solely for the account of Wellington City Council.

Event revenue was up for the quarter by \$254,599, resulting from higher Convention & Event (C&E) business (up \$362,000) offset by lower Performance & Exhibition (P&E) revenue than budget (\$107,000).

Commission revenues are up on budget by \$121,000 as a result of higher catering and technical sales particularly in the C&E business with events like the Ministry of Justice - CMJA 17th Triennial Conference, 2015 Gold Awards, and the NZ Fire Service Health & Safety Summit receipting healthy food and beverage revenue.

Other revenue is down by \$15,000 driven by lower car parking revenue as a result of the James Smith car park recent re-opening and the needs of events (including container storage) taking up car parks at the Michael Fowler Centre. Interest income is down predominantly due to lower interest rates.

Gross margin is \$84,000 down on budget largely as a result of a mix of revenue between C&E and P&E. This should be back on target by year end.

Cost of sales (direct event cost) is up \$313,250 on budget and again largely as a result of the mix of C&E event to P&E events.

Salaries and other employment costs were over budget by a total of \$98,537 largely as a result of contractor costs in finance and other and additional spend in on health and safety compliance advice (emergency management procedures). Other areas over budget include spend on staff training and development, and staff welfare with sessions to lift staff engagement the main focus.

Occupancy costs are over by \$46,995 as a result of a focus on preventative maintenance which has driven up maintenance costs in the quarter; however maintenance costs will be able to be managed within the full year budget and therefore this is expected to be a phasing difference.

IT and communications costs are down predominantly in software maintenance as we anticipated additional costs associated with hosting the Event Business Management Software with the software developer from the beginning of this financial year. Small savings are also being made in phone and data lines.

Administration costs are \$40,470 over budget resulting from increased spend on replacement uniforms for the operations team as well as new work boots and high visibility gear. There were also low value assets purchases – some of which can be capitalised.

Professional services are over original budget due to employing a contractor to develop the long term asset development and maintenance plan which will help to drive venue efficiencies and savings in the future.

Overall, this has resulted in a year to date loss of \$296,790 compared with a budget surplus of \$806. At this stage, it is expected that this deficit will reverse and the year end result will be in line with the budget.

<b>Positively Wellington Venues</b>			
<b>STATEMENT OF COMPREHENSIVE INCOME</b>	<b>YTD Actual 30-Sep-15</b>	<b>YTD Budget 30-Sep-15</b>	<b>Variance YTD</b>
<b>Revenue</b>			
Event revenue	3,942,483	3,687,884	254,599
Shareholder grants	-	-	-
Government grants	-	-	-
Partner revenue	-	-	-
Visitor Centre	-	-	-
CHQ services	-	-	-
CHQ Third party funding	-	-	-
CHQ Sponsorship	-	-	-
Sub lease and carpark revenue	51,179	54,279	(3,100)
Interest income	14,992	22,500	(7,508)
Other income	132,177	136,178	(4,001)
<b>Total Revenue</b>	<b>4,140,832</b>	<b>3,900,842</b>	<b>239,991</b>
<b>Direct Costs</b>			
Cost of sales	1,950,022	1,636,772	(313,250)
Wages (events etc)	557,777	547,258	(10,519)
Other direct costs	-	-	-
<b>Total Direct Costs</b>	<b>2,507,799</b>	<b>2,184,030</b>	<b>(323,769)</b>
<b>Operating Expenses (overheads)</b>			
Salaries and wages	901,711	838,312	(63,400)
Other employment costs	91,583	66,966	(24,618)
Occupancy costs	272,325	225,370	(46,955)
Marketing	82,402	78,210	(4,192)
Major Events Support	-	-	-
Utilities	198,468	196,670	(1,799)
IT and communications	38,172	57,285	19,113
Insurance	28,333	28,353	20
Administration costs	101,316	60,846	(40,470)
Vehicle expenses	15,989	14,214	(1,775)
Travel costs	11,732	9,200	(2,532)
Professional fees	64,265	21,551	(42,714)
Director fees	20,833	22,917	2,083
Other operating expenses	-	-	-
<b>Total Operating Expenditure</b>	<b>1,827,130</b>	<b>1,619,893</b>	<b>(207,237)</b>
<b>Total Expenditure</b>	<b>4,334,929</b>	<b>3,803,924</b>	<b>(531,005)</b>
<b>Net Surplus/(Deficit) before Depreciation and Tax</b>	<b>-194,097</b>	<b>96,918</b>	<b>(291,015)</b>
Interest expense	-	-	-
WREDA one off costs	50,328	24,999	(25,329)
Depreciation	52,365	71,113	18,747
Movement in investment valuation	-	-	-
Taxation expense	-	-	-
<b>Net Surplus/(Deficit)</b>	<b>(296,790)</b>	<b>806</b>	<b>(284,433)</b>

**Plan on a Page**

WREDA's strategy is summarised in the Plan on a Page which is based around the 5 pillars as noted below. As the Chief Executive has only been on board since September a number of the strategies have not been significantly advanced. However a number of activities have undertaken, in summary, these are noted below.

**Sustainable Growth**

- Lightning Lab Manufacturing commenced
- Result 9 Accelerator well received
- Work commenced on increasing international students
- Renegotiation of the Regional Business Partnership programme

**Events and Activities**

- Marketing of major exhibitions
- Assisting in marketing WOW
- Visa Wellington on a Plate
- 87 conventions and events

**Influential and Connected**

- Increasing and improving WREDA's network with key stakeholders
- Participating in Education Summit

**Creativity, Culture and Technology**

- Supporting and presenting a number of activities
- Creative HQ activities

**Regional Narrative**

- Undertook a number of successful marketing campaigns



**Key Performance Indicators**

Performance Measure 2015/16	YTD Actual	YTD Budget	Forecast for the year	Budget for the year	Commentary
1. Total direct spend from out of region visitors attending supported events			>\$90m	>\$90m	Budget is expected to be achieved
2. Major events over the entire portfolio will achieve an economic benefit for every dollar invested			20:1	20:1	Budget is expected to be achieved
3. Major events will exceed attendances at their supported events			700,000	>500,000	The Tattoo, rugby test and the NZ Festival will push attendances to in excess of 700,000
4. Venues will achieve a minimum utilisation rate across all of its venues	51%	56%	>53%	>56%	
5. Maintain Wellington's Convention and Incentive market share of the multi-day conference market within the NZ market	18%	16%	16%	16%	Budget is expected to be achieved
6. Number of direct Australian visitor arrivals will exceed 2014/15 levels	20%*	2%	8%	2%	The impact of the increased Jetstar services to the Gold Coast and Melbourne which had not commenced in September 2014
7. Increase in international commercial guest nights	-4%*	4%	4%	4%	Budget is expected to be achieved
8. Increase spend of international visitors to Wellington will exceed 2014/15	20%*	4%	5%	4%	Higher visitors due in part to the impact of the Jetstar services.
9. The number of "visits" to the WellingtonNZ website will exceed (relative to 2014/15)	1%*	10%	10%	10%	Budget is expected to be achieved

Performance Measure 2015/16	YTD Actual	YTD Budget	Forecast for the year	Budget for the year	Commentary
10. The value of shareholdings in third party companies received by WREDA in return for providing services will exceed			\$900,000	\$900,000	The valuations are carried out every 6 months, at this stage the budget is expected to be achieved
11. Completion of growth sector plans for: <ul style="list-style-type: none"> <li>• Screen</li> <li>• ICT/ Digital</li> <li>• Education</li> <li>• Creative</li> </ul>	Screen growth plan completed		On track	June 2016	ICT/Digital completed by February 2016 Education(international student growth) completed by December 2016 Creative completed by June 2016
12. Increase in value of new businesses setting up in Wellington from the pipeline	\$1.3m	n/a	On track	Total of \$45 million EVA over 3 years	\$22m for 2016
13. Attract screen production to Wellington with a combined production value of:	\$70 m	n/a	\$73m	\$20m	
14. WREDA is a single integrated organisation with new structure.	n/a	n/a	On track	By June 2016	It is expected WREDA will be a single integrated organisation located in one location by June 2016
15. Increase in the number of jobs in the region	n/a	n/a	On track	Average of 2,000 jobs per year over 3 years	Updated information available early November
16. Number of businesses established in region increased by:	n/a	n/a	On track	200	Updated information available February 2016
17. Help accelerator and incubator companies raise capital	\$1.8m	\$0.75m	\$4m	\$3m pa	

\* Data only available to 31 August

### Financials

The financial results noted below are for the WREDA Group, excluding the results of the "Venues Project". The surplus or deficit for the Project is solely for the account of Wellington City Council. The WREDA financial statements only includes the costs of salaries and wages for the Venues operations, which are reimbursed by way of a management grant from Wellington City Council.

The financial results of the Venues Project are detailed above.

In respect of the first quarter revenue overall is running ahead of budget due to increased funding received for Creative HQ's Lean15 conference, increased activity in Venues resulting in a higher management grant to compensate higher wages and increased drawdowns for Creative HQ Lightning Lab and Venture Up programmes. This has been partly offset by lower drawdown of Destination Wellington funding in the first quarter.

Overall, revenue is \$150,285 ahead of budget as detailed below;

	\$
Lower uptake of Destination Wellington funding	(210,086)
Higher salaries in Venues resulting in higher grant income	98,537
Higher I site revenue	24,424
Increased funding for the Lean15 conference	165,000
Higher drawdowns for Creative HQ programmes	55,000
Other	17,410
<b>Total</b>	<b>150,285</b>

Operating expenditure is below budget as a result of lower marketing costs (phasing of expenditure), lower insurance as a result of obtaining cover via Wellington City Council policies, delays in some Grow Wellington programmes and lower director fees. This has been partly offset by higher salaries in Venues (the result of higher activity), higher leave accruals in Tourism, and the I- Site cost of sales is also up due to increased activity. The higher WREDA start-up costs reflect the timing of expenditure in the first quarter.

Higher IT and travel costs reflect additional costs of the Lean15 conference, as noted above, this has been offset by increased revenue grants.

At this stage the majority of the variances are due to timing and are expected to reverse by year end.

Operating expenditure is \$134,209 below budget due to;

	\$
Higher cost of sales for I-site	16,896
Increased wages – Venues	98,537
Higher leave accruals	19,741
Timing of Grow Wellington programmes	(43,384)
Increase in travel costs Lean15	41,000
Increased IT costs Lean15	25,922
Insurance savings	(27,000)
Lower marketing - phasing	(284,853)
Phasing of WREDA one off costs	28,062
Lower cost of membership – Economic Development Agencies	(14,890)
Lower director fees	(16,335)
Other	22,095
<b>Total</b>	<b>(134,209)</b>

**WREDA**

Consolidated excluding Venues Project

STATEMENT OF COMPREHENSIVE INCOME	YTD Actual 30-Sep-15	YTD Budget 30-Sep-15	Variance YTD
<b>Revenue</b>			
Event revenue	10,000	-	10,000
Shareholder grants	4,408,572	4,520,121	(111,549)
Government grants	150,000	150,000	-
Partner revenue	436,846	436,432	414
Visitor Centre	357,974	333,550	24,424
CHQ services	214,292	158,886	55,406
CHQ Third party funding	281,787	165,000	116,787
CHQ Sponsorship	122,391	51,000	71,391
Sub lease and carpark revenue	26,829	27,634	(805)
Interest income	23,674	27,423	(3,749)
Other income	27,966	40,000	(12,034)
<b>Total Revenue</b>	<b>6,060,331</b>	<b>5,910,046</b>	<b>150,285</b>
<b>Direct Costs</b>			
Cost of sales	363,963	347,067	(16,896)
Wages (events etc)	557,777	547,258	(10,519)
Grow Wellington/CHQ delivery costs	331,476	374,860	43,384
<b>Total Direct Costs</b>	<b>1,253,216</b>	<b>1,269,185</b>	<b>15,969</b>
<b>Operating Expenses (overheads)</b>			
Salaries and wages	2,699,962	2,608,657	(91,306)
Other employment costs	151,843	135,391	(16,453)
Occupancy costs	137,192	142,284	5,092
Marketing	971,024	1,255,877	284,853
Major Events Support	-	-	-
Utilities	11,662	13,560	1,898
IT and communications	106,791	80,869	(25,922)
Insurance	-	27,000	27,000
Administration costs	95,424	110,314	14,890
Vehicle expenses	11,371	14,894	3,523
Travel costs	58,350	15,741	(42,609)
Professional fees	13,530	21,081	7,551
Director fees	43,983	60,318	16,335
Other operating expenses	68,079	31,601	(36,478)
<b>Total Operating Expenditure</b>	<b>4,369,212</b>	<b>4,517,586</b>	<b>148,375</b>
<b>Total Expenditure</b>	<b>5,622,428</b>	<b>5,786,772</b>	<b>164,344</b>
<b>Net Surplus/(Deficit) before Depreciation and Tax</b>	<b>437,903</b>	<b>123,274</b>	<b>314,629</b>
Interest expense	-	-	-
WREDA one off costs	83,062	55,000	(28,062)
Depreciation	34,361	32,288	(2,073)
Movement in investment valuation	-	-	-
Taxation expense	-	-	-
<b>Net Surplus/(Deficit)</b>	<b>320,480</b>	<b>35,986</b>	<b>284,494</b>

STATEMENT OF FINANCIAL POSITION		Actual	Budget
		30-Sep-15	30-Sep-15
<b>Shareholders Equity</b>			
Paid up capital	-	1,000	- 1,000
Retained earnings	-	1,819,416	- 1,973,734
<b>Total Shareholder/Trust Funds</b>		<b>1,820,416</b>	<b>1,974,734</b>
<b>Current Assets</b>			
Cash and cash equivalents	-	2,651,938	- 3,049,158
Other current assets	-	2,247,372	- 2,509,481
<b>Total Current Assets</b>		<b>4,899,310</b>	<b>5,558,639</b>
<b>Investments</b>			
	-	-	-
<b>Non-current Assets</b>			
Fixed assets	-	376,072	- 379,675
Other non-current assets	-	1,400,992	- 1,400,992
<b>Total Non-current Assets</b>		<b>1,777,064</b>	<b>1,780,667</b>
<b>Total Assets</b>		<b>6,676,374</b>	<b>7,339,306</b>
<b>Current Liabilities</b>			
Accounts payable	-	1,440,613	- 1,701,047
Other current liabilities	-	3,415,345	- 3,663,525
<b>Total Current Liabilities</b>		<b>4,855,958</b>	<b>5,364,572</b>
<b>Non-current Liabilities</b>			
	-	-	-
<b>Total Liabilities</b>		<b>4,855,958</b>	<b>5,364,572</b>
<b>Net Assets</b>		<b>1,820,416</b>	<b>1,974,734</b>

STATEMENT OF CASH FLOWS	YTD Actual 30-Sep-15	YTD Budget 30-Sep-15	Variance YTD
<b>Cash Flows From Operating Activities</b>			
<i>Inflows</i>			
Trading Receipts	468,871	554,200	
Shareholder grants	5,573,803	6,265,355	(691,552)
Partner revenue	436,846	438,000	(1,154)
Other Income	878,700	760,809	117,891
<i>Outflows</i>			
Payments to Employees	2,886,025	3,184,340	298,315
Payments to Suppliers	3,133,713	3,755,082	621,370
Net GST Cashflow	358,742	250,000	(108,742)
Other Operating Costs	40,000	17,254	(22,746)
<b>Net Cash Flows From (Used In) Operating Activities</b>	<b>939,741</b>	<b>811,688</b>	<b>(1,363,012)</b>
<b>Cash Flows From (Used In) Investing Activities</b>			
<i>Inflows</i>			
Sale of fixed assets	-	-	
Sale of investment assets	-	-	
Other	-	-	
<i>Outflows</i>			
Purchase of fixed assets	67,515	3,000	(64,515)
Purchase of investments	-	-	
Other	-	-	
<b>Total Investing Cash Flow</b>	<b>(67,515)</b>	<b>(3,000)</b>	<b>(64,515)</b>
<b>Cash Flows From (Used In) Financing Activities</b>			
<i>Inflows</i>			
Investment income	-	-	
Other	3,335	1,500	(1,835)
<i>Outflows</i>			
Interest paid	-	-	
Other	-	-	
<b>Total Financing Cash Flow</b>	<b>3,335</b>	<b>1,500</b>	<b>1,835</b>
<b>Net Increase/(Decrease) in Cash Held</b>	<b>875,561</b>	<b>810,188</b>	<b>65,373</b>
<b>Opening Cash Equivalents</b>	<b>2,084,271</b>	<b>2,458,470</b>	
<b>Closing Cash Equivalents</b>	<b>2,651,938</b>	<b>3,049,158</b>	





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## 2016/17 LETTERS OF EXPECTATION TO COUNCIL CONTROLLED ORGANISATIONS

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### Purpose

1. To seek the Committee's consideration and input into the key messages for the 2016/17 Letters of Expectation to the following Council Controlled Organisations (CCOs):
  - Wellington Museums Trust
  - Basin Reserve Trust
  - Wellington Regional Stadium Trust (although it is not formally a CCO)
  - Wellington Regional Economic Development Agency

### Summary

2. This report outlines the key messages and general issues that all CCOs will be asked to discuss as part of their 2016/17 Statement of Intent.
3. Officers will incorporate any feedback from the Committee into the formal Letters of Expectation. These will be signed by the Chair of the Economic Growth and Arts Committee before 13 December 2015.

### Recommendations

That the Economic Growth and Arts Committee:

1. Receive the information.
2. Confirm the general messages as outlined in this report to be included in the 2016/17 Letters of Expectation to the following organisations:
  - a) Basin Reserve Trust
  - b) Wellington Museums Trust
  - c) Wellington Regional Stadium Trust
  - d) Wellington Regional Economic Development Agency
3. Note that with the exception of the Wellington Regional Economic Development Agency, officers will prepare formal 2015/16 Letters of Expectation incorporating the directions of the Committee for signing by the Chair of the Committee.
4. Note that the key messages for the Wellington Regional Economic Development Agency's Letter of Expectation will be conveyed to the Wellington Regional Strategy Committee via the Councillor representatives on the Committee.
5. Note that the Committee can expect to receive draft 2016/17 Statements of Intent, alongside officers' analyses, for its consideration at the March/April 2016 meetings.

## Background

4. All Council Controlled Organisations are required by the Local Government Act 2002 to prepare a draft Statement of Intent (SOI) for the Council by 1 March of the preceding financial year. To provide an owner's perspective and input into this strategic document, the Council sets out its expectations in a Letter of Expectation (LoE). This process provides both the Council and CCOs with an opportunity to fine-tune respective expectations ahead of submitting a final SOI for Council's approval.
5. The draft timetable for approval of 2015/16 Statements of Intent is outlined in the table below:

Item	Date	Comment
Committee input into 2016/17 LoEs.	24 November 2015	Officers receive any Committee feedback and incorporate it into final letters.
LoE sent to CCO board Chairs and copied to Chief Executives.	By 13 December 2015	Letters to be signed by Committee Chair.
Draft SOIs received by officers	1 March 2016	Note: this is the statutory deadline.
Draft SOIs presented to this Committee	26 April 2016	Officers analyse SOIs and provide advice to the Committee.
Committee feedback on draft SOIs provided to CCOs	Before 8 April 2016	Letters to be signed by Chair of the Committee.
Final SOIs received by officers.	6 May 2016	
Final SOIs provided to Committee for approval.	21 June 2016	

## Discussion

6. The 2016/17 Letters of Expectation will be split into three parts:
  - An introductory section stressing the importance of the SOIs, the need for quality and noting any general issues largely affecting all the CCOs.
  - A short, focused section outlining the key issues for each CCO from an ownership perspective.
  - A more detailed appendix outlining what needs to be covered by the particular CCOs in their draft SOIs.

## General Issues

7. Through the Letter of Expectation, each CCO will be asked to discuss the following general issues:
  - Their continued alignment with the Council's relevant strategic priorities and policies as signalled in year two of the 2015-25 10-year plan, through the Economic Growth Agenda and the Urban Growth Plan, and any material changes.

- Each CCO is to ensure that their annual report and audited financial statements for the year ended 2016/17 include, by way of comparison, the budget from the Statement of Intent for the same period. This expectation extends to the current financial year ended 2015/16.

### **Specific Issues**

#### **Basin Reserve Trust**

##### Key messages for the Trust

- Deliver year 2 of the redevelopment project, including a Reserve Management Plan
- Continue to work towards securing a naming rights sponsor
- Work with officers with regard to the upcoming Governance review of the Basin Reserve Trust

#### **Wellington Museums Trust**

##### Key messages for the Trust

- Work with officers to implement any outcomes of Council's Governance and base-line funding review of the Trust.

#### **Westpac Regional Stadium Trust**

##### Key messages for the Trust

- The Trust's Statement of Intent should discuss its upcoming capital projects. This should include its redevelopment plans for the Stadium concourse and the Trust's intended use of Council's funding for its capital projects.
- The Trust could provide an update of the Stadium master plan.

#### **Wellington Regional Economic Development Agency**

##### Key messages for WREDA

- Having completed the first full year we expect to see a significant move from WREDA towards specific actions and measurable outcomes.
- Outline specific actions to attract increased numbers of international students to the Region.
- Specific actions that support, facilitate and strongly contribute to a step change growth in migration and the creative and tech sectors.
- Outline what economic opportunities are there arising from the major infrastructure projects which are planned.
- What actions need to be taken to put in place a major programme of targeted inward investment for the Region, in particular hotels?
- With WREDA being one organisation are there opportunities to leverage off the Major Events portfolio with other business events. There will also be a need to continue to develop the Major Events portfolio.
- Work to identify skills shortages and, where appropriate, develop a workforce that better reflects regional needs.

### **Attachments**

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Nil

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

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## **SUPPORTING INFORMATION**

### **Consultation and Engagement**

Not applicable.

### **Treaty of Waitangi considerations**

Not applicable.

### **Financial implications**

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

### **Policy and legislative implications**

Not relevant.

### **Risks / legal**

Not relevant.

### **Climate Change impact and considerations**

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

### **Communications Plan**

Officers will incorporate feedback from the Committee into the formal Letters of Expectation that will be sent to the chair of the relevant CCO.



## ARTS AND CULTURE FUND- OCTOBER 2015

### Purpose

1. Provides recommendations for the distribution of the Council's Arts and Culture Fund

### Summary

2. The Council provides grants to assist community groups to undertake projects that meet community needs. Grants are also a mechanism for achieving the Council's objectives and strategic priorities, especially those priorities that rely on community organisations carrying out specific activities.
3. The 2013 review of the grant criteria proposed a move away from generic criteria in favour of specific criteria for each fund. While each pool may share a number of criteria, others would be tailored to suit the particular demands of that community of interest and relevant Council outcomes.

### Recommendation/s

That the Economic Growth and Arts Committee:

1. Receive the information.
2. Agree to fund the projects as listed below:

	Organisation	Project	Total Cost	Amount Requested	Recommended	Comments
1	Aro Creative Inc	Street Art Project	\$2,007	\$2,000	\$0	Lower priority due to pressure on available funding.
2	Aro Creative Inc	Performers at Festivals	\$15,700	\$5,800	\$0	Recommending support through Social and Recreation Fund for BID led Bay Road Festival.
3	Aro Creative Inc	Creative activities for kids at events	\$2,400	\$2,400	\$0	Lower priority due to pressure on available funding.

4	Arts Access Aotearoa	Creativity in Corrections 2016	\$17,203	\$4,345	\$4,000	Community arts project, good fit with Hothouse for Talent priority - develops and upskills local practitioners.
5	Arts Foundation of New Zealand	Salary and core administrative support	\$7,800	\$5,400	\$0	Lower priority due to pressure on available funding.
6	Asian Events Trust	Chinese New Year Festival	\$146,789	\$8,000	\$0	Event already supported via Community event Sponsorship and Venue Subsidy. Lower priority due to pressure on available funding.
7	Barbarian Productions Limited	Barbarian Infrastructure Support	\$5,100	\$5,100	\$4,000	Support for producer, fit with Hothouse for Talent priority due to the development and upskilling of local practitioners.
8	Bender Spring Productions	Love and Information	\$19,862	\$2,997	\$2,000	Support for production of Caryl Churchill play, large ensemble, will include sign language elements and promote strong female voices. Good fit with Hothouse for



						Talent priority
9	Blenheim175 Organising Committee	Blenheim 175th Anniversary Picnic	\$4,003	\$2,500	\$1,500	Contribution to 175th anniversary of landing of the Blenheim in 1840 at Kaiwharawhar a, celebration of local Scottish culture including dance, pipe bands and folk music.
10	Brooklyn Community Association	Artistic Landmark - Brooklyn Community Centre	\$6,383	\$4,508	\$4,000	Mural project, Ellen Coup will work with community. Good fit with the region of confident identities and the active and engaged people priorities.

11	Brothers & Sisters Collective Trust	The Fence - Staging and Production	\$14,766	\$5,276	\$3,500	Dance/Theatre production in English and Te Reo and include various dance forms, theatre and Maori artforms including poi and waiata, fit with the Hothouse for Talent priority and strong delivery to Maori.
12	Double Denim NZ Ltd	Broadstalk (working title)	\$7,149	\$7,149	\$0	Lower priority due to pressure on available funding.
13	ENNOBLE Ltd	World Disability Day Tape Art	\$4,853	\$4,853	\$0	Lower priority due to pressure on available funding.
14	Enterprise Miramar Peninsula	Artists in Action	\$14,255	\$4,000	\$0	Lower priority due to pressure on available funding, supported last year for purchase of new banners.
15	FitzBeck Creative Ltd	Sven Goes To The Movies	\$3,280	\$1,280	\$1,000	Fringe production involving a 20 piece orchestra, film and multi-media on themes of diversity in NZ, good fit with the hothouse for

**ECONOMIC GROWTH AND ARTS  
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24 NOVEMBER 2015**

						talent priority.
16	Footnote Dance Trust Board	Venue support- Choreolab	\$3,957	\$3,957	\$2,000	Provides opportunity for young dancers and choreographer s, fit with the Hothouse for Talent priority, alternative space due to overrun of earthquake strengthening work at Tarrant Dance Studios
17	French Film Arts Trust	Alliance Francaise French Film Festival	\$616,705	\$8,000	\$0	Lower priority due to pressure on available funding.
18	Goldthorpe Creative Ltd	The Devil's Half-Acre	\$72,261	\$5,000	\$0	Lower priority due to pressure on available funding.
19	Homies Cosy Teahouse	Cities	\$1,130	\$880	\$0	Lower priority due to pressure on available funding.
20	Inspiring Stories Trust	Inspiring Stories Film Competition Wellington chapter coordination, Awards Ceremony & Festival	\$16,000	\$3,000	\$0	Lower priority due to pressure on available funding.

**Item 2.4**

21	Jandals Inc Productions Ltd	Measina Festival 2015	\$24,495	\$6,095	\$3,000	Local Pacific dance and theatre group developing their festival, good fit with Hothouse for Talent and region of confident identities priorities
22	Japan Society of Wellington New Zealand Inc	Japanese immigrants? experiences in New Zealand - Photograph exhibition	\$14,260	\$4,000	\$3,000	Focus on immigration stories of Japanese migrants to the Wellington region. Good fit with the region of confident identities priority.
23	Japan Society of Wellington New Zealand Inc	Nippon for Wellingtonians: energising Japanese culture experiences in the capital	\$3,079	\$1,774	\$0	Lower priority due to pressure on available funding.
24	Making Friends Collective	Stages of Cheer	\$3,080	\$2,000	\$1,500	Ensemble show from four companies at Bats offering development opportunities for the emerging practitioners, good fit with the Hothouse for Talent priority
25	New Zealand Academy of Fine Arts	Art From The Heart	\$1,825	\$1,825	\$0	Lower priority due to pressure on

						available funding.
26	New Zealand Book Council	Writers in Schools	\$10,450	\$8,200	\$4,000	Reaching large numbers of children, good fit with the active and engaged and hothouse for talent priorities
27	Rangiwahia Environmental Arts Centre Trust	Engagement with Cuba Dupa	\$8,420	\$5,770	\$2,500	Good quality community engagement project with workshops taking place prior to the CubaDuba event as well as opportunities for the public to participate in art-making.
28	Robin Murphy Productions Limited	Pot Luck Webseries	\$42,020	\$7,500	\$3,000	Providing emerging film practitioners with opportunities to step up into more skilled roles in the production of a webseries. Good fit with the Hothouse for Talent priority as well as supporting the LGBTQI community.

29	Royal New Zealand Ballet	Giselle schools' workshops	\$8,831	\$6,500	\$0	Organisation supported through contract funding and via LTP, part of this includes provision for a Wellington schools education/access programme.
30	Shakespeare Globe Centre New Zealand Trust	Shake Alive 2016, SGCNZ UOSWSF & PPWS 2016	\$285,000	\$20,000	\$9,000	Schools Shakespeare competition and the new programme working with primary aged children (Henry V), 2016 will be the 400th anniversary, may be an option to support additional events through future funding rounds.
31	Show Pony- VENERA EUPHEMIA LIMITED t/a	Layman	\$6,500	\$2,245	\$0	Lower priority due to pressure on available funding.

**ECONOMIC GROWTH AND ARTS  
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32	St Peter's Anglican Church	Pedalling for Dear Life!	\$4,800	\$1,800	\$1,500	High quality organ concerts, fill the gap as the organ in the Town Hall is unavailable. Adds to the range of free music available in the city during January and February.
33	Summer Shakespeare Trust Board	Summer Shakespeare 2016 - Love's Labours Lost	\$51,530	\$5,000	\$4,000	Annual summer shakespeare in the Botanic Gardens, opportunity for young performers to be part of a professional production, good fit with the Hothouse for Talent priority.
34	Taki Rua Productions Society Inc	Tiki Taane Mahuta	\$397,629	\$13,950	\$4,000	Significant production touring NZ, contribution to the production opening Ahi Kaa festival, large number of local cast and crew and opportunities for workshops for young people.

**Item 2.4**

35	Te Rakau Hua O Te Wao Tapu	Premier season of Public Works	\$65,285	\$6,125	\$3,000	Quality production building on previous work with young, emerging and professional performers, links with Whitirea and local theatre community
36	Te Wharewaka o Poneke Charitable Trust	TE RAUKURA WAITANGI DAY CELEBRATI ONS; SATURDAY 6 FEBRUARY 2016	\$7,350	\$7,350	\$1,500	Contribution to costs of Waitangi Day event.
37	the New Zealand Dance Advancemen t Trust	The New Zealand Dance Company - Lumina Tour - Wellington Season	\$112,880	\$8,500	\$0	Lower priority due to pressure on available funding and demand on funding from Wellington based companies and artists.
38	The Playground New Zealand Ltd	The Performance Arcade 2016	\$174,813	\$11,755	\$6,000	Support for performance arcade timed alongside NZ Festival, provides professional development opportunities for emerging practitioners in Wellington
39	The Wellington Boys' and Girls' Institute	Youth street art zone in CubaDupa	\$9,200	\$6,500	\$0	Lower priority due to pressure on available



						funding.
40	THE WILLIAMS SCHOOL OF ART AT INVERLOCH Y INC	Inverlochy Place Murals	\$4,170	\$3,370	\$2,000	Contribution towards materials for a street art project as part of the Vivid Street Art Festival
41	Tikapa Productions Ltd	Maori Side Steps at Waitangi Day	\$10,600	\$10,600	\$3,000	Supporting the development of work from a new Maori performance group for premiere at Waitangi Day. Good fit with the Hothouse for Talent priority.
42	Victoria University of Wellington Foundation	Akamai	\$2,220	\$2,220	\$1,500	Good fit with the region of confident identities and Hothouse for Talent priorities and supports Pasifika cultural expression in the city.
43	Vincents' Art Workshop Inc	To provide decorations for Newtown Festival 2016	\$3,300	\$3,000	\$2,500	A good fit with the active and engaged priority, opportunities for marginalised citizens to undertake art activities with support.

44	Voice Arts Trust	Who Sits Behind the Wheel - Creative Engagement Storytelling Project	\$6,800	\$5,000	\$0	Lower priority due to pressure on available funding.
45	Wellington After-Care Association Inc.	Amigos Drama Programme	\$895	\$895	\$895	New initiative to support people living with mental health issues with arts activities, good fit with the active and engaged priority
46	Wellington Filipino Sports Organization Inc.	Philippine Fiesta in Wellington 2016	\$11,500	\$11,500	\$0	Lower priority due to pressure on available funding.
47	Wellington Jewish Community Centre	Hannukah in the Park	\$4,315	\$1,015	\$0	Lower priority due to pressure on available funding.
48	Wellington Red Hackle Pipe Band Inc	Purchase of pipe bag covers	\$3,300	\$3,300	\$2,000	Active in civic events such as the recent WW100 parade and the Tawa Christmas parade, developing their skill level and attracting new members.

**ECONOMIC GROWTH AND ARTS  
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49	Wellington Russian Club	Russian Christmas Festival for Children 2015	\$4,952	\$3,202	\$1,000	Good fit with the region of confident identities as it celebrates and showcases Russian culture and art, music and dance.
50	Wellington Women's Refuge Group Inc	WAI the Women's Art Initiative	\$14,290	\$14,290	\$0	Lower priority due to pressure on available funding.
51	Young and Hungry Arts Trust	2016 Young and Hungry Festival of New Theatre	\$111,793	\$15,500	\$15,000	Development of new plays specifically made for young people and reflecting their concerns and thoughts, good fit with the Hothouse for Talent priority.
52	Youthdance Education Trust	Wellington International Dance Day	\$8,775	\$3,775	\$1,000	Contribution to event costs, supported through our Creative Communities Fund, good fit with the active and engaged priority.
53	Zeal Education Trust	Wellington Train Station under 18 Visual Art Exhibition	\$5,653	\$1,500	\$0	Lower priority due to pressure on available funding.
			<b>\$2,405,613</b>	<b>\$292,501</b>	<b>\$96,895</b>	

## Background

4. Grants and funding are included in the Annual Plan to provide an appropriate mechanism for the Council to respond to community groups that are undertaking projects that:
  - Meet a need identified by the community.
  - Align with council's strategic goals and community outcomes.
  - Rely to some extent on participation and engagement by community organisations
5. Organisations and projects are funded through both contracts and contestable grants pools. The contestable pools provide grants that are discretionary, short term and generally project based in nature. The Council also enters into multi- year contracts when it has an interest in ensuring particular activities occur that contribute to Council's strategies or policies.

## Discussion

6. The Arts and Culture Fund supports community organisations for projects that meet the criteria for the fund. (Attachment 1). The priority areas for the fund are:
  - To support the city as a hothouse for talent
  - To reinforce Wellington as a region of confident identities
  - To support active and engaged people
  - To encourage our creative future through technology.
7. This is second of three funding rounds for 2015-16 and there are 53 organisations requesting a total of \$292,800. Officers are recommending the Economic Growth and Arts Committee support 29 projects with grants totalling \$96,895.
8. The original information provided through online application has been made available to Councillors via the hub.
9. The assessment process may include consultation with; the applicant and persons or organisations referred to in the application. Applicants are given two working days where possible to respond to a request for more information. Officers in conducting their assessments consult with a range of business units within Council, these include City Arts and Events, Community Services and Innovation teams.
10. To ensure funds are used appropriately, conditions may be included, should funding be approved. This is usually in cases where applicants need to use funds for a specific aspect of their budget, to confirm with Council where activity might take place, if they are awaiting confirmation of sufficient funds from other sources or have an outstanding accountability report on earlier Council funding.

## Contact Officers

Mark Farrar, Senior Advisor- Funding and Relationships

Felicity Birch, Arts Advisor, City Arts & Events

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**Attachments**

Attachment 1. Arts and Culture Fund- Criteria

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Author	Mark Farrar, Team Leader Funding and Relationships
Authoriser	Greg Orchard, Chief Operating Officer

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## **SUPPORTING INFORMATION**

### **Consultation and Engagement**

The assessment process funding includes consultation with; the applicant, persons or organisations referred to in the application and other Council officers, across a range of activity areas, in the case of these applications across Parks, Sports and Recreation, Community Services and City Arts and Events.

### **Treaty of Waitangi considerations**

Applications that could have implications for Maori are referred to Council's Treaty Relations Office. For each of these grant funds there are specific criteria and questions relating to Maori, for the Arts and Culture Fund applicants are asked to describe how their project relates to Maori cultural practice and traditions.

### **Financial implications**

The Long Term Plan makes provision for community grants in several places - 2.1.6 - Community environmental initiatives, 3.1.4 - Grants and creative workforce, 4.1.4 – (Arts and) Cultural grants, and 5.2.4 - Grants (Social and Recreation). The Our Living City Fund comes under project C652. The Social and Recreation and Neighbours Day Funds under C678 and the Arts and Culture Fund under C661.

### **Policy and legislative implications**

Council funds have been created to assist community initiatives in line with Council strategy. Council Officers engage and consult widely with a range of groups and organisations before funding applications are made and throughout the assessment process.

### **Risks / legal**

N/A

### **Climate Change impact and considerations**

N/A

### **Communications Plan**

N/A

## Attachment 1 - Arts and Culture Fund Criteria

This fund has four focus areas that can be supported - the city as a hothouse for talent, Wellington as a region of confident identities, active and engaged people, and our creative future through technology.

### Fund objectives

- To support the city as a hothouse for talent
- To reinforce Wellington as a region of confident identities
- To support active and engaged people
- To encourage our creative future through technology.

### Criteria

Projects make a positive contribution to achieving the Council's strategic outcomes:

Towards 2040: Smart Capital strategy

- People Centred City: Contributes to healthy, vibrant, affordable and resilient communities, with a strong sense of identity and 'place' expressed through urban form, openness and accessibility.
- Connected City: Supports a city with easy physical and virtual access to regional, national and global networks.
- Eco-City: Allows the city to proactively respond to environmental challenges and seize opportunities to grow the green economy.
- Dynamic Central City: Supports a central city of creativity, exploration and innovation, helping Wellington to offer the lifestyle, entertainment and amenity of a much bigger city.

Long Term Plan 2012-22 priorities:

- An inclusive place where talent wants to live
- A resilient city
- A well managed city
- Annual Plan priorities for the relevant year.

The project is Wellington-based and mainly benefits the people of Wellington. (exceptions may be made for projects based elsewhere in the region, but which significantly benefit Wellington City residents).

The applicant is a legally constituted community group or organisation.

The applicant provides evidence of sound financial management, good employment practice, clear and detailed planning, clear performance measures, and reporting processes.

The applicant outlines how physical accessibility has been built into project development.

The applicant outlines how pricing has been set to ensure access by a wide range of people or by the intended users.

The project should show evidence of community support, collaboration, and building partnerships with other organisations (e.g. social media interest, letters of support from other organisations/leaders).

The applicant must show that the project discernibly improves community wellbeing and adds value to the range of similar types of services in the community.

The Council acknowledges the significance of Māori cultural practice. Demonstrate how your project values and increases the visibility of Māori cultural traditions and contemporary applications.

New and developmental arts projects. We can support new and developmental arts projects. Applicants will need to demonstrate the formative nature of the project.

### **Focus Areas**

#### **The city as a hothouse for talent**

Priority will be given to projects that:

- Ensure there is an appropriate range of platforms for local talent to present their works
- Value new talent and connect it with support networks

#### **Wellington as a region of confident identities**

Priority will be given to projects that:

- Recognise and celebrate the role of mana whenua and Māori history in the city
- Enable all ethnic, demographic and suburban communities to explore, celebrate and share their own cultural identity
- Enable suburban and other geographical communities to undertake projects that explore, celebrate and share their own identity

#### **Active and engaged people**

Priority will be given to projects that:

- Support arts practitioners to work with communities to develop work of, by and for that community
- Ensure the sustainability of organisations that facilitate and/or undertake activities within communities
- Maximise the potential of arts and cultural activities to increase community connectedness, resilience and participation in community/city decision-making

#### **Our creative future through technology**

Priority will be given to projects that:

- Increase access to technology for use in the creation, distribution and marketing of creative products and services



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## **KILBIRNIE BUSINESS IMPROVEMENT DISTRICT TARGET RATE APPLICATION**

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### **Purpose**

1. Update on progress on establishing the Kilbirnie Business Improvement District (BID)
2. Respond to the application by Kilbirnie Business Network (KBN) for a targeted rate to be set

### **Summary**

3. Kilbirnie Business Network has undertaken a process to determine whether a BID should be established which has culminated in a poll.
4. On 2 October 2015 the poll closed showing majority support to establish a BID.
5. As a consequence a targeted rate will be applied for so as to fund the activities of the BID.

### **Recommendation/s**

That the Economic Growth and Arts Committee:

1. Receives the information.
2. Agree to recommend to the Governance, Finance and Planning Committee, under the terms of the BID policy, to include a targeted rate in the 2016/17 Draft Annual Plan of the amount of \$80,000 to be applied to the commercial rated properties in the Kilbirnie BID area

### **Background**

6. BIDs involve a local business community within a defined geographical area, developing projects and services that support local economic development. In March 2013 the Council adopted its BID policy.
7. Under the terms of the BID policy, the Kilbirnie Business Network was grant funded to establish a BID in the Kilbirnie commercial area.
8. A consultant engaged by the KBN conducted interviews and public workshops, from which a business plan was developed. The plan provides the foundation from which the proposed BID would operate.
9. A poll, which closed on 2 October 2015, was conducted among the BID eligible voters<sup>1</sup> to establish support for the BID proposal. The result of the poll was majority support for the proposed BID.
10. With the Voter Return Percentage being 34%, the BID proposal will be considered by the Council, as more than 50% of the returned votes support the proposal as required by the Policy. (Refer to Attachment 1).

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<sup>1</sup> An eligible voter is the ratepayer of a commercially rated property, and any business owner occupying one of those properties, within the proposed BID area.

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11. A Special General Meeting will be held at which the proposed budget will be ratified and establish a legal entity under which the BID will operate. Also scheduled for the Special General Meeting will be a proposal to pass a resolution to apply to the Council for a targeted rate to fund the BID.

### **Attachments**

Attachment 1. Declaration of Result - Kilbirnie BID Poll

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Author	Phil Becker, Business Relations Manager
Authoriser	Derek Fry, Director City Growth & Partnerships

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## **SUPPORTING INFORMATION**

### **Consultation and Engagement**

A programme of engagement and subsequent poll have been carried out in accordance with the BID Policy.

### **Treaty of Waitangi considerations**

There are no Treaty of Waitangi considerations

### **Financial implications**

The proposed budget of \$80,000 to operate the BID is funded through collection of a targeted rate, and included in the 2016/17 Annual Plan.

As the rate is collected on behalf of and returned to the BID there are no financial implications to the Council.

### **Policy and legislative implications**

The processes of establishing the BID, operating the poll and undertaking a targeted rate are in accordance with the BID Policy.

## **Kilbirnie Business Improvement District Poll**

### **DECLARATION OF RESULT**

In accordance with the Wellington City Council Business Improvement District Policy, I hereby declare the results for the Kilbirnie Business Improvement District (BID) Poll held on Friday, 2 October 2015.

I confirm that the official result was determined after the scrutiny of the roll was completed.

Votes Received	
Votes received in support of Business Improvement District proposal	46
Votes received not supportive of Business Improvement District proposal	26
Informal Votes	0
Blank Voting Papers	0

The Business Improvement District proposal will be considered by Council as more than 50% of the returned votes support the proposal as required by the Policy.

The Voter Return Percentage was 34%, being 72 returned votes from a total of 209 eligible voters.

The Voter Return Percentage supportive of the Business Improvement District proposal was 64%, being 46 votes of the 72 votes returned.

Talava Sene  
Deputy Electoral Officer  
Wellington City Council  
5 October 2015

