
ORDINARY MEETING

OF

ECONOMIC GROWTH AND ARTS COMMITTEE

AGENDA

Time: 9:15 a.m.
Date: Tuesday, 21 June 2016
Venue: Committee Room 1
Ground Floor, Council Offices
101 Wakefield Street
Wellington

MEMBERSHIP

Mayor Wade-Brown
Councillor Ahipene-Mercer
Councillor Coughlan (Chair)
Councillor Eagle
Councillor 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 or writing to Democratic Services, Wellington City Council, PO Box 2199, Wellington, giving your name, phone number and the issue you would like to talk about.

AREA OF FOCUS

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

Quorum: 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 26 April 2016 will be put to the Economic Growth and Arts Committee for confirmation.

1.4 Public Participation

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

1.5 Items not on the Agenda

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

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

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

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

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

2. General Business

FINAL 2016/17 STATEMENTS OF INTENT FOR COUNCIL CONTROLLED ORGANISATIONS

Purpose

1. To receive and consider the 2016/17 Statements of Intent for the Basin Reserve Trust (the Basin or BRT), the Wellington Museums Trust (the Museums Trust or WMT), the Wellington Regional Stadium Trust (the Stadium or WRST) and the Wellington Regional Economic Development Agency (WREDA).

Summary

2. At its meeting on 26 April 2016, the Committee reviewed the draft 2016/17 Statements of Intent (SOI) for the Basin, the Museums Trust and WREDA, and recommended some changes be communicated to these entities. The recommendations of the Committee have been addressed in the final SOIs.
3. The draft 2016/17 SOI for the Stadium was not considered by the Committee at its meeting on 26 April 2016 because it did not contain the forecast financial statements. This process is consistent with prior years and is due to the timing of the Stadium's board meetings.

Recommendations

That the Economic Growth and Arts Committee:

1. Receive the information.
2. Note that following the Committee meeting on 26 April 2016 the officers wrote to the Council Controlled Organisations requesting changes to be made in their Statements of Intent and that these changes have been included in the final Statements of Intent.
3. Note any issues for the Chair to raise with the entities covered by this report.
4. Agree to recommend to Council that it approves the 2016/17 Statements of Intent received from the Basin Reserve Trust, the Wellington Museums Trust, the Wellington Regional Stadium Trust, and the Wellington Regional Economic Development Agency.

Background

4. Under the Local Government Act 2002, CCOs are required to submit a draft SOI to the Council by 1 March in the previous financial year. As a matter of good practice, the Council precedes this with a Letter of Expectation which outlines the Council's expectations in respect of the SOIs it will receive.
5. Officers received the draft SOIs and tabled these at the Economic Growth and Arts Committee meeting on 26 April 2016. The report included issues that had been identified in each draft SOI that were expected to be addressed in the final SOI. Officers then wrote to each CCO, highlighting these issues and requesting that they be addressed in the final SOI.

6. On 13 May 2016 the Stadium's SOI including forecast financial statements was received and this document has been reviewed by officers and is discussed further below.
7. The Committee also receives information from 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.
8. The final SOIs are included in this report for referral to the Council for its approval. As the key accountability document between the Council and the Board of each entity, the approval or support of the SOI is important in confirming the strategic direction and accountability to Council of each organisation.

Discussion

9. Officers have reviewed the 2016/17 SOIs and acknowledge that they respond constructively to the Letters of Expectations and the subsequent comments and recommendations of the Committee. The main areas for the committee to note are as follows:

Basin Reserve Trust:

10. In the 2016/17 SOI the Basin Reserve Trust responds to the points raised by the Economic Growth and Arts committee.
11. The Trust has updated its Health and Safety statement to show that the Board understands its responsibilities with respect to the new Health and Safety legislation, and has provided more detail on the Trust's strategy for securing a naming-rights sponsor during the year.
12. Officers recommend that the Economic Growth and Arts Committee recommend that the Council approve the Basin's 2016/17 SOI.

Wellington Museums Trust:

13. The 2016/17 SOI the Museums Trust responds to the points raised by the Economic Growth and Arts committee.
14. The visitor targets for City Gallery and Wellington Museum have been increased in aggregate by 29,000 in 2016/17, 16,000 in 2017/18 and 8,000 in 2018/19.
15. The SOI acknowledges the support for the Cindy Sherman exhibition that was provided by the Wellington Economic Initiatives Development Fund.
16. At its meeting on 26 April 2016, the Committee noted that the projected operating deficit at Space Place in 2016/17 was \$149,000 reducing to \$129,000 the following year. Excluding the forecast operating deficit at Space Place, the Wellington Museums Trust is forecasting a break even budget in 2016/17.
17. Officers recommend that the Economic Growth and Arts Committee recommend that the Council approve the Museum Trust's 2016/17 SOI.

Wellington Regional Stadium Trust:

18. The Stadium's 2016/17 SOI responds to the Letter of Expectation agreed by the Economic Growth and Arts committee on 10 December 2015. The main areas for the committee to note are as follows:
19. The Stadium clearly articulates the alignment of its priorities to Council's strategic direction and commits to the strong partnership with the Wellington Regional Development Agency Ltd to help build Wellington's standing as a major event host.
20. The Stadium's 2016/17 SOI responds to Council's expectations that it should discuss how it is coping with declining attendances to some of its traditionally strong sporting events. The SOI highlights how the Stadium Trust is diversifying its venue hirers while maintaining its long run average annual attendances around 500,000 fans and attendees. The mix of events has changed markedly since the stadium opened in 2000 and it is no longer exposed to any particular code or event for its attendances.
21. The stadium is running at a high level of capacity utilisation hosting over 50 event days each year in addition to community event days. It also hosts up to 1,000 non-event related functions, conferences and meetings each year.
22. The Stadium has a well-developed access plan to enable easy access to the Stadium for all patrons. It provides people movers operating up and down the Fran Wilde Walk, special drop off areas, mobility parks and assisting people with wheelchairs directly to their seats. In 2014 the Stadium earned a gold rating from Be.Accessible. The Stadium mobilised its largest ever accessibility programme for the recent Royal Edinburgh Military Tattoo. An estimated 50% of the audience was over 65 and 10-15% with some sort of accessibility requirements. While there was some media coverage regarding accessibility after the first show, overall the Trust received very positive feedback from patrons requiring accessible access.
23. The Trust has diverse revenue streams and its mix of events and hirers provides some degree of risk mitigation to a downturn in any one sport or event. However, maintaining and growing revenue is critical to its business. The Trust has strengthened its business development capability as it enters a new period where long term revenue streams are not ensured. Specifically in 2016/17 the Trust will target:
 - New memberships and corporate box sales off the back of the British and Irish Lions tour;
 - An increase in casual hospitality revenue reflecting the market's needs;
 - New signage and sponsorship opportunities;
 - A new technology partner.
24. The stadium environment is increasingly competitive and continued investment in the Stadium is vital in order that the Trust remain competitive. There has been significant investment in stadiums in both Australia and New Zealand in recent years in recognition of the value of modern stadiums in attracting events, generating economic activity and promoting sport.
25. The Trust has spent \$7.6m to date in completing the following key master plan projects:
 - Addition of new changing rooms and upgrade of existing ones (predominantly for Sevens Tournaments and World Cup use)

- New media facility
- Upgrade of Stadium Members Lounge (in advance of membership renewals)
- Construction of the East Mezzanine Bar/Lounge (enhancement of public facilities)

26. Over the next three years, the Trust has will invest \$19.33m on three significant projects including \$5.0m from the Council that was earmarked in the Long Term Plan. Two of these projects are primarily aimed at improving the fan experience and the third is the replacement of the playing surface (the turf).
27. Planned capital expenditure is summarised below.

	2016/17 \$000	2017/18 \$000	2018/19 \$000
Concourse upgrade – WRST funded	850	1,000	500
Concourse upgrade – WCC funded	1,670	3,330	-
Technology upgrade	730	750	-
Turf replacement	1,310	-	-
Other master plan projects	-	-	1,000
Replay screen	-	-	4,000
Other capital expenditure	2,200	1,150	840
Totals	6,760	6,230	6,340

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

Wellington Regional Economic Development Agency (WREDA)

29. The 2016/17 SOI for WREDA generally responds to the matters raised by the Wellington Regional Strategy and the Economic Growth and Arts committees.
30. Officers recommend that the Economic Growth and Arts Committee recommend that the Council approve WREDA's 2016/17 SOI.

Attachments

Attachment 1.	Basin Reserve Trust final 2016/17 SOI	Page 13
Attachment 2.	Wellington Museums Trust final 2016/17 SOI	Page 31
Attachment 3.	Wellington Regional Stadium Trust final 2016/17 SOI	Page 64
Attachment 4.	WREDA final 2016/17 SOI	Page 95

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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.

Financial implications

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

Policy and legislative implications

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

Risks / legal

Not applicable.

Climate Change impact and considerations

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

Communications Plan

Not applicable.

Statement of Intent 2016-17 Basin Reserve Trust

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

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Introduction

The Basin Reserve Trust continues a busy programme of activity as regards the premier cricket ground in New Zealand, the Basin Reserve. In coordination with the Westpac Stadium Trust, a regional bid model was developed, which saw the Basin Reserve host its first Limited Overs International match in 11 years.

A significant focus over the past twelve months has been the coordination and drafting of a Basin Reserve "Master Plan"; a vision for the ground and its use over the next 25 years and beyond. Through a period of consultation and engagement, the Trust developed a comprehensive strategic plan which was approved through the Council's LTP process. The focus of the Trust now shifts to refinement and activation of this plan. The importance of this work has become apparent over the past 12 months as other similar 'boutique' venues around the country now vie for international cricket fixtures. In particular, Hagley Oval in Christchurch, Saxton Oval in Nelson and Bay Oval in Tauranga have received excellent reviews from New Zealand Cricket and can now be seen as competitors to the Basin Reserve. The Trust is now working with Council, Cricket Wellington and the Wellington Regional Stadium Trust to again present a regional bid to NZC, for the coming two seasons.

The NZTA "Basin Bridge" issue has finally been resolved with NZTA indicating they will now pursue other roading solutions. The focus of the Trust is now upon working with NZTA and council to ensure a solution is found that is acceptable for all parties. Notwithstanding these discussions, the Trust already has plans in place to continue to operate the Basin as normal, irrespective of the outcome of the planning decision.

Strategic Direction

Core Purpose

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

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

Operating Environment Update

New Venues and International Match Allocations

In the past two years there have been three new international cricket grounds approved to host matches by the International Cricket Council (ICC), and NZ Cricket (NZC). These grounds are Hagley Oval (Christchurch), Saxton Oval (Nelson), and Bay Oval (Mt Maunganui). As evidenced by the 2015/16 international schedule, there has been a clear resolve on NZC's part in particular to support and allocate matches to grounds of a 'boutique' nature, which present extremely well to broadcast audiences, and also have a much lower cost structure than the more traditional sports stadiums used for international matches in the past.

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

The Trust intends to work closely with Council, particularly WREDA personnel, to leverage the trade and tourism opportunities associated with cricket Test Matches. The recent success of the Australia Test Match and Pakistan One Day International highlighted the potential for building promotional activities, particularly given the large broadcast market back into the sub-continent.

Operational Maintenance Work

2015/16 saw completion of the Groundsman's Cottage, which can be considered the precursor to the wider Basin Reserve's Masterplan. Since completion of the Cottage in November 2015, it has become a significant asset for the ground and has been well received by the ground staff. Furthermore, the Groundsman's Cottage has garnered positive feedback from the public and adds an interesting heritage element to the Ground.

On a smaller scale, the Trust has been endeavouring to meet its repairs and maintenance obligations at the ground while also establishing small scale improvements to the amenities. In 2015/16 these improvements include two public water refill stations and a family changing room/toilet at the Southern end of the ground. Public display of the Basin's History has also been enhanced with two large murals installed at the Northern and Southern ends of the ground.

Nature and Scope of Activities

The Basin Reserve Trust (the Trust) is a charitable trust, and operates on a not-for profit basis. The Trustees are appointed by Cricket Wellington (2) and the Wellington City Council (2).

The Trust operates under the Basin Reserve Trust Deed, which has the following objectives:

- Manage, develop and promote the Basin Reserve for recreation, leisure and cricket games

- Preserve the heritage value of the Basin Reserve and its assets
- Organise fundraising to help promote and further develop the Basin Reserve.

Performance Measurements

Non financial Performance Measures

As attached.

Please note an additional item listed in the Performance Measures going forward. Functions booked by the Basin Reserve's catering contractors will now also be forecast and recorded. These functions may include events such as weddings and conferences, and generally covers the two RA Vance Stand Lounge and on-field. For the avoidance of doubt, the functions recorded are standalone events and do not include use of the Lounges on 'cricket' and 'non-cricket' event days.

Financial Performance Measures

As attached.

Board's Approach to Governance

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

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

Trust Membership

- Sir John Anderson KBE (Chair)
- Mike Horsley
- Cr Paul Eagle
- Mr John Greenwood

Trust Operations

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

Performance Management

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

The Trust acknowledges the need for ongoing professional development opportunities for Trustees, and encourages the undertaking of specialist training for identified needs. The Board will on an

annual basis implement a programme that supports the identified needs. This may include programmes such as that offered by the NZ Institute of Directors (or similar) or specialist knowledge building from appropriate agencies.

6. Organisational Health, Capability and Risk Assessment

The Trust undertakes the following measures to manage identified risks.

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

7. Additional Information

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

Master Plan and Reserve Management Plan

The Trust will work closely with the Basin Reserve Master Plan Steering Group from March 2016 to September 2016, to further develop the plans for the ground's redevelopment. Refurbishment of the RA Vance Stand is due to start in May 2016, with a completion date set for late October 2016. Improvements to the Basin Reserve's services and amenities will also proceed, pending advice from the Steering Group. Concurrently, further engineering assessment of the Museum Stand will be undertaken, in preparation for a decision by Councillors as to the future of the building and the ground's western precinct. The Trust is working with Council officers on the development of a Reserve Management Plan for the Basin Reserve. The document is currently in draft form and waiting for consideration by the Environment Committee before it goes out for public consultation.

Naming Rights Sponsor

The Trust set itself an internal goal of securing a Naming Rights Sponsor in the middle of the 2016-17 financial year. With the Masterplan now confirmed through the Council's LTP and the international schedule for 2016-18 close to confirmation, the Trust now has a greater degree of certainty on what benefits can be provide to a Naming Rights Sponsor. The Trust remains confident that a new Naming Rights partner will be recruited ahead of next summer. In the short

term, several promising contacts are being pursued by the Trust and Cricket Wellington and we are hopeful of these bearing fruit in the very near future. In the event that we are unsuccessful in securing this organisation as a naming rights sponsor, the Trust will engage a third party specialist in this area. This third party will work with the Trust in developing sponsorship collateral for prospective partners, and pursue targets on a commission basis.

Governance Review

The Trust welcomes the opportunity to work with Council in reviewing governance of the Basin Review and invite the Council to advise at its earliest possible convenience the Terms of Reference for the review. In the pursuit of best practice standards, a review of the individual Trustees will be completed and submitted to Council by the end of September 2016.

Health and Safety

The Basin Reserve Trustees are very cognisant of their obligations under the new Health and Safety legislation, and are committed to ensuring the Trust complies with requirements in a best practice approach. Concurrently, the Basin Reserve's Emergency Management Plan is undergoing a review to ensure that it stays relevant to current Basin usage.

Ratio of trustee equity to total assets

0.84 : 1.00

Estimate of amount intended for distribution

There is no intention to pay out reserves to stakeholders.

Acquisition procedures

There is no intention to make any acquisitions.

Activities for which the board seeks compensation from a local authority

None.

Estimate of commercial value of stakeholder's investment

The net value of the Stakeholder's investment in the trust is estimated to be valued at \$766,000 as at 30 June 2017.

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

None.

Supplementary information the entity wishes to include

None.

Appendix: BRT Performance measures and targets 2016-17

Measure	Frequency	Measurement	Target Q1	Q2	Q3	Q4	FY
Administrative Measures							
Achieve targets within allocated budgets	Annual	Budget forecasts are met					
Comply with financial, technical and regulatory standards	Quarterly	Council reports submitted within stated timeframes					
Asset Management Plan carried out	Quarterly	Planned maintenance activities effected within budget					
Operating Measures							
Number of events	Quarterly						
- cricket (incl minimum of 1 test match pa)		Cricket matches (incl minimum of 1 test match)		9	14	2	25
- other sports		Sports events	14			8	22
- community		Other events	8			4	12
- function		Function bookings	2	5	6	2	15
Number of event days	Quarterly						
- cricket		Cricket days		15	23		38
- other sports		Sports days	14			8	22
- community		Other days	8			4	12
- function		Function Days	2	5	6	2	15
Numbers attending events	Quarterly	Attendance figures	1000	4000	25000	1000	31000
Practice facility usage	Quarterly	Cricket use		40	45		85
Hirer satisfaction with venue and events	Quarterly	Positive formal feedback received					
Playing surface to be maintained to an international standard	Annual	Based upon NZC and ICC feedback					
Operational Grant per attendance	Quarterly	Grant per attendance					\$12.27
Financial measures							
Results within budget	Annual						
Capital expenditure – within budget	Annual						
Event income	Annual	\$					\$149,000
Business Plan developed	Annual	Submission of Business Plan					

Appendix: BRT Performance measures and targets 2016-19

Measure	Frequency	Measurement	2016-17	2017-18	2018-19
Administrative Measures					
Achieve targets within allocated budgets	Annual	Budget forecasts are met			
Comply with financial, technical and regulatory standards	Quarterly	Council reports submitted within stated timeframes			
Asset Management Plan carried out	Quarterly	Planned maintenance activities effected within budget			
Operating Measures					
Number of events	Quarterly				
- cricket		Cricket matches	25	26	26
- other sports		Sports events	22	23	24
- community		Other events	12	13	14
- function		Function bookings	15	17	19
Number of event days	Quarterly				
- cricket		Cricket days	38	38	38
- other sports		Sports days	22	23	24
- community		Other days	12	13	14
- function		Function days	15	17	19
Numbers attending events	Quarterly	Attendance figures	31000	33,000	35,000
Practice facility usage	Quarterly	Cricket use	85	85	85
Hirer satisfaction with venue and events	Quarterly	Positive formal feedback received			
Playing surface to be maintained to an international standard	Annual	Based upon NZC and ICC feedback			
Operational Grant per attendance	Quarterly	Grant per attendance	\$12.27	\$11.93	\$11.64
Financial measures					
Results within budget	Annual				
Capital expenditure – within budget	Annual				
Event income	Annual	\$	\$149,000	\$174,000	\$182,000
Business Plan developed	Annual	Submission of Business Plan			

8. APPENDIX: ACCOUNTING POLICIES

BASIN RESERVE TRUST STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2017

ACCOUNTING POLICIES APPLIED

BASIS OF PREPARATION

The Board has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future.

The accounts have been prepared in accordance with Tier 3 standards, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

GOODS AND SERVICES TAX

The Trust is registered for GST. All amounts in the financial statements are recorded exclusive of GST, except for debtors and creditors, which are stated inclusive of GST.

INCOME TAX

The Trust is registered with the Charities Commission and is thus exempt from income tax under the Income Tax Act 2007. The Trust is not exempt from the need to comply with indirect tax obligations such as Goods and Services, Fringe Benefit and Entertainment and accordingly complies with those obligations that are applicable.

SIGNIFICANT ACCOUNTING POLICIES

Revenue

Grants

Council grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if the conditions of the grant are not met ("use or return condition"). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

Sale of goods

Revenue from the sale of goods is recognised when the goods are sold to the customer.

Sale of services

Revenue from the sale of services is recognised by reference to the stage of completion of the services delivered at balance date as a percentage of the total services to be provided.

**BASIN RESERVE TRUST
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2017**

Donated Assets

Revenue from donated assets is recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the value of the asset is readily obtainable and significant.

Interest revenue

Interest revenue is recorded as it is earned during the year.

Administration and overhead costs

These are expensed when the related service has been received.

Bank accounts and cash

Bank accounts and cash comprise cash on hand, cheque or savings accounts, and deposits held at call with banks.

Debtors

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

Property, plant and equipment

Property, plant and equipment is recorded at cost, less accumulated depreciation and impairment losses.

Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the current value of the asset is readily obtainable and significant. Significant donated assets for which current values are not readily obtainable are not recognised.

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amounts.

For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

Depreciation is provided on a straight-line basis at rates that will write off the cost of the assets over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Leasehold Improvements	1.5 to 45.5 years	(2.20% to 66.70%)
Drainage works	14 to 18 years	(5.50% - 7.20%)
Furniture & fittings	2.5 to 8.5 years	(12.00% - 48.00%)
Plant	3 to 6.5 years	(16.20% - 33.00%)

Creditors and accrued expenses

Creditors and accrued expenses are measured at the amount owed.

**BASIN RESERVE TRUST
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2017**

Budget figures

The budget figures are derived from the statement of intent as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with Tier 3 standards, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

Tier 2 PBE Accounting Standards applied

The Trust has not applied any Tier 2 Accounting Standards in preparing its financial statements.

CHANGES IN ACCOUNTING POLICIES AND TRANSITION TO THE NEW PBE SFR-A (PS) STANDARD

This is the second set of financial statements prepared using the new PBE SFR-A (PS) standard, and there have been no changes in accounting policies from the previous financial year.

9. APPENDIX: FORECAST FINANCIAL STATEMENTS

BASIN RESERVE TRUST

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEARS ENDING

	30 June 2017 \$'s	30 June 2018 \$'s	30 June 2019 \$'s
Revenue			
Council funding	604,050	630,950	659,150
Sales of goods and services	215,000	298,000	302,000
Interest revenue	3,500	3,500	3,500
Total Revenue	822,550	932,450	964,650
Expenses			
Depreciation of property, plant and equipment	87,000	87,000	87,000
Costs related to providing goods and services	601,500	635,300	676,600
Other expenses	125,125	131,625	136,125
Total Expenses	813,625	853,925	899,725
Surplus for the year	8,925	78,525	64,925

BASIN RESERVE TRUST

STATEMENT OF FINANCIAL POSITION AS AT

	30 June 2017 \$'s	30 June 2018 \$'s	30 June 2019 \$'s
Assets			
Current Assets			
Bank accounts and cash	76,342	77,342	109,392
Debtors and prepayments	185,600	258,805	269,780
Total Current Assets	261,942	336,147	379,172
Non-Current Assets			
Property, plant and equipment	646,490	634,490	672,490
Total Non-Current Assets	646,490	634,490	672,490
Total Assets	908,432	970,637	1,051,662
Liabilities			
Current Liabilities			
Creditors and accrued expenses	142,520	126,200	142,300
Total Current Liabilities	142,520	126,200	142,300
Total Liabilities	142,520	126,200	142,300
Total Assets less Total Liabilities	765,912	844,437	909,362
Trust Equity			
Contributed capital	100	100	100
Accumulated surpluses	765,812	844,337	909,262
Total Trust Equity	765,912	844,437	909,362

BASIN RESERVE TRUST

STATEMENT OF CASH FLOWS FOR THE YEARS ENDING

	30 June 2017 \$'s	30 June 2018 \$'s	30 June 2019 \$'s
Cash Flows from Operating Activities			
Receipts of council funding	544,050	565,950	589,150
Receipts from sale of goods and services	175,000	253,000	252,000
Interest receipts	3,500	3,500	3,500
Payments to suppliers and employees	(675,800)	(705,250)	(685,200)
GST (net)	(35,600)	(41,200)	(52,400)
Net Cash Flows from Operating Activities	11,150	76,000	107,050
Cash Flows from Investing and Financing Activities			
Payments to acquire property, plant and equipment	-	(75,000)	(75,000)
Net Cash Flows from Investing and Financing Activities	-	(75,000)	(75,000)
Net Increase/(Decrease) in Cash for the Year	11,150	1,000	32,050
Add opening bank accounts and cash	65,192	76,342	77,342
Closing Bank Accounts and Cash	76,342	77,342	109,392

9. APPENDIX: FORECAST FINANCIAL STATEMENTS

BASIN RESERVE TRUST

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2017

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Revenue					
Council funding	252,285	29,500	248,575	73,690	604,050
Sales of goods and services	17,000	56,000	113,000	29,000	215,000
Interest revenue	1,400	600	900	600	3,500
Total Revenue	270,685	86,100	362,475	103,290	822,550
Expenses					
Depreciation of property, plant and equipment	21,750	21,750	21,750	21,750	87,000
Costs related to providing goods and services	140,885	136,625	191,475	132,515	601,500
Other expenses	20,530	33,020	33,020	38,555	125,125
Total Expenses	183,165	191,395	246,245	192,820	813,625
Surplus (Deficit) for the year	87,520	(105,295)	116,230	(89,530)	8,925

BASIN RESERVE TRUST

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Assets					
Current Assets					
Bank accounts and cash	138,857	29,467	139,602	76,342	76,342
Debtors and prepayments	172,500	162,500	143,500	185,600	185,600
Total Current Assets	311,357	191,967	283,102	261,942	261,942
Non-Current Assets					
Property, plant and equipment	711,740	689,990	668,240	646,490	646,490
Total Non-Current Assets	711,740	689,990	668,240	646,490	646,490
Total Assets	1,023,097	881,957	951,342	908,432	908,432
Liabilities					
Current Liabilities					
Creditors and accrued expenses	178,590	142,745	95,900	142,520	142,520
Total Current Liabilities	178,590	142,745	95,900	142,520	142,520
Total Liabilities	178,590	142,745	95,900	142,520	142,520
Total Assets less Total Liabilities	844,507	739,212	855,442	765,912	765,912
Trust Equity					
Contributed capital	100	100	100	100	100
Accumulated surpluses	844,407	739,112	855,342	765,812	765,812
Total Trust Equity	844,507	739,212	855,442	765,912	765,912

BASIN RESERVE TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 30 JUNE 2017

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Cash Flows from Operating Activities					
Receipts of council funding	203,865	62,110	219,675	58,400	544,050
Receipts from sale of goods and services	15,100	38,500	52,250	69,150	175,000
Interest receipts	1,400	600	900	600	3,500
Payments to suppliers and employees	(158,850)	(175,600)	(182,500)	(158,850)	(675,800)
GST (net)	12,150	(35,000)	19,810	(32,560)	(35,600)
Net Cash Flows from Operating Activities	73,665	(109,390)	110,135	(63,260)	11,150
Cash Flows from Investing and Financing Activities					
Payments to acquire property, plant and equipment	-	-	-	-	-
Net Cash Flows from Investing and Financing Activities	-	-	-	-	-
Net Increase/(Decrease) in Cash for the Year	73,665	(109,390)	110,135	(63,260)	11,150
Add opening bank accounts and cash	65,192	138,857	29,467	139,602	65,192
Closing Bank Accounts and Cash	138,857	29,467	139,602	76,342	76,342



STATEMENT OF INTENT 2016-17
WELLINGTON MUSEUMS TRUST

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



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INTRODUCTION

Wellington Museums Trust is a Council Controlled Organisation and is a registered charity. The Trust is dependent on Council for long-term financial sustainability and to operate as a going concern.

This Statement of Intent reflects the relationship and interest that the Council has in the Trust and the contribution of the Trust to the Council's vision for the future of Wellington. Specifically it outlines our intentions for the next three years with detailed focus on the financial period to 30 June 2017.



OUR FOCUS IN 2016-17

We will:

- Make contemporary art accessible for all: bringing an exhibition of work by international artist Cindy Sherman to City Gallery Wellington, and remodelling the Gallery's foyer and entrance to link it seamlessly with Civic Square;
- Build on the success of The Attic: scoping the next phase of development of Wellington Museum, including earthquake strengthening and the visitor experience on Level 2 of this world-renowned museum;
- Lead the way for children and young people to make Wellington a home for confident, creative young citizens.
- Attract 659,000 visitors to our experiences: one-third will be international tourists plus 250,000 people will connect via our thriving online community.
- Contribute over \$4 million to our operating costs.

These reflect our Strategic Plan, our desire to make a compelling contribution to Wellington's future, and are aligned to Council's strategic direction. Delivery details are subject to Board approval and adequate funding.



OVERVIEW

The Cultural Heart of Wellington

Wellington Museums Trust is the cultural heart of the capital, presenting remarkable experiences that set Wellington apart. As we celebrate our twentieth year of operation, we are proud of the contribution we make to Wellington's economy, and the difference we make to its 'liveability', and its reputation as a centre of excellence for arts, culture and creativity.

Investing for the City's Success

Council's investment in the Trust leverages external funding and engagement in the capital. In 2014-15 the Trust contributed \$4.1 million (39%) of total operating revenue of \$10.7 million. In addition we secured over \$2 million from external funders to develop, earthquake strengthen and open acclaimed new exhibitions at Wellington Museum, a landmark Council asset. Through our efforts over \$6 million of non-Council revenue was invested in Wellington's experience economy last year.

In 2016-17 we will continue our successful commercial trading initiatives as well as continuing to improve our fundraising effort. We are projecting that we will fund at least 38% of our operating revenue this year and, subject to Council's support with capital investment, leverage further funding to develop the city's cultural assets.

Working for Wellington

Creating remarkable experiences is what we do. Our vibrant programme of nearly 400 exhibitions, events and public programmes adds to the capital's profile and enriches lives of residents.

Visitors rate our experiences as 'excellent' and residents say that we run great places for enjoying time with friends and family, learning and relaxing. In an increasingly fragmented society, our spaces are taking on a new importance as places for social cohesion, where people can reconnect with each other and to their community.

2016-17 Highlights

- Cindy Sherman will open at City Gallery in November 2016. This unique contemporary art experience will only be available in Wellington and will therefore assert the city's primacy as the cultural capital of New Zealand. The exhibition and associated events will generate national and international tourism and in recognition of the potential economic impact of the exhibition Council has approved delivery support funding of \$150,000 from the Wellington Economic Initiatives Development (WEID) Fund.
- The biennial Capital E National Arts Festival for children and their families will take place in March 2017. The festival continues to evolve with an increasing focus on programming by children. Alongside its performing arts programme, the 2017 Festival will again feature films made for and by children spring-boarding off opportunities provided through Wellington's film industry and using Capital E's state-of-the-art digital studios.

Strategic Development Priorities

- Completing the visitor experience development and earthquake-strengthening at Wellington Museum is a landmark project which began in 2010. Phase One ended with the opening of The Attic in November 2015. We want to complete the development and need Council's commitment to leverage funding from other partners. The priority for 2016-17 is to scope the remaining earthquake strengthening and building works project and put in place a temporary visitor experience on Level 2 whilst detailed plans are developed.
- Refurbish City Gallery's entrance, foyer, and retail to create a more welcoming and safer facility that connects seamlessly with Civic Square. The cost of this refurbishment is estimated



at \$900,000 exclusive of GST. Again we are confident of raising two-thirds of the estimated costs once Council's commitment is confirmed.

- Refining plans for the future shape and location of Capital E will be progressed during the year and Capital E will assume a central leadership role to ensure that by 2018 we will be measurably closer to our vision that young participants in all our visitor experiences feel welcomed, included and important. We will also use our experience and reputation in the provision of remarkable visitor experiences for children and young people to support Wellington to achieve its ambition to be a UNICEF Child Friendly City.

FINANCIAL OVERVIEW

Wellington City Council's 2015-25 Long-term Plan included a 2% increase in the base-line funding of the Trust and Space Place together with a \$100,000 contribution to enable the Trust to align with Council's Living Wage initiative. This level of support has been forecast to continue over the planning period. The main assumptions for the planning period are:

- Trading Revenue in 2016-17 will increase due to the Cindy Sherman exhibition at City Gallery and the 2017 Capital E National Arts Festival for children. Sustainable growth in trading revenue will be achieved when we are able to increase retail at both City Gallery and Wellington Museum through planned developments.
- Sponsorships and Donations is an area of focus for the Trust and we are forecasting modest sustainable growth during the planning period. However, it should be noted that grants and sponsorships are essential for programme delivery and this revenue is generally not available to support fixed costs.
- Other Grants include contracts for service grants from Creative New Zealand (CNZ) and the Ministry of Education (MOE). CNZ has recently advised that its funds for distribution will be reduced by 10% which may impact on the funding we receive for creative performance outputs. MOE funding is secure for the time being but increases are not expected.
- Over the forecast period it is expected that salaries will increase by 1% per annum and other costs by between 1-2%.
- As further development of Wellington Museum is delayed, Museums Wellington costs have been increased to incorporate the project leader's costs previously accounted for as a capital cost.
- Space Place is now operating under a new operating model that was expected to reduce operating deficits as outlined in the 2015-16 SOI. The operating model has increased visitor numbers in line with expectations; however, the yield per visitor is less than anticipated and this is reflected in admissions revenue. The new operating model is in its first year of operation and further improvements will be made. In the meantime the Trust continues to rely on Council's cash-underwrite to deliver the Space Place visitor experience.
- Although the Cable Car Museum has seen increases in visitor numbers and retail sales, building capacity is a limiting factor to future growth.
- In 2016-17 the Trust is forecasting a break-even budget.

The Forecast Financial Statements are provided in Appendix 1. Accounting policies are provided in Appendix 2.



COUNCIL'S EXPECTATIONS

Alignment with Council

Wellington Museums Trust priorities align with and reflect Wellington City Council's strategic direction as outlined in the 2015-2025 Long-term Plan. Our strategy and policy is informed by and refers to Wellington 2040, Council's Arts and Culture Strategy, Economic Development Strategy, Events Policy, Accessible Wellington Action Plan, and other relevant guiding documents such as the Economic Growth Agenda: 8 Big Ideas. Analysis is in Appendix 3.

Engagement with the Wellington Regional Economic Development Agency LTD (WREDA)

The Trust will engage with WREDA to support mutual outcomes for the growth of Wellington's thriving experience economy. We support the aspiration that Wellington becomes Australasia's most prosperous, vibrant and liveable region; and our visitor experiences can enhance the region's reputation as a leader in arts and culture; support excellent education opportunities; and establish the capital as a centre for expression and discovery of New Zealand's nationhood.

Awareness of Relevant Current and Future Legislation Relating to Health and Safety at Work

We will continue our active management of health and safety with the objective of full compliance with the new Health and Safety at Work Act 2015. Our goal is to develop and maintain a zero harm culture for workers and visitors. We will continue to work with Council to ensure that the buildings we occupy meet health and safety standards for workers and visitors.

Presentation of Published Financial Statements

The Trust's annual Financial Statements will be presented inclusive of the published budget from the relevant Statement of Intent. These are prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZGAAP).

Review of Governance and Base-line Funding

The Trust will work with Officers to implement the outcomes of Council's Review of Governance and Base-line Funding.

Implementing Council's Living Wage Initiative

With the additional funding provided by Council in 2015-16 a new salary band and minimum wage rate was implemented on 1 January 2016. The Trust will provide a full report on implementation in the 2015-16 Annual Report.

Governance Performance

The Trust governance effectiveness was assessed in 2015 by the Office of the Auditor-General, which judged the Board as having achieved the rating of "comprehensive" according to five aspects of effective governance: strategic direction; leadership and culture; monitoring and review; risk management; and internal controls. The Trust was the only organisation assessed to achieve this level of assessment. The Board aspires to be a leading governance group and is confident that it will comply with Council's expectations.



OPERATING ENVIRONMENT UPDATE

Council's 2015-25 Ten Year Plan set out an ambitious programme for the city and confirmed an additional \$100,000 to enable the Trust to align with Council's Living Wage initiative and an annual 2% increase in the Trust's base-line funding. These adjustments are welcome and will help to mitigate fixed-cost increases.

The Trust is a willing participant in ensuring that Council's plans are successful. Our main contribution is via the continued development and delivery of excellent visitor experiences in partnership with Council, and by leveraging support from others.

The Tourism Industry Association of New Zealand *Tourism 2025* framework emphasises the importance of increasing our productivity and driving value through outstanding visitor experiences. This switch to an 'experience economy' where tourism providers work in clusters to create a critical mass of destinations and memorable opportunities for visitors will be factored into our thinking. With more than 600,000 visitors per year we play a big part in Wellington's profile as a great place to live, work and visit. The arrival of a new Film Museum, plus the growth of the cultural tourism spend globally are encouraging, and will contribute to Wellington's assertion that it is New Zealand's cultural capital.

The planned development of key city locations such as Frank Kitts Park and Civic Square are important to our operation. We provide the cultural heart of these iconic parts of the city, and our participation in discussions regarding their development is crucial, and central to the success of our businesses. A revitalised hub for families on the waterfront has synergy with Capital E and Wellington Museum, and the mooted metamorphosis of Civic Square into a cultural quarter sits neatly with City Gallery's reputation as New Zealand's leading place for contemporary art.

The film and digital growth agenda for the city is providing opportunities for partnership. Working with industry and regional development partners is opening up opportunities for Capital E. It has established itself as a channel for other organisations to reach families and young audiences, and helps to inspire Wellington's young people to see the digital creative and media sector as a viable career option – an area where the region expects to see substantial growth, but where the number of emerging graduates does not fill industry need.

With the future of the Hannah Playhouse still uncertain, the Trust notes that the cost and availability of theatre and rehearsal space is still an area of flux for our business, and for the contractors and providers that work with us at the National Theatre for Children and the National Arts Festival for Children. This is a delicate ecosystem in Wellington, and there is need for a more strategic approach to the provision of performing arts venues in the city.

Our main challenge continues to be non-Council revenue generation to support our operation. The competition for funding is growing exponentially and, with less funding available from traditional sources, the Trust is developing new strategies to achieve the target of at least 30% of revenue from non-Council sources.



ABOUT

The Wellington Museums Trust operates six institutions on behalf of Wellington City Council. These are Capital E, Space Place at Carter Observatory, City Gallery Wellington, Nairn Street Cottage, Wellington Museum (including the Plimmer's Ark display in the Old Bank Arcade) and the Wellington Cable Car Museum.

We have a management agreement with the New Zealand Cricket Museum Trust to provide in-kind support including financial management and we are managing the Hannah Playhouse while options for its long-term management are considered.

These onsite, online and outreach experiences encompass art, heritage, culture, social history, science, theatre and digital technology. Our diversity is our strength and point of difference.

OUR PURPOSE, VISION AND VALUES

Purpose

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

Vision

Excellent experiences that Wellingtonians proudly share with the world

Values

We:

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



NATURE AND SCOPE OF WELLINGTON MUSEUM TRUST ACTIVITIES

THE TRUST

The Trust provides strategic leadership, drawing upon the individual strengths, skills and experiences of the component parts of our organisation to deliver our vision. Central to this is the ability to create and sustain an operating environment that supports a high performing organisation encouraging staff to strive for excellence.

Our role is to provide essential services across the whole organisation and to maintain an operating and accountability framework that meets the standards required by a publically-funded organisation. In addition the Trust acquires and allocates resources, undertakes research and coordinates improvement strategies, and provides policy development and strategic planning.

CAPITAL E

Capital E is New Zealand's leading centre for creativity for young people. Its aim is to foster confident, creative, capable citizens who can be architects of their own future. Capital E engages audiences in the innovation and production of high quality, inspirational experiences in live performance, digital technology and applied creativity. It provides a creative environment in which encounters can be generated for, with and by children and young people. It also has a leadership role for the Trust and beyond – leading in and advocating for high quality provision of creative experiences relevant to children and young people.



CITY GALLERY WELLINGTON TE WHARE TOI

From the heart of Wellington in Civic Square, City Gallery provides locals and visitors with a meaningful, accessible, experience of art. It presents a dynamic programme of changing exhibitions dedicated to the most current thinking, creativity and innovation in art practice in the broadest sense. It is a hub for artistic and cultural activity in Wellington that reinforces the city's commitment to art and creativity.



City Gallery works collaboratively with artists, galleries, collectors and educators to realise programmes of activity that are relevant, push and test art's boundaries and both transform and provide insight into our understanding of our world.



MUSEUMS WELLINGTON TE WAKA HUIA O NGA TAONGA TUKU IHO

Museums Wellington includes Wellington Museum, Space Place at Carter Observatory, Cable Car Museum and Nairn Street Cottage. Collectively they tell the stories of the Wellington region and the Southern Skies establishing local, national and international connections for visitors. Each experience is a unique, quality experience delivered through an interpretative strategy that invites engagement, involvement and interaction by the visitor.

Museums Wellington is also the guardian of the Trust's collections, including heritage buildings that are of cultural, social, historical, scientific and technological significance. The Collections are an integral part of the Trust's role and are being developed so that they fully allow visitors to experience and appreciate the Wellington region's unique identity.

WELLINGTON MUSEUM

Recognised as one of the world's top museums in 2013, Wellington Museum shares the stories of Wellington region and celebrates its place and people.

SPACE PLACE AT CARTER OBSERVATORY TE ARA A WHANUI KI TE RANGI

Taking Wellington as its starting point, Space Place transports visitors through interesting facts to lively experiences of space and beyond. Space Place is first and foremost fun and it will inform and transform visitor perceptions of space, science and entertainment as a Wellington offer. It will introduce new and colourful experiences, interactive displays and cutting-edge planetarium shows to bring science and space to life in a fun, engaging and informative way, underpinned by the heritage of Space Place at Carter Observatory.





CABLE CAR MUSEUM

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

NAIRN STREET COTTAGE

Nairn Street Cottage is the oldest residence in Wellington. It tells the story of Wellington through the Wallis family and their home from early settlement to the end of the 20th century. The story is brought to life in the Visitor Centre and the Cottage's heritage garden where life in Wellington over 125 years is shared.



PERFORMANCE MEASUREMENT

Key Performance Indicators (KPI) include both non-financial and financial performance measures. See Appendix 4 for disaggregated information by institution.

2014-15 figures reported below are actual results.

OUR CITY

Performance

- City Residents' Awareness: The number of Wellingtonians who know about our institutions as assessed through the Annual Residents' Survey conducted by Council. (Appendix 4 Table 1)

KPI	2014-15	2015-16	2016-17	2017-18	2018-19
City Residents' Awareness (Trust Average)	88%	86%	88%	88%	88%

OUR VISITORS

Performance

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

KPI	2014-15	2015-16	2016-17	2017-18	2018-19
Physical Visitation (Trust Total)*	689,414	600,000	659,000	672,300	708,400
Virtual Visitation (Trust Total)	254,157	189,000	250,000	259,000	268,000
TOTAL VISITATION	943,571	789,000	909,000	931,300	976,400
Social Media Profile (Trust Total)	34,032	30,250	41,890	47,468	53,662
Quality of visit (Trust Average)	90%	90%	90%	90%	90%
Repeat Visitation (Trust Average)	44%	30%	30%	31%	31%

* Factors that will affect visitation in 2017 are the Cindy Sherman exhibition which will be by entry charge; the possibility of disruption to the visitor experience at City Gallery if the Entrance/Foyer development goes ahead in April; and boosted by the biennial Capital E National Arts Festival in March. The Festival also affects visitation in 2019. If development continues at Wellington Museum visitation may be affected in 2018 and 2019.



OUR SUSTAINABILITY

Performance

- Financial Performance: A break-even budget and fully-funded depreciation.
- Non-Council Revenue: The total amount of revenue generated from non-Council sources. (Appendix 4 Table 7)
- Spend per Visitor: Visitor related revenue (admissions and sales). (Appendix 4 Table 8)
- Subsidy per Visit: The Council subsidy per (physical) visitor. (Appendix 4 Table 9)

KPI	2014-15	2015-16	2016-17	2017-18	2018-19
Non-Council revenue (Trust Total)	\$3.311 M	\$3.036 M	\$4.144 M	\$3.350 M	\$3.593 M
Spend per visitor (Trust Average)	\$3.12	\$2.74	\$3.52	\$2.47	\$2.70
Subsidy per visit (Trust Average)	\$10.96	\$10.51	\$10.45	\$10.29	\$10.13
Subsidy per visit (Physical & Virtual Visitation)	\$6.84	\$8.10	\$7.50	\$7.45	\$7.35

OUR PEOPLE

Performance

- Health and Safety: No preventable serious harm incidents involving workers or visitors as defined by the Health and Safety at Work Act 2015.
- Staff Satisfaction: Based on staff feedback gathered in the annual Staff Engagement Survey.

OUR HERITAGE

Performance

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

KPI	2014-15	2015-16	2016-17	2017-18	2018-19
Collection Aligned with Policy	85%	85%	85%	87.5%	87.5%

COUNCIL'S OWNERSHIP INTEREST

At Council's request we will include Council's direct ownership costs which relate to the assets we manage on its behalf in monitoring reports to Council. These are costs incurred by Council over which the Trust has no control and the information will be supplied by Council in a form that meets the Trust's audit requirements.



BOARD'S APPROACH TO GOVERNANCE

GOVERNANCE

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

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

BOARD COMMITTEES

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

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

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

BOARD MEMBERSHIP

Trustee	Term expires	Committees
Jackie Lloyd, Chair	30 June 2017	Chair CEP&R and <i>ex officio</i> of A&R and PPS
Rachel Farrant	30 June 2016	Chair A&R and member of CEP&R
Jill Wilson	30 June 2016	PPS
Jane Wrightson	31 December 2019	Chair PPS and member of CEP&R
Nicola Young	October 2016	A&R

BOARD PERFORMANCE

The Board strives to meet best practice governance standards and will undertake an annual review of the overall Board, individual and the Chair's performance and report to the Chief Executive of Council by 30 September 2016.



COUNCIL RELATIONSHIP PRINCIPLES

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

- Operating on a “no surprises” basis so that any significant event that may impact on either party is brought to their attention as soon as it can be reasonably done.
- Open and frank communication will occur between the Trust and Council.
- Full disclosure of information will be provided to Council from the Trust as deemed necessary by Council to ensure its interests are upheld.
- Early advice to Council in the event of any situation that may be potentially contentious in nature.
- Disclosing within the Trust’s Strategic Plan any significant transactions that are planned.

Stakeholder Management

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

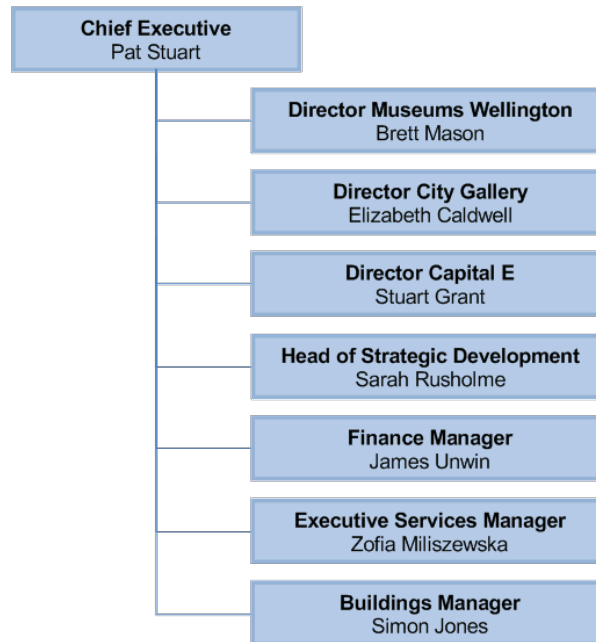
As part of our improved coordination of fundraising we have put in place an improved Customer Relationship Management (CRM) tool. This tool will help us to record and track our contact with key stakeholders at an institution and whole of organisation level.



ORGANISATIONAL HEALTH, CAPABILITY AND RISK ASSESSMENT

INTRODUCTION

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



ORGANISATIONAL HEALTH AND WELLBEING

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

Staff induction, training, regular communication and celebrations of success reinforce our team spirit. We seek feedback annually on key factors relating to organisation performance including vision and values, sense of community, leadership, communication, learning and development, performance and rewards, working relationships and health and safety.

Capability

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

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

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



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

Risk Management and Business Continuity

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

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

A business continuity plan is in development.

Insurance

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



APPENDIX 1: FORECAST FINANCIAL STATEMENTS

Forecast 30-Jun-16	STATEMENT OF FINANCIAL PERFORMANCE Space Place at Carter Observatory (\$'000)	Budget Qtr to 30-Sep- 16	Budget Qtr to 31-Dec- 16	Budget Qtr to 31-Mar- 17	Budget Qtr to 30-Jun- 17	Total YE 30-Jun- 17	Total YE 30-Jun- 18	Total YE 30-Jun- 19
Revenue								
500	Trading Income	104	104	104	104	417	426	433
329	Council Operating Grant	87	87	87	87	347	356	366
0	Council Rental Grant	0	0	0	0	0	0	0
82	Other Grants	21	21	21	21	82	82	82
0	Sponsorships and Donations	5	5	5	5	20	9	9
0	Investment Income	0	0	0	0	0	0	0
2	Other Income	17	17	17	17	69	70	71
913	Total Revenue	234	234	234	234	934	943	961
Expenditure								
670	Employee Costs	171	171	171	171	683	690	697
0	Council Rent	0	0	0	0	0	1	2
40	Exhibitions & Programmes	12	12	12	12	47	26	26
80	Marketing & Promotions	25	25	25	25	100	97	97
95	Occupancy Costs (excluding Council Rent)	24	24	24	24	95	97	98
17	Communication Costs	3	3	3	3	11	15	15
0	Trustee Fees & Expenses	0	0	0	0	0	0	0
4	Technology Costs	0	0	0	0	0	0	0
0	Professional Fees	0	0	0	0	0	0	0
144	Administration Expenses	32	32	32	32	127	130	130
4	Other Operating Expenses	3	3	3	3	11	6	5
11	Depreciation	3	3	3	3	11	11	11
0	Interest	0	0	0	0	0	0	0
1,065	Total Expenditure	271	271	271	271	1,083	1,072	1,080
(152)	Net Surplus/(Deficit) before Taxation	(37)	(37)	(37)	(37)	(149)	(129)	(119)
Taxation Expense								
(152)	Net Surplus/(Deficit)	(37)	(37)	(37)	(37)	(149)	(129)	(119)
-1.3%	Operating Margin	-15.9%	-15.9%	-15.9%	-15.9%	-15.9%	-13.6%	-12.3%



Forecast	STATEMENT OF FINANCIAL PERFORMANCE		Budget Qtr to	Budget Qtr to	Budget Qtr to	Budget Qtr to	Total YE	Total YE	Total YE
30-Jun-16	WMT excluding Space Place at Carter Observatory (\$'000)		30-Sep-16	31-Dec-16	31-Mar-17	30-Jun-17	30-Jun-17	30-Jun-18	30-Jun-19
Revenue									
1,100	Trading Income		405	405	405	405	1,620	1,000	1,224
6,316	Council Operating Grant		1,618	1,618	1,618	1,618	6,471	6,632	6,812
1,769	Council Rental Grant		442	442	442	442	1,769	1,769	1,769
950	Other Grants		191	191	191	191	762	762	762
406	Sponsorships and Donations		224	224	224	224	896	724	724
90	Investment Income		23	23	23	23	90	90	95
160	Other Income		47	47	47	47	188	187	192
10,791	Total Revenue		2,949	2,949	2,949	2,949	11,796	11,164	11,578
Expenditure									
4,660	Employee Costs		1,212	1,212	1,212	1,212	4,849	4,968	4,915
1,353	Council Rent		358	358	358	358	1,433	1,432	1,431
1,898	Exhibitions & Programmes		622	622	622	622	2,488	1,946	2,395
500	Marketing & Promotions		185	185	185	185	740	526	598
1,200	Occupancy Costs (excluding Council Rent)		253	253	253	253	1,012	1,009	1,020
120	Communication Costs		27	27	27	27	108	107	108
90	Trustee Fees & Expenses		21	21	21	21	84	84	84
170	Technology Costs		38	38	38	38	154	155	158
40	Professional Fees		10	10	10	10	41	42	42
310	Administration Expenses		88	88	88	88	350	355	365
50	Other Operating Expenses		28	28	28	28	111	117	118
400	Depreciation		106	106	106	106	425	425	425
0	Interest		0	0	0	0	0	0	0
10,791	Total Expenditure		2,949	2,949	2,949	2,949	11,795	11,165	11,658
0	Net Surplus/(Deficit) before Taxation		0	0	0	0	0	0	(80)
Taxation Expense									
0	Net Surplus/(Deficit)		0	0	0	0	0	0	(80)
0.0%	Operating Margin		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.7%

Note: The increase in Trading Income in 2016-17 arises from the Cindy Sherman exhibition and the Capital E National Arts Festival for children.



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Forecast 30-Jun-16	STATEMENT OF FINANCIAL PERFORMANCE WMT Total	Budget Qtr to 30-Sep- 16	Budget Qtr to 31-Dec- 16	Budget Qtr to 31-Mar- 17	Budget Qtr to 30-Jun- 17	Total YE 30-Jun- 17	Total YE 30-Jun- 18	Total YE 30-Jun- 19
Revenue								
1,600	Trading Income	509	509	509	509	2,037	1,426	1,657
6,645	Council Operating Grant	1,704	1,704	1,704	1,704	6,817	6,988	7,178
1,769	Council Rental Grant	442	442	442	442	1,769	1,769	1,769
1,032	Other Grants	211	211	211	211	844	844	844
406	Sponsorships and Donations	229	229	229	229	916	733	733
90	Investment Income	23	23	23	23	90	90	95
162	Other Income	64	64	64	64	257	257	264
11,704	Total Revenue	3,183	3,183	3,183	3,183	12,730	12,107	12,540
Expenditure								
5,330	Employee Costs	1,383	1,383	1,383	1,383	5,531	5,658	5,613
1,353	Council Rent	358	358	358	358	1,433	1,433	1,433
1,938	Exhibitions & Programmes	634	634	634	634	2,534	1,971	2,420
580	Marketing & Promotions	210	210	210	210	840	623	695
1,295	Occupancy Costs (excluding Council Rent)	277	277	277	277	1,107	1,106	1,117
137	Communication Costs	30	30	30	30	119	122	123
90	Trustee Fees & Expenses	21	21	21	21	84	84	84
174	Technology Costs	38	38	38	38	154	155	158
40	Professional Fees	10	10	10	10	41	42	42
454	Administration Expenses	119	119	119	119	477	484	494
54	Other Operating Expenses	30	30	30	30	122	123	123
411	Depreciation	109	109	109	109	436	436	436
0	Interest	0	0	0	0	0	0	0
11,856	Total Expenditure	3,220	3,220	3,220	3,220	12,879	12,237	12,738
(152)	Net Surplus/(Deficit) before Taxation	(37)	(37)	(37)	(37)	(149)	(129)	(199)
	Taxation Expense							
(152)	Net Surplus/(Deficit)	(37)	(37)	(37)	(37)	(149)	(129)	(199)
-1.3%	Operating Margin	-1.2%	-1.2%	-1.2%	-1.2%	-1.2%	-1.1%	-1.6%



Forecast 30-Jun-16	STATEMENT OF FINANCIAL POSITION (\$'000)	Budget 30-Sep- 16	Budget 31-Dec- 16	Budget 31-Mar- 17	Budget 30-Jun- 17	Total YE 30-Jun- 17	Total YE 30-Jun- 18	Total YE 30-Jun- 19
Shareholder/Trust Funds								
2,123	Share Capital/Settled Funds	2,123	2,123	2,123	2,123	2,123	2,123	2,123
0	Revaluation Reserves	0	0	0	0	0	0	0
373	Restricted Funds	373	373	373	373	373	373	373
1,640	Retained Earnings	1,603	1,566	1,529	1,491	1,491	1,362	1,164
4,136	Total Shareholder/Trust Funds	4,099	4,062	4,025	3,987	3,987	3,858	3,660
Current Assets								
140	Cash and Bank	10	10	10	10	10	10	10
250	Accounts Receivable	120	120	120	120	120	126	132
150	Other Current Assets	100	100	100	100	100	105	110
540	Total Current Assets	230	230	230	230	230	241	253
Investments								
697	Deposits on Call	2,582	953	2,565	897	897	1,063	1,441
0	Other Investments	0	0	0	0	0	0	0
697	Total Investments	2,582	953	2,565	897	897	1,063	1,441
Non-Current Assets								
4,118	Fixed Assets	4,121	4,125	4,128	4,132	4,132	4,166	4,199
29	Other Non-current Assets	29	29	29	29	29	29	29
4,147	Total Non-current Assets	4,150	4,154	4,157	4,161	4,161	4,195	4,228
5,384	Total Assets	6,962	5,337	6,952	5,287	5,287	5,498	5,922
Current Liabilities								
800	Accounts Payable and Accruals	808	816	863	800	800	1,115	1,411
450	Provisions	455	459	464	500	500	525	851
0	Other Current Liabilities	0	0	0	0	0	0	0
1,250	Total Current Liabilities	1,263	1,275	1,327	1,300	1,300	1,640	2,262
Non-Current Liabilities								
0	Loans - WCC	0	0	0	0	0	0	0
0	Loans - Other	0	0	0	0	0	0	0
0	Other Non-Current Liabilities	1,601	0	1,601	0	0	0	0
0	Total Non-Current Liabilities	1,601	0	1,601	0	0	0	0
4,134	Net Assets	4,099	4,062	4,025	3,987	3,987	3,858	3,660
0.43	Current Ratio	0.18	0.18	0.17	0.18	0.18	0.15	0.11
0.77	Equity Ratio	0.59	0.76	0.58	0.75	0.75	0.70	0.62



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Forecast 30-Jun-16	STATEMENT OF CASH FLOWS (\$'000)	Budget Qtr to 30-Sep- 16	Budget Qtr to 31-Dec- 16	Budget Qtr to 31-Mar- 17	Budget Qtr to 30-Jun- 17	Total YE 30-Jun- 17	Total YE 30-Jun- 18	Total YE 30-Jun- 19
Cash provided from:								
2,325	Trading Receipts	689	509	509	509	2,217	1,415	1,645
8,414	WCC Grants	3,747	546	3,747	546	8,586	8,757	8,947
1,032	Other Grants	211	211	211	211	844	844	844
406	Sponsorships and Donations	229	229	229	229	916	733	733
90	Investment Income	23	23	23	23	90	90	95
162	Other Income	64	64	64	64	257	257	264
12,429		4,963	1,582	4,783	1,582	12,910	12,096	12,528
Cash applied to:								
5,330	Payments to Employees	1,383	1,383	1,383	1,383	5,531	5,658	5,613
8,871	Payments to Suppliers	2,033	2,033	1,994	2,073	8,132	7,019	7,336
7	Net GST Cashflow	(318)	(318)	(318)	(318)	(1,271)	(1,216)	(1,269)
0	Other Operating Costs	0	0	0	0	0	0	0
0	Interest Paid	0	0	0	0	0	0	0
14,208		3,098	3,098	3,059	3,137	12,392	11,460	11,680
(1,779)	Total Operating Cash Flow	1,865	(1,516)	1,724	(1,556)	518	636	848
Investing Cash Flow								
Cash provided from:								
0	Sale of Fixed Assets	0	0	0	0	0	0	0
0	Other	0	0	0	0	0	0	0
Cash applied to:								
450	Purchase of Fixed Assets	113	113	113	113	450	470	470
0	Other	0	0	0	0	0	0	0
450		113	113	113	113	450	470	470
(450)	Total Investing Cash Flow	(113)	(113)	(113)	(113)	(450)	(470)	(470)
Financing Cash Flow								
Cash provided from:								
0	Drawdown of Loans	0	0	0	0	0	0	0
0	Other	0	0	0	0	0	0	0
Cash applied to:								
0	Repayment of Loans	0	0	0	0	0	0	0
0	Other	0	0	0	0	0	0	0
0		0	0	0	0	0	0	0
0	Total Financing Cash Flow	0	0	0	0	0	0	0
(2,229)	Net Increase/(Decrease) in Cash Held	1,753	(1,629)	1,612	(1,668)	68	166	378
3,066	Opening Cash Equivalents	837	2,590	961	2,573	837	905	1,071
837	Closing Cash Equivalents	2,590	961	2,573	905	905	1,071	1,449
0		(2)	(2)	(2)	(2)	(2)	(2)	(2)



Forecast 30-Jun-16	CASH FLOW RECONCILIATION	Budget Qtr to 30-Sep- 16	Budget Qtr to 31-Dec- 16	Budget Qtr to 31-Mar- 17	Budget Qtr to 30-Jun- 17	Forecast to 30-Jun- 17	Forecast to 30-Jun- 18	Forecast to 30-Jun- 19
(152)	Operating Surplus/(Deficit) for the Year	(37)	(37)	(37)	(37)	(149)	(129)	(199)
	Add Non Cash Items							
411	Depreciation	109	109	109	109	436	436	436
0	Other	0	0	0	0	0	0	0
259		72	72	72	72	288	307	238
	Movements in Working Capital							
745	(Increase)/Decrease in Receivables	130	0	0	0	130	(6)	(6)
(20)	(Increase)/Decrease in Other Current Assets	50	0	0	0	50	(5)	(5)
(2,763)	Increase/(Decrease) in Accounts Payable	8	8	47	(63)	0	315	296
0	Increase/(Decrease) in Other Current Liabilities	1,605	-1,596	1,605	-1,564	50	25	326
(2,038)		1,793	-1,588	1,653	-1,628	230	329	611
	Net Gain/(Loss) on Sale:							
0	Fixed Assets	0	0	0	0	0	0	0
0	Investments	0	0	0	0	0	0	0
(1,779)	Net Cash Flow from Operations	1,865	(1,516)	1,724	(1,556)	518	636	848
0		0	0	0	0	0	-0	0



APPENDIX 2: ACCOUNTING POLICIES

Significant Accounting Policies

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

1. Reporting entity

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

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

The principal activity of the Trust is to develop and manage Institutions and to operate them for the benefit of the residents of Wellington and the public generally. For the purposes of financial reporting, the Trust is a public benefit entity (public sector).

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

2. Basis of preparation

a) Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZGAAP). They comply with Tier 2 PBE Accounting Standards (Public Sector) and disclosure concessions have been applied.

The Trust has elected to report in accordance with Tier 2 PBE Accounting Standards (Public Sector) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$30 million.

b) Basis of measurement

The financial statements are prepared on the historical cost basis.

c) Presentation currency

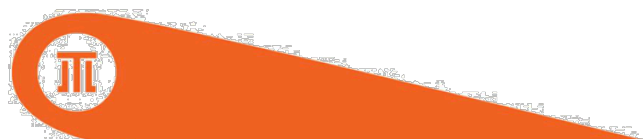
These financial statements are presented in New Zealand dollars (\$).

3. Significant accounting policies

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

a) Property, plant and equipment

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



(i) **Subsequent costs**

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

(ii) **Depreciation**

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

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

The residual value of assets is reassessed annually.

b) **Collections and artefacts**

Collections are artefacts that are of cultural or historical importance. A substantial amount of the Trust's Collections were acquired on 29 February 1996 from the Wellington Maritime Museum Trust (WMMT) with others added either as gifts or purchases since 1996. Collections are carried at historic cost as assessed at the time of transfer from the WMMT. All subsequent acquisitions to the collections are recorded at cost if purchased. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition. Where the fair value of the assets are not able to be reliably measured, they are recorded at nil. Because the useful life of the collections is indeterminate they are not depreciated.

An external valuation of the Trust's Collections from an independent valuer is obtained on a periodic basis to ensure that the carrying value of the Collections that are held at cost does not exceed their fair value.

The Trustees obtained a valuation at 30 June 2014 and have confirmed that the carrying value at 30 June 2015 is appropriate and that no impairment has occurred.

c) **Intangible assets**

Computer software

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

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

- Computer software 33% SL



d) Trade and other receivables

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

e) Inventories

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

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

f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

g) Impairment

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

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

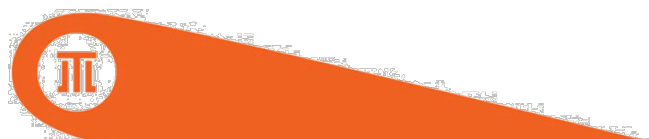
Estimated recoverable amount of other assets, e.g. property, plant and equipment and intangible asset, is the greater of their fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting these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

h) Employee benefits

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

i) Provisions

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



j) Trade and other payables

Trade and other payables are stated at cost.

k) Revenue

(i) Funding

The Trust's activities are supported by grants, sponsorship, admissions and other trading activities. Grants received that have an obligation in substance to return the funds if conditions of the grant are not met are initially recognised as a liability and revenue is recognised only when the services are performed or conditions are fulfilled.

Funds received that have no such obligation attached and merely a restriction imposed on the use of funds, are recognised as revenue when they become available.

(ii) Services provided

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

(iii) Donations

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

(iv) Sale of merchandise

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

l) Expenses

(i) Operating lease payments

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

(ii) Finance income and expenses

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

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



m) Availability of future funding

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

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

n) Income tax

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

o) Goods and services tax

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

4. Ratio of Total Assets: Liabilities

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

5. Activities for which compensation from Council is sought

The Trust seeks funding of \$6.817M for the core operation of the Trust including Space Place at Carter Observatory and an accommodation rental subsidy of \$1.769M for the 2016-17 financial year and an extension of the Wellington Museums Trust Funding Deed executed on 28 October 1999 in accordance with clause 5.2 of the Deed.

6. Ratio of Shareholders' funds to total assets

Based on the forecasted Statement of Financial Position as at 30 June 2016 the ratio of shareholders' funds to total assets is 0.77 and this moves to 0.75 in the forecasted Statement of Financial Position as at 30 June 2017.

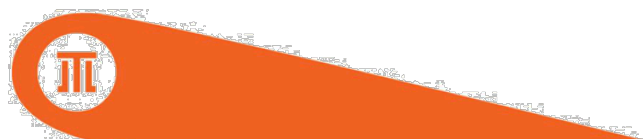
7. Significant Obligations/Contingent Liabilities

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

The Trust has no contingent liabilities.

8. Distribution to Settlor

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



APPENDIX 3: LINKS TO COUNCIL'S ARTS AND CULTURE PRIORITIES:

Council Arts & Culture Priority	Wellington Museums Trust Focus in 2016-17
<i>Reinvigorate the capital city cultural experience</i>	<p>Council's Research and Evaluation team's pilot Social Return on Investment study demonstrated that our visitor experiences are Wellington landmarks and are greatly valued by Wellingtonians and visitors to the city. They generate significant social and economic value and are a source of pride and drivers of visitation, and recommendations to visit the city.</p> <p>The Attic at Wellington Museum, the Capital E National Arts Festival for children and City Gallery Wellington's upcoming Cindy Sherman exhibition, and its plan to develop its entrance, foyer and ground floor all contribute to the city's liveability and attractiveness to visitors.</p>
<i>Wellington as a region of confident identities</i>	<p>As outlined in our Strategic Plan, we are committed to reflecting the diversity of our region. In 2016-17 our priority audiences are children and young people and people with hearing, visual and/or mobility impairments.</p>
<i>Active and engaged people</i>	<p>Each year, the Trust delivers hundreds of programmes and events and invites active engagement at each of our sites, online and through outreach. These sit against a backdrop of high-quality exhibitions and experiences. In 2016-17 nearly a million people will visit our sites or participate in online activities with us.</p>
<i>A centre of creative learning</i>	<p>The Trust welcomes over 40,000 school children to structured programmes delivered by trained educators at our sites every year. In 2017 this number will double with the development and delivery of the 2017 Capital E National Arts Festival.</p> <p>Year-round we offer high quality, curriculum-linked learning experiences for audiences of all ages: from space science to visual art; from heritage to performing arts; and from creative digital technology to film-making.</p>
<i>Our creative future through technology</i>	<p>Capital E provides a range of creative digital technology learning opportunities for children and young people</p> <p>Space Place is home to a state of the art digital planetarium.</p> <p>City Gallery Wellington showcases the best of contemporary art, including many digital and film works.</p>



APPENDIX 4: PERFORMANCE MEASUREMENTS BY INSTITUTION

NB: Capital E 2016-17 and 2018-19 figures include the National Arts Festival for Children. 2014-15 figures are actual results.

TABLE 1 RESIDENTS' AWARENESS (ANNUAL SURVEY)

Residents' Awareness	2014-15	2015-16	2016-17	2017-18	2018-19
City Gallery Wellington	93%	92%	95%	95%	95%
Wellington Museum	98%	92%	95%	95%	95%
Capital E	89%	90%	90%	90%	90%
Cable Car Museum	95%	92%	95%	95%	95%
Space Place at Carter Observatory	96%	92%	95%	95%	95%
Nairn Street Cottage	60%	60%	60%	60%	60%
Trust Average	88%	86%	88%	88%	88%

TABLE 2 PHYSICAL VISITATION*

Visitor Numbers	2014-15	2015-16	2016-17	Q1	Q2	Q3	Q4	2017-18	2018-19
City Gallery Wellington*	169,943	165,000	150,000	36,000	38,000	39,000	37,000	165,000	170,000
Wellington Museum **	124,955	126,500	134,000	23,000	42,000	42,000	27,000	137,000	140,000
Capital E***	111,273	62,300	105,000	13,650	17,850	46,200	27,300	90,000	110,000
Cable Car Museum	237,099	221,000	220,000	35,200	63,800	78,000	43,000	235,000	235,000
Space Place at Carter Observatory****	42,633	44,500	46,800	10,764	11,700	10,296	14,040	49,000	50,000
Nairn Street Cottage	3,511	3,200	3,200	286	440	2,034	440	3,300	3,400
Trust Total	689,414	622,500	659,000	118,900	173,790	217,530	148,780	679,300	708,400

* Visitation at City Gallery may be affected by the Cindy Sherman exhibition which will have an entry charge. It may also be affected if the Entrance/Foyer development goes ahead in April.

** If development continues at Wellington Museum visitation may be affected in 2018 and 2019.

*** Capital E's National Arts Festival for Children will boost visitation in 2017 and 2019.

****Visitation at Space Place is projected to grow.

TABLE 3 VIRTUAL VISITATION

The total number of unique user visits to institutional web/mobile sites and YouTube channels.

Virtual Visitor Numbers	2014-15	2015-16	2016-17	2017-18	2018-19
City Gallery Wellington	113,025	76,000	110,000	115,000	120,000
Museums Wellington	80,678	83,000	78,000	80,000	82,000
Capital E	60,454	30,000	62,000	64,000	66,000
Trust Total	254,157	189,000	250,000	259,000	268,000

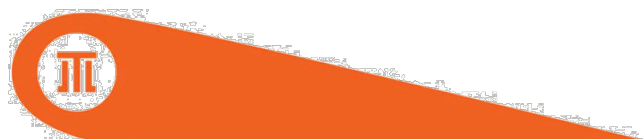


TABLE 4 SOCIAL MEDIA PROFILE

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

Social Media Numbers	2014-15	2015-16	2016-17	2017-18	2018-19
City Gallery Wellington	20,225	16,500	22,000	24,000	26,000
Museums Wellington	3,870	4,000	6,590	7,908	9,490
Capital E	3,428	4,000	4,500	5,000	5,500
Space Place at Carter Observatory	6,509	5,750	8,800	10,560	12,672
Trust Total	34,032	30,250	41,890	47,468	53,662

TABLE 5 QUALITY OF PHYSICAL VISIT

Quality of the Visitor Experience	2014-15	2015-16	2016-17	2017-18	2018-19
City Gallery Wellington	89%	90%	90%	90%	90%
Museum of Wellington	90%	90%	90%	90%	90%
Capital E	91%	90%	90%	90%	90%
Wellington Cable Car Museum	85%	90%	90%	90%	90%
Space Place at Carter Observatory	93%	90%	90%	90%	90%
Nairn Street Cottage	92%	90%	90%	90%	90%
Trust Average	90%	90%	90%	90%	90%

TABLE 6 REPEAT VISITATION

Repeat Visitation	2014-15	2015-16	2016-17	2017-18	2018-19
City Gallery Wellington	73%	40%	40%	40%	40%
Wellington Museum	26%	25%	25%	25%	25%
Capital E	61%	40%	40%	40%	40%
Wellington Cable Car Museum	38%	25%	25%	25%	25%
Space Place at Carter Observatory	22%	20%	22%	24%	25%
Trust Average	44%	30%	30%	31%	31%

TABLE 7 NON COUNCIL REVENUE

Non Council Revenue (\$'000)	2014-15	2015-16	2016-17	2017-18	2018-19
City Gallery Wellington*	485	545	1,284	827	829
Museums Wellington**	622	584	573	619	626
Capital E***	1,355	947	1,534	1,147	1,367
Space Place at Carter Observatory	595	720	588	587	596
Trust Total	3,311	3,036	4,144	3,350	3,593

* City Gallery Wellington revenue in 2016-17 boosted by Cindy Sherman exhibition.

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

***Capital E holds the National Arts Festival for children in 2017 and 2019



TABLE 8 SPEND PER VISIT

Spend per Visit (\$)	2014-15	2015-16	2016-17	2017-18	2018-19
City Gallery Wellington*	1.07	1.63	4.67	1.57	1.53
Museums Wellington**	1.41	1.33	1.30	1.41	1.36
Capital E***	10.85	4.45	5.48	3.84	5.14
Space Place at Carter Observatory	9.88	13.92	10.38	10.12	10.10
Trust Average	3.12	2.74	3.52	2.47	2.70

*City Gallery increased spend in 2016-17 is due to the Cindy Sherman exhibition.

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

***Capital E is hosting the Children's Festival in 2016-17 and 2018-19.

TABLE 9 COUNCIL SUBSIDY PER VISIT*

Subsidy per Visit (\$)	2014-15	2015-16	2016-17	2017-18	2018-19
City Gallery Wellington	11.79	12.87	12.87	13.78	13.60
Museums Wellington**	5.39	4.74	5.34	5.18	5.00
Capital E	26.98	22.25	14.36	14.53	14.91
Space Place at Carter Observatory	7.88	10.16	10.59	9.89	9.69
Trust Average	10.96	10.51	10.45	10.29	10.13

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

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

Note: Council's Ownership Interest

At Council's request we will include Council's direct ownership costs which relate to the assets we manage on its behalf in monitoring reports to Council. These are costs incurred by Council over which the Trust has no control and the information will be supplied by Council in a form that meets the Trust's audit requirements.



DIRECTORY

Wellington Museums Trust Office

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

City Gallery Wellington

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

Capital E

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

Space Place at Carter Observatory

Botanic Gardens
PO Box 893, Wellington
P: 04 910 3140
E: spaceplace@wmt.org.nz
www.museumswellington.org.nz

Wellington Museum

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

Cable Car Museum

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

Nairn Street Cottage

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

Plimmer's Ark Galleries

Old Bank Arcade (timbers *in situ*)

New Zealand Cricket Museum

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





**Wellington Regional Stadium Trust
Statement of Trustees Intent
For the year ending 30 June 2017**

Registered Office:	Westpac Stadium Waterloo Quay Wellington
Chair:	John Shewan
Chief Executive:	Shane Harmon

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

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

May 2016



1. INTRODUCTION

The 2017 financial year will be a significant year for the Stadium as it embarks on a number of capital projects while at the same time hosting another full calendar of events, culminating with the British and Irish Lions Tour at the end of the year.

The year will feature the following opportunities;

- A strong events calendar building on the successful return of concerts in 2015;
- Preparation and planning for the return of the British and Irish Lions in 2017;
- Major capital investment in improving the internal concourse, technology and turf replacement;

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

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

Each of these pillars remains relevant and associated activities for 2016 and 2017 are addressed in the Statement of Intent (SOI).

In the 2017 financial year, Westpac Stadium will remain New Zealand's most utilised stadium. While attracting crowds remains a challenge for all events and stadiums across New Zealand, attendances at the Stadium have remained consistent over the years with our unrivalled diversity of events providing some mitigation against declining crowds within any one category. Annual attendances have averaged around 500,000 for the 15 years.

The Trust continues to derive diverse revenue streams. There will be a stronger focus on attracting new sponsors in 2016/17. In addition the British and Irish Lions tour provides additional impetus for the sale of memberships and corporate boxes.

At the time of writing, the renewal of the Sevens contract after 2016 has not been finalised, however New Zealand Rugby has provisionally confirmed Wellington as host location for three more years pending the finalisation of these agreements.

Over the next twelve months the Trust will invest in three major capital projects at the Stadium. There is an ongoing challenge to maintain and enhance our facility in order to meet public expectations. These include enhancing the concourse, investment in technology with a view to becoming a fully connected venue and turf replacement.

The Trust's role in increasing attendance is to improve the live experience by improving the environment for customers and the level of service. In addition, the Trust continues to take a more collaborative and proactive approach with its hirers in developing strategies that attract crowds.

The Trust continues to enjoy a collaborative and supportive relationship with both the Greater Wellington Regional Council and Wellington City Council.



2. STRATEGIC DIRECTION

a) CORE PURPOSE

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

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

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

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

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

Alignment with Councils Policies and Strategies

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

The Economic Development Strategy

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

Every five years the Trust has conducted an economic impact and community contribution study of the benefits that the Stadium has brought to the region. In 2015 WRST completed a 15-year study showing that almost 7.8 million visits have been made by people attending events at the Stadium. Of these visits, around 1.8 million have been from people outside the Wellington region spending an additional \$889 million in the region's economy, more than two and half times original estimates.

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



The Event Policy

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

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

The Stadium's diverse sporting events calendar is unrivalled in New Zealand.

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

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

The Accessible Wellington Action Plan

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

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

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

Westpac Stadium has a well-developed access plan to enable easy access to the Stadium for all patrons. It provides people movers operating up and down the Fran Wilde Walk, special drop off areas, mobility parks and assisting people with wheelchairs directly to their seats. In 2014 Be.Accessible reviewed the Stadium and issued us with a Gold rating. The Stadium achieved excellent levels of accessibility across all areas measured. The Trust will continue to provide easy access for its patrons.

The Stadium mobilised its largest ever accessibility programme for the recent Royal Edinburgh Military Tattoo. An estimated 50% of the audience was over 65 and 10-15% with some sort of accessibility requirements. While there was some media coverage regarding accessibility after the first show, overall we received very positive feedback from patrons requiring accessible access.

The Digital Strategy

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

The Stadium is currently scoping the cost and capability for Westpac Stadium to become a fully connected venue offering free wifi and venue specific content to mobile devices.

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



Wellington Regional Economic Development Agency (WREDA)

We commit to a strong partnership approach with WREDA with a view to enhancing Wellington's standing as a major event host. Management and Trustees have engaged with WREDA Chair and Chief Executive and are supportive of WREDA's goal of driving innovation and economic activity, and enhancing the region's reputation as a centre of world-class film, IT, education, arts, food and tourism. We see the Stadium playing an important role here.

Wellington City Council's Long Term Plan

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

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

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

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

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

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

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

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

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

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

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

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



Greater Wellington Regional Council's Long Term Plan

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

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

b) OPERATING ENVIRONMENT UPDATE

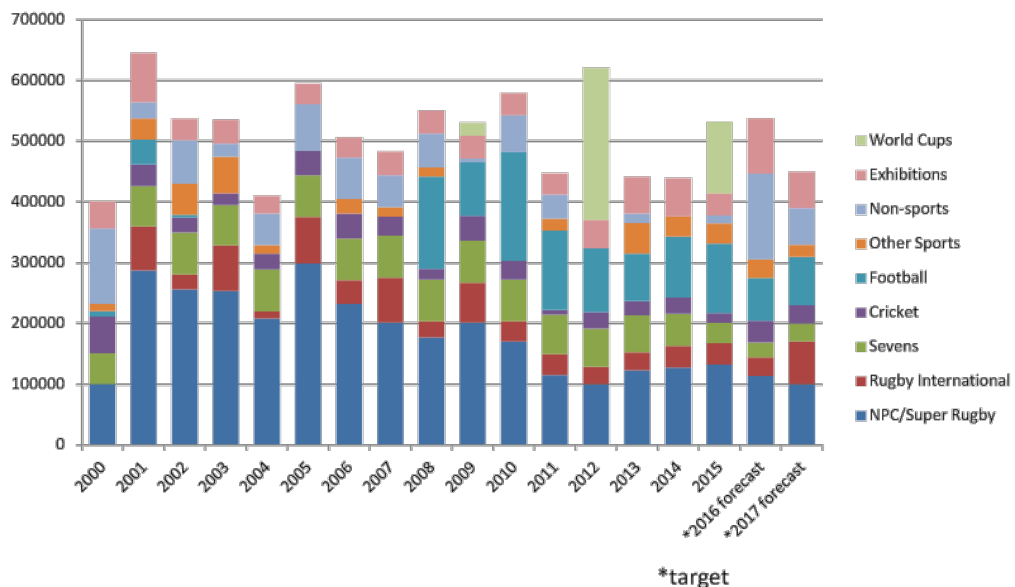
The 2015/2016 event calendar was unique in that we hosted two concerts and four nights of the Edinburgh Military Tattoo.

The events outlook for 2016/17 is positive and the Trust looks forward to building on the return of major non-sporting events and the return of the British and Irish Lions. The Trust's focus lies particularly on those events that will fill the stadium and generate economic return for the region.

Interest in memberships and boxes is expected to pick up in the lead into the British and Irish Lions tour. Our diverse revenue streams and improved event outlook mean that the Trust will continue to operate with positive cash flows enabling the Trust to continue to invest in the facility.

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

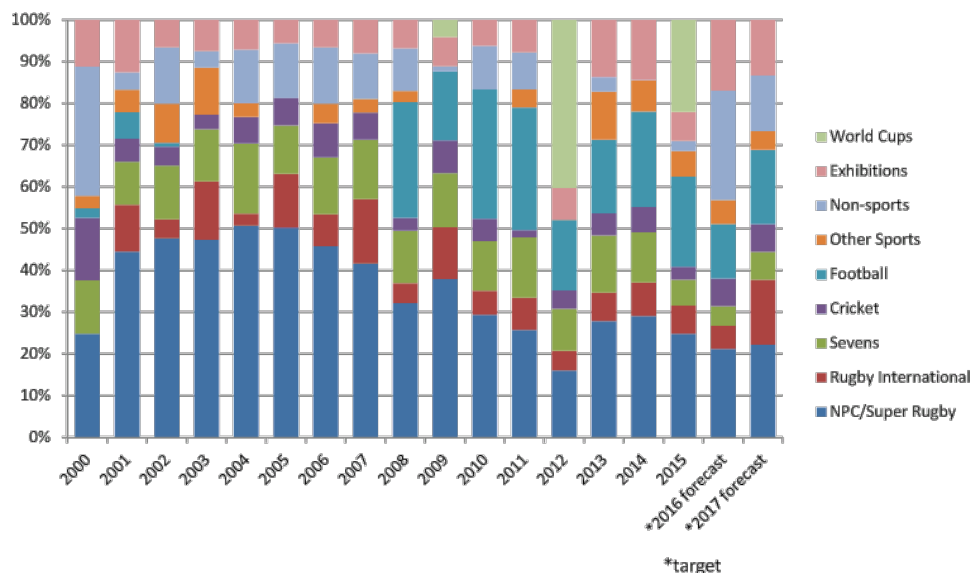
The following table highlights aggregate crowds by event type since the stadium opened. This current financial year over 500,000 fans will attend events at the stadium which is consistent with our long term average.





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

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



c) STRATEGIC FRAMEWORK

The Trust’s objectives are:

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

Westpac | STADIUM

The board hosts a strategic planning day in March of each year to reassess priorities and strategic direction

3. NATURE AND SCOPE OF ACTIVITIES

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

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

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

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

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

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

For the 2016/17 year the Trust's focus on each is outlined as follows:

1. Future regional venues strategy

In the 2014/15 SOI, the Trust flagged its support for a regional strategy for sports and other entertainment venues addressing the region's needs for the next 30 to 50 years, and is actively engaged with stakeholders on a spatial venues plan for the region.

As an example of this support, the Trust varied its agreements with New Zealand Cricket in order to permit a Black Caps ODI to be played at the Basin. The Trust is supportive of a right event-right venue approach to events in the region.

The Trust is also supportive of the investment in the Basin Reserve. It is important that both venues continue to complement each other and that the investment ensures a growth in the number of events and overall attendances for events in Wellington as opposed to replacement of existing events within the region.

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



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

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

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

The Trust is very grateful that WCC has considered the Stadium in its Long Term Plan to assist the Trust conduct a significant upgrade of the public concourse with a view towards:

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

The proposed upgrades would cover the following elements:

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

Specific plans are currently being developed.

This timing of the development is to be confirmed pending the finalisation of the 2016/17 events calendar. It is hoped that some of the works will be completed in advance of the British and Irish Lions visit in 2017.

2. Attracting domestic and international events

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

Large scale international events are crucial to the viability of the Stadium. Events such as the recent concerts and the Royal Edinburgh Military Tattoo are significant drivers of revenue. Securing major events is a major focus of the Trust ongoing.

The events schedule through to 2017, while still being finalised, will remain very healthy. The Trust has made submissions for a number of non-sporting events for the summer of 2016/17. Ideally we would like to see an average of one major concert being held at the stadium in each year.



Challenges remain with existing hirers and finding free weekends for major events.

The likely calendar for 2016 though to mid-2017 can be seen in the following tables. Some of these are placeholders in advance of schedules being confirmed.

Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
Phoenix	Cricket	Phoenix	Phoenix	Expo	Expo
Cricket	Phoenix	Phoenix	Hurricanes	Hurricanes	Test
Sevens (2 Days)	Tattoo (4 days)	Hurricanes	Phoenix	Expo	
	Phoenix		NRL	Hurricanes	
			Hurricanes		

Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Hurricanes	Super Rugby Final	ITM Cup	ITM Cup	Phoenix	TBA event
Super Rugby Finals	Expo	ITM Cup	ITM Cup	Phoenix	Phoenix
	Test	ITM Cup	Phoenix	Expo	
			ITM Cup Finals		

Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Phoenix	TBA event	Hurricanes	Hurricanes	Hurricanes	Expo
Phoenix	Phoenix	Phoenix	Phoenix	Hurricanes	Test
Sevens (2 Days)	Phoenix	Hurricanes	Hurricanes	Expo	
	Cricket	Cricket	Phoenix	Expo	
		Cricket	A-League Finals		

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

Exhibitions continue to occupy a large number of events days. In the 2015/16 year a record 23 days have been occupied by exhibitions. A record 90,000 attendees are expected to attend exhibitions by the end of the current year.



3. Marketing and branding

Media and PR

The Trust adopts a proactive public relations approach with key media outlets, being on the front foot as issues have arisen. The main objective is to achieve a balanced and fact-based debate rather than an emotional, inaccurate or misleading one. By and large the Trust is pleased with what it views to be more balanced reporting of its activities.

We recognise we are a large public facility where there are lots of views. We welcome this and ensure that every piece of feedback directed to the stadium is responded to in a timely manner and if appropriate acted upon.

Digital Strategy

With more fans consuming their news and information online than ever before it is important that the Stadium is connecting with fans across multiple platforms. A Fan Development and Digital Manager was hired in 2014 to lead the work in this area.

Website: A refresh of the Stadium's website was completed in 2015. The rebuild has incorporated a more dynamic design update, with a focus on user engagement, multi-media content and social media integration. The site was redeveloped to be fully mobile optimised, with clearer navigation, simple design and engaging and dynamic content. The end result is now less corporate and more event focused.

Social Media: The Stadium is very active on social media having established a presence on YouTube, LinkedIn, Instagram, Facebook and Twitter. Each of these channels offers different ways to publish relevant information and connect with fans in the environments in which they are operating daily.

A daily content calendar is now in place, providing a combination of news, images, video and event updates. These channels provide us with a valuable opportunity to engage with sports fans from around the region, promote our events and support our hirers in their communications activities.

Twitter and Facebook in particular have become crucial for managing issues on game day. We are far more likely to receive real-time feedback on these two platforms than any others including the traditional text message service. The staff member managing our social media is based in the stadium's control room on event day. This ensures direct access to all service providers on event day including caterers, cleaners and security.

E-newsletters: The Trust recently launched its Fanzone Newsletter, a general monthly newsletter targeted at attendees and wider Wellington. With this new publication, the Stadium will be able to better connect with fans on a regular basis, sending information directly to their inboxes.

4. Improving customer experience

Alongside our hirers we aim to continuously improve the fan experience. The Stadium facilitates the sharing of issues and ideas, develops proactive solutions and works towards best practice across all our events.

Fan Research: In 2015 the Trust implemented a three-year fan research programme. This programme which began in late 2015, tracks our monthly performance against a range of measures.



These performance measures cover the full breath of the game day experience including those managed by the hirer and the stadium. The results are shared with hirers with a view towards working together to improve the experience.

Fan and Advisory Group: The Trust is currently recruiting a panel of fans representing a range of demographics to form a regular fan advisory group. This will act as a focus group and provide an opportunity to get qualitative feedback and to test concepts with.

Customer Relationship Management: The Trust is now using Salesforce CRM to ensure better management and communication with our customers.

Food and beverages: The Stadium continues to vary its range of food items and acknowledges that there is a high level of expectations with the Wellington market in regards to food range and quality.

The Trust was very pleased to be the first stadium in Australasia to introduce local craft beer in 2015. While this is only for Phoenix games at the moment, the Trust will work with other hirers in an attempt to increase the offerings. The introduction of craft beer has been extremely well received by fans and generated positive PR on both sides of the Tasman.

Accessibility: As discussed earlier the Trust has a well-developed plan to enable easy access to the Stadium for all patrons. Additional resources were put into this area for the recent Royal Edinburgh Tattoo recognising the special requirements of that audience. The Trust will continue to provide easy access for all its patrons.

5. Building relationships with our hirers

Ultimately our key customer is our hirer. We have worked hard to develop strong relationships with our key hirers over the last twelve months.

This year we commenced a hirer's forum which provided an opportunity to gather all our main hirers and partners together to discuss topical issues that face the whole industry, share information and ideas.

The Trust is funding a number of research projects around fan experience and memberships that are equally applicable for our hirers.

The Trust is also mindful of its community responsibilities and hosts a number of community events at no cost each year such as Sports Wellington's School Day and the Wellington marathon in addition to providing a training venue for groups from the police and defence forces.

6. Maximising revenue

The Trust has diverse revenue streams. The mix of events and hirers provides some degree of risk mitigation to a downturn in any one sport or event.

However, maintaining and growing revenue is critical to our business.

The Trust's mix of revenue streams compare favourably to other major stadiums around the world and in many cases better in terms of diversity.

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The Trust has strengthened its business development capability as it enters a new period where long term revenue streams are not ensured.

Specifically in 2016/17 the Trust will target:

- New memberships and corporate box sales off the back of the British and Irish Lions tour;
- An increase in casual hospitality revenue reflecting the market's needs;
- New signage and sponsorship opportunities;
- A new technology partner.

7. Facility management

Continued investment in the Stadium is vital in order that we remain competitive.

The stadium environment is increasingly competitive. There has been significant investment in stadiums in both Australia and New Zealand in recent years. Regional, state and federal governments recognise the value of modern stadiums in attracting events, generating economic activity and promoting sport.

The Trust has spent \$7.6m to date in completing the following key master plan projects:

- Addition of new changing rooms and upgrade of existing ones (predominantly for Sevens Tournaments and World Cup use)
- New media facility
- Upgrade of Stadium Members Lounge (in advance of membership renewals)
- Construction of the East Mezzanine Bar/Lounge (enhancement of public facilities)

Over the next three years, the Trust will invest \$14.33 m in the facility. This will be supported by a further \$5.0m from the WCC long term plan.

Two of these projects are primarily aimed at improving the fan experience:

- Technology

Westpac Stadium has engaged an international consultancy firm with expertise in development and implementation of connected solution technology projects, to undertake a process to determine the optimal technology enhancements and a business model for the Stadium.

The aim is to deploy new technology throughout the Stadium to enhance the fan, venue hirer and commercial partner experience.

A business requirements document that covers both the functional and non-functional requirements of the project has been developed and a business case is currently being assessed.

The business case will be delivered to the WRST Board in June 2016 with a view to a 2016/17 rollout.

- Concourse Upgrade

Westpac Stadium has engaged global stadium architect, Populous to develop a series of upgrade concepts.



The primary aim of the concourse upgrade is to deliver a warmer, more welcoming environment for fans. In addition the upgrade seeks to make the space more amenable to exhibitions.

Specifically the upgrade will seek to deliver a consistent look and feel for the concourse that better reflects Wellington, the local community and sporting achievements. This will include more natural lighting, improved food and beverage facilities and upgraded flooring.

WRST will engage with key stakeholders on this project before the end of the current financial year, with a view to roll out in 2016/17.

The other key project will be the replacement of the turf for the first time since the Stadium opened. This is scheduled to take place in December 2016 and will take four weeks. The surface will be ready to play upon completion.

Planned capital expenditure is summarised below.

	2016/17 \$m	2017/18 \$m	2018/19 \$m
Concourse upgrade – WRST funded	0.85	1.0	0.50
Concourse upgrade – WCC funded	1.67	3.33	
Technology upgrade	0.73	0.75	
Turf replacement	1.31		
Other master plan projects			1.0
Replay screen			4.0
Other capital expenditure	2.20	1.15	0.84
Total	6.76	6.23	6.34

Operating Profitability

The Trust Deed requires the Trust to be financially autonomous. This means the Trust must generate sufficient profits to meet loan repayments and provide funds to complete capital replacement and development programmes to enable the Trust to meet its obligation to maintain the building to the standard of international best practice.

The major difference the Stadium can make to attendance at events is to improve the experience of the patrons across all areas of the facility. The Stadium Master Plan was developed to do that, but it can only be completed if we can continue to satisfactorily fund these projects.

The financial projections are outlined on the following pages. WCC have granted the Trust \$5m to go towards capital expenditure, particularly in the concourse area. This is required to be shown in the year of receipt, and we have shown it as a separate line item. This has the effect of increasing the projected surplus, and operating cash flows in the first two years. The offsetting capital expenditure is included in the same year.

Excluding this grant income, the Trust projects a healthy operating surplus of between \$3.15m and \$5.09m and operating cash flows of between \$2.72m and \$5.04m. The British & Irish Lions Test match to be hosted by the Stadium will fall into the 17/18 financial year.

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Depreciation increases over the three year period from \$3.72m to \$4.24m as a result of the ongoing capital expenditure programme, which has spending of \$19.33m.

PROJECTED EVENTS SCHEDULE

12 months ending 30 June

CONFIRMED	2017	2018	2019
Rugby Union	16	14	14
Cricket	1	1	1
Football	10	10	10
Exhibition Days	4		
Total Confirmed	31	25	25
UNCONFIRMED			
Cricket		1	1
Other Sporting Events	1	5	1
Concerts/Other Events	1	1	1
Exhibition Days	11	14	14
Total Unconfirmed	13	21	17
Community Events	5	5	5
Total Events	49	51	47

Days reserved for semi's & finals	11	11	11
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SENSITIVITY OF NET SURPLUS TO UNCONFIRMED EVENTS

Net Revenues from Events	2017	2018	2019
	\$m	\$m	\$m
Confirmed	2.23	2.86	1.61
Unconfirmed	0.47	1.16	0.65
Total	2.70	4.02	2.26



**SUMMARY STATEMENT OF FINANCIAL PERFORMANCE
FOR THE THREE YEARS ENDING 30 JUNE**

	2016/17 \$m	2017/18 \$m	2018/19 \$m
Revenue			
Events	5.37	7.17	4.68
Members Boxes & Sponsorship	4.62	4.69	4.82
Other	2.66	2.69	2.69
Total Revenue	12.65	14.55	12.19
<i>Less:</i>			
Event Operating Costs	2.67	3.15	2.42
Other Operating Costs	6.16	5.98	6.21
Interest	0.39	0.33	0.41
Total Operating Expenses	9.22	9.46	9.04
Operating Surplus before depreciation	3.43	5.09	3.15
<i>Less:</i>			
Depreciation	3.72	4.03	4.24
Net Surplus	(0.29)	1.06	(1.09)
<i>Plus:</i>			
Grant income (for capital expenditure)	1.67	3.33	
Total Surplus	1.38	4.39	(1.09)

Net operating cash flows	4.46	8.37	2.72
Surplus cash at the end of each year after meeting loan repayments	0.95	1.09	0.97
Bank Loan at year end	6.50	4.50	8.00
Net debt (Loan less cash)	5.55	3.41	7.03



**SUMMARY STATEMENT OF CASHFLOWS
FOR THE THREE YEARS ENDING 30 JUNE**

	2016/17 \$m	2017/18 \$m	2018/19 \$m
Cashflows provided from operating activities	12.04	14.50	11.79
Cashflows from grants (to be used for capital expenditure)*	1.67	3.33	
Cashflows applied to operating activities	(9.25)	(9.46)	(9.07)
Net cashflows from operating activities	4.46	8.37	2.72
Cashflows applied to investing activities	(6.76)	(6.23)	(6.34)
Net cashflows from investing activities	(6.76)	(6.23)	(6.34)
Cashflows provided from financing activities	2.00		3.50
Cashflows applied to financing activities	(0.50)	(2.00)	
Net cashflows from financing activities	1.50	(2.00)	3.50
Net increase (decrease) in cash	(0.80)	0.14	(0.12)
Opening balance brought forward	1.75	0.95	1.09
Cash at year end	0.95	1.09	0.97



**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE**

	30-Jun 2017 \$m	30-Jun 2018 \$m	30-Jun 2019 \$m	30-Jun 2020 \$m	30-Jun 2021 \$m
Trust Funds					
Retained Surpluses	47.00	51.39	50.30	49.07	47.45
Limited Recourse Loans	40.39	40.39	40.39	40.39	40.39
	87.39	91.78	90.69	89.46	87.84
Non Current liabilities					
Revenue in Advance	0.77	0.57	0.14	1.54	1.41
Bank Loan	6.50	4.50	8.00	7.00	7.80
	7.27	5.07	8.14	8.54	9.21
Current Liabilities					
Revenue in Advance	2.92	3.07	3.10	3.14	2.96
Payables	1.23	1.23	1.23	1.23	1.23
	4.15	4.30	4.33	4.37	4.19
Total Funding	98.81	101.15	103.16	102.37	101.24
Represented by:					
Property Plant & Equipment	97.24	99.45	101.54	100.62	99.49
Current Assets	1.57	1.70	1.62	1.75	1.75
Total Assets	98.81	101.15	103.16	102.37	101.24



4. PERFORMANCE MEASURES

Non-Financial Performance Measures

Measure	How Measured
<ul style="list-style-type: none"> Renewal of the Sevens contract 	<ul style="list-style-type: none"> Key stakeholders are satisfied with management of the Sevens operation Improved attendances for 2017
<ul style="list-style-type: none"> Deliver a strong Rugby international test programme for 2016 and 2017 	<ul style="list-style-type: none"> Key stakeholders are satisfied with management of the test operation Sell-out crowds for test matches 40% out of region visitors
<ul style="list-style-type: none"> Deliver more large scale non-sporting events 	<ul style="list-style-type: none"> Secure at least one concert per year Secure at least three other events outside the traditional rugby and football regular season calendar per year
<ul style="list-style-type: none"> Continued investment in stadium infrastructure 	<ul style="list-style-type: none"> Stadium technology RFP completed Turf replacement strategy completed and agreed A concourse upgrade plan developed to the satisfaction of key stakeholders
<ul style="list-style-type: none"> Deliver a full event calendar 	<ul style="list-style-type: none"> Securing 45-50 event days per year. (Excludes community events).
<ul style="list-style-type: none"> Host unique events that deliver economic benefit to the region 	<ul style="list-style-type: none"> Maintaining economic benefit to the Region at an average of \$40 million per year Working with promoters to deliver special events to Wellington
<ul style="list-style-type: none"> Continue to enhance food and beverage offering 	<ul style="list-style-type: none"> Greater range and quality of offerings Higher customer satisfaction in research
<ul style="list-style-type: none"> Improved fan experience and hirer satisfaction 	<ul style="list-style-type: none"> Achieve year on year improved research results from patrons and hirers.

Financial Performance Measures

The key performance indicators agreed with the Wellington City Council and Greater Wellington Regional Council are:

- Revenue – total, and event
- Net surplus (deficit)
- Net cash flow
- Liquidity ratio
- Bank borrowing to total assets
- Capital expenditure

We have reviewed these indicators and believe these are appropriate to the purpose of the Council's monitoring the Trust performance. They are reported on by the Trustees in their six monthly reports.



5. BOARD APPROACH TO GOVERNANCE

Role of the Board

The Board of Trustees is responsible for the proper direction and control of the Trust's activities. This responsibility includes such areas of stewardship as the identification and control of the Trust's business risks, the integrity of management information systems and reporting to stakeholders. While the Board acknowledges that it is responsible for the overall control framework of the Trust, it recognises that no cost effective internal control system will prevent all errors and irregularities. The system is based on written procedures, policies and guidelines, and an organisational structure that provides an appropriate division of responsibility, sound risk management and the careful selection and training of qualified personnel.

Board Operation

The Board has three Standing Committees that focus on specific areas of the Board's responsibilities. These Committees are the Finance Committee, the Audit Committee and Health & Safety Board Sub-Committee.

The Board meets regularly, generally eight times per year. The Finance Committee meets when required. The Audit Committee meets at least annually. The Health & Safety Committee meets quarterly.

Board Performance

The policy of the Board has been that the Chairman conducts an interview with each Board member prior to the expiry of their term. Each new Board member undertakes an induction program to familiarise themselves with the Stadium, its operation and Board issues. Given the experience of the current Board it has been deemed that a Board development program is not necessary. If there are any Board performance issues, the Chair will bring them to the attention of the Mayor of WCC and the Chair of GWRC.

At the first meeting of the new financial year, the Chairman of the Audit Committee conducts a review of the Chairman's performance.

A full Board performance review has recently been conducted and no significant issues identified.

Board Membership

The Trust Deed states that there shall be not less than five, nor more than eight Trustees.

The Trustees are appointed jointly by the Settlers (Wellington City Council and Greater Wellington Regional Council).

The Wellington City Council and the Greater Wellington Regional Council can each independently appoint one of their elected Councillors as a Trustee.



The current Trustees are:

Name	Appointed until:
John Shewan (Chair)	30 June 2018
Steven Fyfe	30 June 2016
Susan Elliott	30 June 2017
Mark McGuinness	30 June 2017
Rachel Taulelei	30 June 2017
Therese Walsh	30 June 2018
Nigel Wilson	formal declaration of results of GWRC 2016 elections
Simon Marsh	formal declaration of results of WCC 2016 elections



6. ORGANISATIONAL HEALTH, CAPABILITY AND RISK ASSESSMENT

Health & Safety

The Trust is across the changes to Health and Safety legislation and takes these changes into account in its ongoing planning and monitoring of Stadium activities.

The Trust has well developed health & safety policies which were reviewed by an external consultant and are regularly updated.

Health and Safety documentation includes the following:

- Document Control Register
- Responsibilities Matrix
- Management Review Process
- H&S Action Plan
- Management H&S Report
- New Hazard ID Form
- Hazard Register
- Personal Protective Equipment (PPE) Register
- Health Monitoring Register
- Health Monitoring Matrix
- Hazardous Substance Register
- Emergency Contacts
- Emergency Response & Evacuation Procedures (EREP)
- Emergency Preparedness Docs for various Stadium modes
- First Aid Kit Contents Checklist
- Employee Induction Checklist
- Employee H&S Handbook
- Training Register
- Approved Trainers List
- Near Miss/Injury Investigation Report
- Near Miss/Injury Register
- Contractor H&S Agreement
- Contractor Induction Checklist
- Contractor Monitoring Checklist
- Evaluation of Contractors
- Contractor Safety Plan Content Checklist
- Approved Contractor List
- Physical Conditions Checklist: Office and Grounds staff
- Activations & Temp. Structures at Westpac Stadium
- Site Risk Assessment Form
- WRST Safe Work Method Template
- Roof Access Permit

Staff who have influence over Health and Safety matters are required to acquire and keep up to date with Health and Safety matters including attendance at relevant course and conferences.

All staff receive regular training in respect of health & safety procedures.



A Health & Safety booklet has been produced which includes Stadium policies, the roles for staff and contractors, incidents and accident investigation, general site safety, emergency procedures and induction.

There are three Committees with a health and safety focus:

- Emergency Control Organisation/Emergency Planning Committee (meets ahead of each major event);
- Health and Safety Committee which includes key WRST staff as well as contractors and tenant organisations (meets monthly);
- Board Health and Safety Committee (meets quarterly).

All contractors coming on-site are required to:

- Complete a health & safety agreement
- Complete a health & safety induction plan
- Provide a contractors safety plan
- Operate safely and report any hazards, near misses and injuries

RISK MANAGEMENT

Earthquakes

Prior to construction (July 1995), the Trust commissioned a full geo-technical report on the site. The ground was improved with vibro-replacement producing gravel columns at spacing of two to three metres to mitigate the effect of earthquakes.

The Trust has used the learnings from the recent earthquakes to strengthen its crowd control and evacuation procedures.

The Trust has conducted a study to enable the Stadium to better understand its current percentage of New Building Standard (% NBS), the interaction between the reclaimed land and the building structure, the differential lateral spread expected and as well as a building seismic assessment. While no significant issues emerged, we will be implementing some remedial actions that will enhance the structures.

Insurance

The Stadium insurance programme is managed by Marsh Ltd. The Trust operates a maximum first loss policy that provides cover for the maximum credible loss for fire, earthquake and other perils. The current maximum cover insured is \$160m for material damage and \$28.5m for business interruption.

The building reinstatement value was assessed in September 2015 at \$237.5m. The Trust has used the maximum first loss policy since 2003 based on modelling work undertaken with Marsh which has supported \$160m as being appropriate cover in this context.

The Stadium is required to cover the first \$7.0 million of any earthquake claim. There have been no material changes to the cover or the deductibles from the previous year.

Business Continuity Plan

The Trust has a Business Continuity Plan. The Trust has ongoing interactive training sessions with all staff to reinforce the content and requirements of the plan.



Communication and Access to Information

The Trust enjoys a positive and open relationship with both of its settlors, and both settlors have representation on the Board of Trustees. The Trustees confirm they intend to continue to operate on a “no surprises” basis with communication of any significant event likely to impact on either party made as soon as possible. This has worked well in the past.

7. ADDITIONAL INFORMATION

Reporting

The Trustees will present a six monthly report to both Councils, which will include a written report on agreed key performance indicators and financial statements for the period. The Trust will provide a formal briefing to both Councils, twice a year, on activities to date and review the outlook.

Audited financial statements will also be available on completion of the annual audit.

The Trustees will inform the Councils of any significant expected obligations or contingent liabilities to third parties.

Major Transactions

There are no major transactions likely to occur in the planning period that are not identified in the Business Plan.

Any particularly contentious transactions will be brought to attention of the Council at the earliest opportunity.

Accounting Policies

General accounting policies of the Trust are set out in the Statement of Significant Accounting Policies. These policies are consistent with the policies applied in the previous year, apart from the presentation change relating to the limited recourse loans.



OTHER ITEMS TO BE INCLUDED IN THE STATEMENT OF INTENT

Ratios

The ratio of Trust Funds to Total Assets is expected to be:

30 June 2017	48%
30 June 2018	51%
30 June 2019	49%

The ratio of total Trust Assets to Trust Liabilities is expected to be:

30 June 2017	191%
30 June 2018	203%
30 June 2019	195%

Trust Funds are defined as the residual interest in the assets of the Trust after the deduction of its liabilities.

Assets are defined as service potential or future economic benefits controlled by the Trust as a result of past transactions or other past events.

Liabilities are defined as future sacrifices of service potential or of future economic benefits that the Trust is presently obliged to make to other entities as a result of past transactions or other past events.

Distributions to Settlers

Section 5 of the Trust Deed sets out the powers of the Trustees regarding the income of the Trust.

The Trust is required to pay surplus funds to the Wellington City Council and Wellington Regional Council in reduction of their limited recourse loans after meeting costs, liabilities and debt reductions and after allowing for the appropriate capital expenditure and transfers to reserves.

The Trust does not expect to have surplus funds available for repayment in the years covered by this Statement of Intent.

No other distributions to settlers are intended to be made.

Investments in other organisations

The Trustees currently have no intention of subscribing for, purchasing or otherwise acquiring shares in any other company or other organisation.

Compensation from local authority

There are no activities for which the Trust seeks compensation from any local authority.

Trust's estimate of the commercial value of settlor's investment in the Trust

Not applicable



Other matters as set out in the Funding Deed

Significant Third Party Obligations

There are no significant third party obligations other than those disclosed in the Financial Statements.

Relevant Legislation

The Trustees confirm that the Trust will comply with all relevant legislation affecting the conduct of this business.



STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity and Period

Wellington Regional Stadium Trust Incorporated (the Trust) is a charitable trust established by the Wellington City Council ('WCC') and Greater Wellington Regional Council ('GWRC'). The Trust is domiciled in New Zealand.

The Trust is responsible for the planning, development, construction, ownership, operation and maintenance of the Westpac Stadium, Wellington, as a multi-purpose sporting and cultural venue.

The financial statements are prepared in accordance with the Charitable Trust Act 1957. The Trust is also a charitable entity under the Charities Act 2005, registration CC10754.

Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with the Trust Deed which requires compliance with generally accepted accounting practice in New Zealand.

As the primary purpose of the Trust is to provide a community and social benefit, it is a public benefit entity for financial reporting purposes.

The financial statements will be prepared in accordance with Tier 2 PBE reporting standards. The Trust qualifies for Tier 2 Reporting Standards because it does not have public accountability as, and it is not large.

The financial statements are prepared on the historical cost basis except for interest rate swaps.

The financial statements are presented in New Zealand dollars.

The financial statements are prepared on a going concern basis, and the accounting policies have been applied consistently to all periods presented in these financial statements

Revenue

Revenue is recognised when billed or earned on an accrual basis.

Corporate Box, Memberships & Sponsorship Revenues

Licenses for Corporate boxes are issued for terms of between four and six years. Signage and sponsorship properties are sold for a range of terms of between one and 10 years. The related license fees/revenues are paid annually with the revenue recognised on a straight line basis throughout the year.

Stadium memberships have been sold for terms ranging between two and five years. Payment may be made upfront or in a series of instalments. The payments received are recorded as Revenue in Advance, and recognised on a straight line basis over the term of the membership.

Interest

Interest income is accrued using the effective interest rate method.

Rental income

Rents are recognised on a straight line basis over the term of the lease.



Expenses

Expenses are recognised when the goods or services have been received on an accrual basis.

Interest

Interest expense is accrued using the effective interest rate method. The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

Taxation

As a Charitable Trust, the Trust meets requirements for exemption from income tax and accordingly no provision for income tax is recorded in the financial statements.

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive.

Financial Instruments

The Trust classifies its financial assets and financial liabilities according to the purpose for which they were acquired. The Trust determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Non Derivative Financial Instruments

Non derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Trust becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Trust's contractual rights to the cash flows from the financial assets expire or if the Trust transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date. Financial liabilities are derecognised if the Trust's obligations specified in the contract expire or are discharged or cancelled.

Financial Assets

Cash and cash equivalents comprise cash balances and call deposits with up to three months maturity. These are recorded at their nominal value.

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

Financial Liabilities

Financial liabilities comprise trade and other payables and borrowings, and are all classified as other financial liabilities. Financial liabilities with duration more than 12 months are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Amortisation is recognised in the Statement of Comprehensive Income as is any gain or loss when the liability is derecognised.



Financial liabilities entered into with duration less than 12 months are recognised at their nominal value.

Derivative Financial Instruments

Derivative financial instruments are recognised at fair value as either assets or liabilities. The Trust does not hold any derivatives that qualify for hedge accounting. Derivatives that do not qualify for hedge accounting are classified as held for trading financial instruments with fair value gains or losses recognised in the Statement of Comprehensive Income. Fair value is determined based on quoted market prices.

Employee Entitlements

Employee entitlements that the Trust expects to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay. These benefits are principally annual leave earned but not yet taken at balance date, and bonus payments.

No provision for sick leave is accrued, as past experience indicates that compensated absences in the current year are not expected to be greater than sick leave entitlements earned in the coming year.

Other Liabilities & Provisions

Other Liabilities and provisions are recorded at the best estimate of the expenditure required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

Leases

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased items are classified as operating leases. Payments made under these leases are expensed in the Income Statement in the period in which they are incurred. Payments made under operating leases are recognised in the Statement of Comprehensive Income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Statement of Comprehensive Income as an integral part of the total lease payment.

Property, Plant and Equipment

Recognition

Expenditure is capitalised as property, plant and equipment when it creates a new asset or increases the economic benefits over the total life of an existing asset and can be measured reliably. Costs that do not meet the criteria for capitalisation are expensed.

Measurement

Items of property, plant and equipment are initially recorded at cost.

The initial cost of property, plant and equipment includes the purchase consideration and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential and that can be measured reliably is capitalised. Borrowing costs are not capitalised.

Impairment

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be



recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported in the Statement of Comprehensive Income.

Disposal

Gains and losses arising from the disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income in the period in which the transaction occurs.

Depreciation

Depreciation is provided on all property, plant and equipment, with certain exceptions. The exceptions are land, some aspects of the pitch category and assets under construction (work in progress). Depreciation is calculated on a straight line basis, to allocate the cost or value of the asset (less any residual value) over its useful life. The estimated useful lives of the major classes of property, plant and equipment are as follows:

Land	indefinite
Pitch	10 years to indefinite
Buildings	8 to 70 years
Replay screen & production equipment	3 to 25 years
Fitout	5 to 50 years
Fittings	3 to 20 years
Plant & machinery & equipment	2 to 70 years

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance date.

Work in progress

The cost of projects within work in progress is transferred to the relevant asset class when the project is completed, and then depreciated.

Critical accounting estimates and assumptions

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimating useful lives and residual values of property, plant, and equipment

At each balance date, the useful lives and residual values of property, plant, and equipment are reviewed. Assessing the appropriateness of useful life and residual value estimates of property, plant, and equipment requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by Trust, and expected disposal proceeds from the future sale of the asset

An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the surplus or deficit, and carrying amount of the asset in the statement of financial position. The Trust minimises the risk of this estimation uncertainty by regular physical inspection of assets, a planned preventative maintenance and asset replacement programme.



Statement of Cash Flows

The statement of cash flows has been prepared using the direct approach. Operating activities include cash received from all income sources of the Trust; record the cash payments made for the supply of goods and services and include cash flows from other activities that are neither investing nor financing activities. Investing activities relate to the acquisition and disposal of assets. Financing activities relate to activities that change the funding structure of the Trust.

John Shewan
Chair
FOR THE TRUSTEES
WELLINGTON REGIONAL STADIUM TRUST

Wellington Regional Economic Development Agency
Statement of Intent 2016 - 2019
June 2016
Final

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Foreword

This Statement of Intent (SOI) sets out the Wellington Regional Economic Development Agency's strategic framework, activities and performance measures for the next three years.

Through the Letter of Expectation, the Wellington Regional Strategy Committee has articulated an expectation that WREDA will use its resources to support, facilitate and contribute to a step-change in Wellington's economic growth performance. WREDA's specific activities towards this aim are articulated through this SOI.

The content of this SOI for 2016-19 reflects WREDA's evolution from a collection of Council-Controlled Organisations and offices, into a fully amalgamated Economic Development Agency. Our approach is therefore three-fold:

- Enhance the successful programmes delivered by the (former) constituent organisations
- Leverage amalgamation to optimise resources and capacities across the agency
- Initiate new programmes that accelerate Wellington's economic performance

During 2016/17, our first priority is enhancing the high-performing programmes, which the constituent organisations have brought to WREDA. Our amalgamation aligns the strategies of these programmes, and broadens the capacity of the teams delivering them. Stretch targets for current programmes reflect this enhanced capability.

At the same time, amalgamation enables us to deliver a greater return on investment to both the people of Wellington and our commercial partners. Optimising our organisation, removing duplication and sharing services allows WREDA to repurpose resources into high-value productive activity. Strategic re-alignment of resources and realisation of associated benefits will be undertaken over the period of this SOI.

Increasingly over the next three years, this approach enables us to initiate new programmes. These, alongside the enhanced current programmes, help us 'shift the dial' on Wellington's key economic indicators. The first of these are already scheduled for delivery, and articulated as 'Catalytic Initiatives' within this SOI. Further Catalytic Initiatives will be developed and delivered as more opportunities are identified.

As a catalyst organisation, WREDA is inherently collaborative. We will partner with stakeholders across government, business, academia and civil society. WREDA is committed to furthering relationships with regional iwi, both as distinct economic entities, and as the historic guardians of the story of this land. WREDA's broad scope also allows it to work more effectively with central government and its agencies, as well as building practical relationships with other economic development agencies across New Zealand.

Our commitment is to advance the prosperity and liveability of the Wellington region through economic growth and resilience. We are pleased to present this Statement of Intent as our road map for driving towards Wellington's positive future.

Chris Whelan
Chief Executive

Peter Biggs
Board Chair

Wellington Regional Economic Development Agency

Background

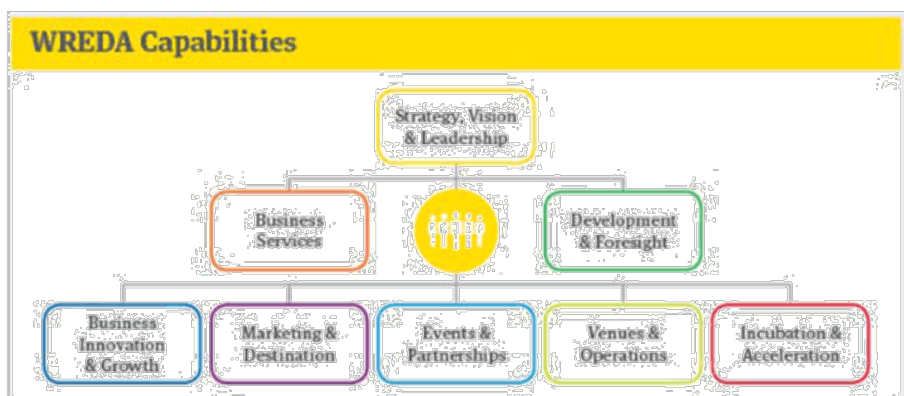
In accordance with the Local Government Act 2002, this annual Statement of Intent (SOI) publicly states the activities and intentions of the Wellington Regional Economic Development Agency (WREDA) for the next three years, and the objectives to which those activities will contribute.

WREDA is owned by Wellington City Council (WCC) and Greater Wellington Regional Council (GWRC), on behalf of the region. Funding for WREDA comes from these two councils, central government and the private sector.

WREDA combines the activities and functions of legacy organisations, previously located within, and supported by the two shareholders:

- Grow Wellington and its subsidiary, Creative HQ;
- Positively Wellington Tourism;
- Positively Wellington Venues.

This Statement of Intent responds to the Wellington Regional Strategy (WRS) Committee's December 2015 Letter of Expectation (refer to Appendix 1).



Our vision for Wellington

In early 2015 the WREDA board of directors set out the 'Plan on a Page' for WREDA (Appendix 2). This document is led by a vision of Wellington as:

The most prosperous, liveable, and vibrant region in Australasia by 2025

The vision is deliberately bold, aspirational and provocative. The implicit challenge for WREDA is to lead a new phase of transformational change for Wellington's economy. The vision demands that Wellington exceed expectations, compete in a global context, and become internationally recognised as a leading region.

Furthermore, the vision carries the notion that prosperity, vibrancy and liveability are symbiotic. Each quality enhances the other two, and success requires coordinated management of all three. We see Wellington thriving in 2025, with robust growth and high social mobility. Commercially, Wellington will be known as a 'living lab', a globally-connected leader in creative solutions and design thinking. Our reputation will be as 'the place of the possible'; a destination of choice to visit, study, work, live, invest and succeed.

Realising this vision requires us to think and behave differently. Wellington has a distinctive set of skills, resources and opportunities. WREDA is committed to pursuing the realisation of this unique potential with the same boldness and ambition that informed our founding vision.

Key objectives

WREDA believes there are a number of key areas where its programmes and interventions can bring about significant positive impact for Wellington's economic growth:

- Facilitate revenue and employment growth in Wellington region businesses;
- (Significantly) increase the number of international students in the Wellington region;
- Develop the available skills in the Wellington workforce;
- Attract new businesses and direct investment to the Wellington region;
- Increase the contribution to Wellington's GDP of visitor spending;
- Maximise the return on investment of Wellington's major events portfolio;
- Increase the economic contribution of events hosted in WREDA-managed venues;
- Leverage the major infrastructural investment scheduled for the Wellington region; and
- Enhance Wellington's global reputation as a destination to visit, live, work, study and invest

These objectives inform the development of targets against which WREDA will ultimately measure performance. Individual programmes will contain specific success measures to ensure effective delivery. Wider regional economic indicators, which are impacted by a range of factors outside of WREDA's direct control will also be monitored.

The full performance measurement framework is articulated in the remainder of the SOI.

Strategic approach

In the Plan on a Page (Appendix 2), developed by the Board of Directors in 2015, five pillars of action delineate the scope of WREDA activity:

- Enable sustainable growth
- Deliver an outstanding events/activity programme befitting New Zealand’s most vibrant city region
- Become exceptionally influential and connected
- Be an acclaimed hub of creativity, culture and technology
- Create and sustain a compelling regional narrative

Figure 1. Extract from Strategic Plan on a Page



The Key Projects and Programmes in the following sections have been organised beneath those pillars.

1WREDA

Underpinning delivery of all our programmes and objectives is the creation of a new organisation and culture, where once there were separate agencies.

The process of amalgamation and organisational design is the first phase in this endeavour, which we have termed '1WREDA'. Beyond these structural changes, which will be completed in year one of this SOI, refreshing WREDA's culture in line with its vision will be an ongoing focus area.

Our new organisation will pursue ambitious targets, setting course towards our shared vision for Wellington. Essential to this task is attracting and retaining the highest quality talent at all levels of the organisation. 1WREDA is our commitment to fostering a positive culture of excellence, intelligence, partnership and innovation within our team.

The detail of 1WREDA's organisational values and culture will be developed collaboratively, upon completion of organisational design.

Key Projects & Programmes: Catalytic Initiatives

As outlined in the foreword, WREDA will leverage the benefits of amalgamation to initiate new programmes which, alongside ongoing programmes, will deliver new impetus to the Wellington economy.

The first five of these Catalytic Initiatives, scheduled for launch in the Year One of this SOI, are described below. As WREDA evolves as an integrated organisation, further Catalytic Initiatives will be developed and implemented in the subsequent years of this SOI and beyond.

Catalytic Initiatives 2016-17	
Programme	Description
Infrastructure Investment Leverage	Analyse and articulate the economic opportunities unlocked by major asset or infrastructure investment projects within the region including the proposed convention centre. Facilitate new partnerships to deliver direct activity in support.
Scale-Up Programme	Create and conduct an intensive programme to assist 10 scale-ready Wellington businesses in priority sectors per year to grow, by facilitating skills-, capital-, and market-access.
Wellington International Student Growth Programme	Significantly increase the number of International Fee-Paying Students in Wellington, in partnership with an education sector consortium. Deliver a comprehensive activity programme that will through destination marketing increase the number of international students in Wellington. Work in partnership with education sector to increase local capacity (including accommodation), improve student experience and enhance pathways through education and into employment.
The Wellington Partnership	Establish a high-level network of leaders and influencers across Wellington business, iwi, central and local government, community and academia. Coordinate regular engagement sessions with WREDA leadership. Validate, influence and contribute to WREDA projects. Develop, optimise and amplify the 'Why Wellington?' proposition in relation to specific business and sector opportunities, highlighting Wellington's competitive advantages.

In addition, WREDA will develop proactive, specialised engagement with Maori-led business in the region, beginning by convening an annual Wellington Māori Economic Growth Forum.

Wellington Māori Economic Growth Forum	Establish and convene annual Māori Economic Growth Forum in partnership with regional iwi leaders, trustees and Māori-owned SMEs. Objectives include building relationships, identifying resource and capability needs and developing action plans.
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Key Projects & Programmes: Driving Wellington Forward

WREDA inherits from its constituent organisations a number of ongoing programmes and activities whose successful contribution to Wellington’s economic momentum will be sustained and enhanced.

Amalgamation allows WREDA to deliver these programmes as part of a region-wide, integrated strategy, and within the bounds of a more broadly resourced organisation. As such, the opportunity has been taken to stretch the targets for these programmes, and where appropriate, broaden their scope.

Driving Wellington Forward 2016-2019	
Enable sustainable growth	
Activity centred on business growth and development, trade & investment facilitation and workforce development.	
Programme	Description
Regional Business Partner Programme	Deliver the Regional Business Partner Programme in conjunction with the Wellington Chamber of Commerce. Work with a portfolio of 470 regional businesses, facilitating access to mentorship and capability development vouchers and R&D grants. Provide regional business clinics in conjunction with regional Chambers of Commerce.
Sector Growth Initiatives	Deliver facilitation projects across priority sectors, including Creative, Tech, and High-Value Manufacturing (including Food & Beverage). Includes convening industry cluster networks, sector-level promotion in export markets, internship programmes and feasibility research for development proposals.
Creative HQ Programmes	Deliver startup incubation and high-growth programmes via WREDA’s Creative HQ subsidiary. Programmes include, but are not limited to, Lightning Lab accelerators, Venture Up entrepreneurial training and R9 GovTech Accelerator.
Business Attraction	Encourage foundation, expansion, partial, or full relocation of out-of-region businesses into Wellington, using a mix of marketing activity, lead generation and facilitation.
Foreign Direct Investment Attraction	Partner with the New Zealand Trade & Enterprise Capital team to ensure Wellington’s investment-friendly environment and opportunities are presented to international investors and, in partnership with Immigration New Zealand, promoted to high net worth migrants. Hotel investment is a priority area.
Asia Trade & Investment Facilitation	Leverage civic relationships with Sister Cities (including Xiamen, Beijing, Changchun) to generate trade and investment opportunities for Wellington businesses. WREDA will collaborate with central government agencies to amplify the results of their international-focused activity in Wellington.
Screen Wellington	Deliver local and international screen production companies with location and facility sourcing, filming permits and community liaison. WREDA will secure screen production attraction with famils and hosting, leveraging co-production treaties in the mid-tier markets in the US and Australia. Increase commercial capability of Wellington screen producers, directors and writers via industry-supported Masterclasses. Drive domestic production capabilities in Wellington.
Regional Skills Audit	Conduct a regional skills audit to identify current and future skills shortages. Identify and deliver targeted talent attraction, retention and development programmes.

Deliver an outstanding events & activity programme befitting New Zealand's most vibrant city region	
Combine programmes of major event management, development and retention, along with venue operation and event leverage activity.	
Programme	Description
Major Events Portfolio	Implement a portfolio approach to investment in, development of and retention of Major Events to deliver sustainable growth to the economy through event hosting. Enhance assessment framework for reporting on economic and social impact. Leverage event portfolio for development of business relationships for the region.
Venue Management	Manage portfolio of civic-owned venues, maximising utilisation rate, sellable days, client satisfaction, audience numbers and spend-per-attendee. Develop event programme that contributes to talent, business and visitor attraction priorities.
Regional Event Management	Deliver a framework for the region to Territorial Authorities that drives a coordinated events calendar and strategy for the region. Establish a forum for cross-regional communication around event planning and identifying opportunities for co-operation.
2017 Lions Rugby Tour	Leverage the opportunity provided by the week-long presence of the British and Irish Lions Rugby Tour in 2017. Deliver programme of activities and promotion to retain visitor spend in Wellington region. Leverage intense international media interest to promote Wellington as a place to visit, invest in and migrate to.

Become exceptionally influential and connected	
Programmes designed to expand the network of regional, national and global influencers who act as champions for Wellington as a destination.	
Programme	Description
Media Hosting Programme	Deliver a multi sector media programme that utilises third party writers/journalists/bloggers to showcase and promote Wellington in target geo locations and business sectors. Work in partnership with central government agencies (Tourism NZ, Immigration NZ, NZTE) to drive content to media in wider international markets.
Startup Forum	Facilitate, via Creative HQ, a forum for key decision-makers and leaders from the startup ecosystem in Wellington.
Liveability Reputation	Understand high profile global liveability ranking platforms to rank Wellington's present credentials in regards to key metrics. Identify opportunities for improvement and socialise development proposals. Amplify ranking successes in key migrant attraction markets.
Central Government Engagement	Enact comprehensive relationship management and engagement programme with key central government agencies and elected representatives. Provide regular and relevant updates on WREDA activity and results, Wellington success stories and project opportunities. Create direct engagement opportunities between key decision-makers and WREDA CEO/SLT.

Be an acclaimed hub of creativity, culture and technology	
Leverage Wellington’s distinctive offering in the arts, culture, design and innovation space, supporting vibrancy and enhancing the region’s appeal to global creative talent.	
Programme	Description
Arts Capitalisation	Collaborate with the Wellington arts sector to enhance business/producer capability, increase the profile of sector leaders and refocus Wellington’s Creative Capital brand and reputation.
Regional Promotion Through Events	Collaborate with international embassies and artist networks to secure event product which supports relationships between Wellington and target markets for visitor, talent and business attraction. Coordinate and leverage gala performances as networking opportunities between Wellington and source-market business. Showcase and highlight Wellington produce at event venues.
Events Marketing	Working in conjunction with event organisers, provide marketing support and expertise to events held in Wellington, giving priority to those events which bring increased visitor spend to the city region.
World of WearableArt Seattle Exhibition 2016	Partner with WOW, in conjunction with central government agencies, to develop trade, tourism, education, investment and visitor opportunities between Wellington and Seattle. Includes design school and other tertiary institution ‘study abroad’ programmes, as well as Wellington-based business with, or seeking, Seattle presence. Drive associated media coverage in Seattle that tells the wider Wellington ‘creative industries’ story.

Create and sustain a compelling regional narrative	
Articulate and promote Wellington’s distinctive benefits through targeted campaign activity to attract visitors, events, business and investment.	
Programme	Description
The Wellington Narrative Project	Collate pre-existing sub-regional brand work, and economic data proof points. Distil and curate a unified regional economic narrative highlighting Wellington’s competitive advantages in relation to other Australasian cities. Leverage and amplify the narrative as the foundation of WREDA marketing activity. Engage with central government agencies and business leaders to ensure the Wellington story they are telling internationally is ‘our’ Wellington story. Engage Wellingtonians in understanding the vision for Wellington and amplifying the narrative.
Amplify Wellington Success	Enhance and extend close relationships with media to become the go-to organisation for media seeking insight on Wellington’s regional economic development. Pro-actively generate media coverage highlighting Wellington success stories in national and Australian media.
Single Digital Platform	Maintain, build and develop WellingtonNZ.com and the Wellington venues website audience through digital audience development, integrated marketing campaigns and maximising exposure through provision of a single portal
Visitor Marketing Campaigns	Deliver domestic marketing campaign in partnership with Wellington commercial partners. Execute Australia market visitor campaign with city, air sector and regional partners. Represent Wellington in international visitor markets through participation in Tourism New Zealand-led international trade and media programmes.
Talent and Business Attraction	Deliver marketing and PR campaigns in key domestic and international markets to attract target-sector talent and business to the Wellington region.
Business Events Wellington	Deliver marketing and convention bureau support for the region and commercial partners to increase business event bookings in Wellington, sustaining market share during Convention Centre construction.
i-SITE Visitor Information Centre	Enhance the visitor experience in Wellington through operation of the Wellington i-SITE Visitor Information Centre. Promote and sell Wellington tourism product and support cruise passenger management.

Performance measures

This success measure framework prioritises quantifiable impacts of our programmes and activities against our objectives. These form the basis of our accountability and will be reported on quarterly.

At a business planning level, qualitative as well as quantitative measures will be used to assess the delivery and effectiveness of the full range of WREDA activity. By establishing a dedicated Foresight & Development capacity as part of WREDA's organisation design, we will, over the coming 12-18 months, significantly increase our capacity to measure our impact on Wellington's economic performance.

Objective	Programme	Measure	2015/16 (Forecast)	2016/17	2017/18	2018/19
Facilitate growth in Wellington business	Regional Business Partner Programme	Performance against measured contract KPIs	100%	100%	100%	100%
	Creative HQ	Revenue from commercial innovation services	\$0.25m	\$0.5m	\$0.75m	\$1.0m
		Lightning Lab participant investment raised	0	\$3.5m	\$4.0m	\$4.5m
	Screen Wellington	Conversion rate of logged enquiries to confirmed production	20%	25%	30%	35%
		Total revenue from screen industry	\$600m	\$650m	\$700m	\$750m
		Customer satisfaction survey	75%	80%	85%	90%
	Sector Growth Initiatives	GDP growth of priority sectors above Wellington average	n/a	0.5%	0.5%	0.5%
		Employment growth of priority sectors above Wellington average	n/a	0.5%	0.5%	0.5%
	Scale-Up programme	In 2016/17 we will design a programme to accelerate the scale-up of mid-sized, high potential businesses in the region. We will work with the other actors in this space (NZTE, CI, etc) to develop a focused and innovative product that leverages available resources and adds the cross-WREDA spark. We will identify the market for this product, test and refine it based on feedback from the actual businesses. We will develop metrics for evaluation as part of the design process				
	Increase the number of international students in Wellington	Wellington International Student Growth Program	International student enrolments	7800	8500	9200
NZ Market share of International students			6.0%	6.5%	7.0%	7.8%
Develop available skills in the	Sector Growth Initiatives	Summer of Tech Interns placed in priority sectors	190	200	220	250

Wellington workforce	Creative HQ	Students completing Venture Up programme	50	50	60	75
	Talent Attraction	Net permanent and long-term arrivals	2500 ¹	2000	2000	2000
		Wellington share of total net permanent and long-term arrivals	3.5%	4%	4.5%	5%
Attract new business and direct investment	Business attraction	Number of jobs in successfully attracted prospect businesses	n/a	50	100	150
Increase GDP contribution of visitor spending	Destination marketing	Total commercial guest nights	3.0m	3.15m	3.30m	3.45m
		Australian visitor spend	\$186m	\$195m	\$205m	\$215m
	Business Events Wellington	NZ market share multi-day conferences	16%	16%	16%	17%
	Venue operations	Utilisation of venues	60%	65%	67%	69%
		Growth in number of out of town venue attendees	+12.9% ²	+2.5%	+5.0%	+2.5%
		Net surplus target	\$0.2m	\$0.1m	\$0.1m	\$0.2m
Maximise return on Wellington investment in major events portfolio	Major events	ROI via out of Wellington spend	20:1	20:1	20:1	20:1
		Total event attendance	500,000	600,000	700,000	700,000
Leverage major infrastructure investment		Value of pre-bookings for Wellington Convention Centre	0	\$1m	\$3m	\$6m
Enhance Wellington's global reputation	Media hosting programme	Number of media hosted in Wellington	110	120	130	135
	The Wellington Partnership	Partnership participation numbers	n/a	20	40	60
		Partnership satisfaction score	n/a	80%	85%	90%
	Global liveability reputation	Mercer Liveable Cities ranking	#12	#11	#11	#10
Champion Wellington success stories		Number of stories in Australasian media	600	625	650	675

¹At the time of writing net migration was approaching a record high which explains lower figures for subsequent years

² This figure is affected by the biennial NZ Festival.

Benchmark indicators

In addition to the program success measures above, WREDA has identified a further set of metrics. Whilst impacted by a range of factors not in WREDA's control, the metrics are nevertheless important to overall regional success. WREDA will take a leadership role in monitoring, reporting and influencing these indicators through our activity. We aim to ensure these baseline indicators are exceeded.

Measure	2014 (actual)	2015 (actual/estimate)	2016 (estimate)	2017 (forecast)
Wellington real GDP growth	2.1%	3.0%	3.0%	3.0%
Wellington GDP per capita	\$64.29k	\$65.97k	\$67.2k	\$68.2k
Wellington exports growth	-1.9%	n/a	3.0%	3.0%
Wellington jobs growth	+2.0%	+2.5%	+2.5%	+2.5%
Employment rate	67.5%	68%	68.5%	69%
Average household income	\$97.4k	\$102.8k	\$108.0k	\$113.5k
Wellington productivity growth	1.3%	1.4%	1.2%	1.2%
Population	491,400	496,900	503,000	508,000
Visitor movements through WIA	374,662	397,196	445,922	471,755
Wellington Region GPI ³	91.3	90.2	90.9	91.5

³ The Wellington Region General Progress Indicator (GPI) is a measure of overall wellbeing based on an extensive range of indicators, developed under the Wellington Regional Strategy.

Appendix 1: Letter of Expectation

This letter sets out the Wellington Regional Strategy Committee's expectations of Wellington Regional Economic Development Agency (WREDA) for the 2016/17 financial year. It is intended to assist in WREDA's business planning and the preparation of its draft Statement of Intent (SOI) for 2016/17.

General

1. Having completed the first full year we expect to see a significant move towards specific actions and measurable outcomes.
2. Consideration is given to the resilience of the region when completing the Statement of Intent.

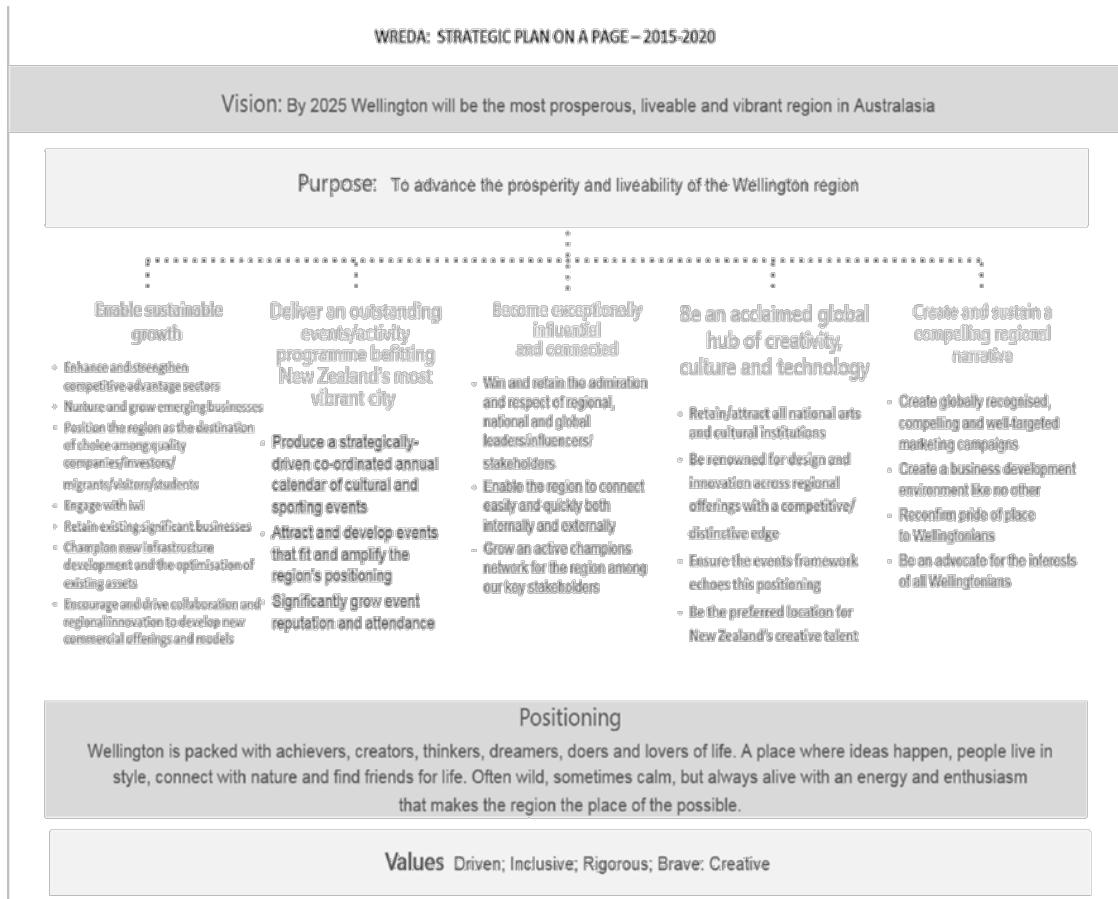
Specific

3. Outline specific actions and measures to attract and retain increased numbers of international students to the region
4. Specific actions and measures that support, facilitate and strongly contribute to a step change growth in migration, the creative and tech sectors.
5. Establish a process of business support from incubator to exports for growth companies in the target sectors.
6. Identify and assess what economic opportunities are there arising from the major infrastructure projects
7. What actions need to be taken to put in place for a major programme of targeted inward investment for the Region, including tourism.
8. 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
9. Constraints on business growth in the region are well understood and where practical WREDA will play a role in addressing such constraints. Of particular note is the need to help address skills shortages and develop a workforce that better reflects regional needs.
10. In addition to the above, it is expected that WREDA will ensure that the business as usual activities, namely tourist attraction, venues operations and major events will continue at a high standard.
11. Collaboration with business, the tertiary sector, government agencies, councils and the investment community is a regular theme in discussions on step changes for the Wellington regional economy. We expect that WREDA will play a primary facilitation role in driving collective action as appropriate in the action areas above.

The Key Performance Indicators in the 2016/17 Statement of Intent to be reviewed to ensure that the most appropriate measures are used. In particular, the matters noted above. We also expect that, where possible, the measures will have clear targets, define what success looks like, including

specificity on job numbers. We also note that some of the targets in the 2015/16 are low and need some additional stretch in them for 2016/17.

Appendix 2: Strategic Plan on a Page



Appendix 3: Governance and accounting

Dividend policy

WREDA is a not for profit council-controlled organisation, as such the Board is not intending to pay any dividends in the foreseeable future.

Governance Board

The Board is responsible for the strategic direction of WREDA's activities. The Board guides and monitors the business and affairs of WREDA, in accordance with the Companies Act 1993 and the Local Government Act 2002, the Company's Constitution and this Statement of Intent.

The Board will comprise up to ten directors, all will be independent directors. The Board's approach to governance is to adopt "best practice" with respect to:

- The operation of the Board
- The performance of the Board
- Managing the relationship with the Company's Chief Executive
- Being accountable to all Shareholders and reporting to the WRSC

The Board will meet on a regular basis and no less than 8 times each year. The Board will have 2 committees, Audit and Risk and the People & Culture Committee.

Wellington Regional Strategy Committee (WRSC)

The WRSC is made up of ten local body elected members.

The role of the WRSC is to:

- Review the performance of WREDA and the Board, and report to Shareholders on that performance on a periodic basis
- Make recommendations to Shareholders as to the appointment, removal, replacement of directors
- Make recommendations to Shareholders as to any changes to policies, or the SOI, requiring their approval

The Board aims to ensure that the WRSC and the Shareholders are informed of all major developments affecting WREDA's state of affairs, while at the same time recognising that commercial sensitivity may preclude certain information from being made public. The WREDA will adhere to a 'no surprises' approach in its dealings with its Shareholders and WRSC

Annual Report

WREDA's balance date is 30 June.

By 30 September each year, WREDA will provide to the WRSC and its Shareholders an Annual Report complying with Sections 67, 68 and 69 of the Local Government Act 2002 and the Companies Act.

The Annual Report will contain the information necessary to enable an informed assessment of the operations of the company, and will include the following information:

Directors' Report

- Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity,

Statement of Financial Position, Statement of Cashflows, Statement of Accounting Policies and Notes to the Accounts

- Comparison of the WREDA's performance with regard to the objectives and performance targets set out in the SOI, with an explanation of any material variances
- Auditor's Report on the financial statements and the performance targets
- Any other information that the directors consider appropriate

Half Yearly Report

By the end of March each year, WREDA will provide to the Shareholders a Half Yearly Report complying with Section 66 of the Local Government Act 2002. The Half Yearly Report will include the following information:

- Directors' commentary on operations for the relevant six month period
- Comparison of WREDA's performance with regard to the objectives and performance targets set out in the SOI, with an explanation of any material variances
- Un-audited half-yearly Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position and Statement of Cashflows

Quarterly Report

By 31 October and 31 January each year, the Company will provide to the Shareholders a quarterly report. The quarterly report will include the following information:

- Directors' commentary on operations for the relevant quarter.
- Comparison of WREDA's performance with regard to the objectives and performance targets set out in the SOI, with an explanation of any material variances

Statement of Intent

By 1 March in each year WREDA will deliver to the Shareholders its draft SOI for the following year in the form required by Clause 9(1) of Schedule 8 and Section 64(1) of the Local Government Act 2002. Having considered any comments from the WRSC received by 30 April, the Board will deliver the completed SOI to the Shareholders on or before 30 June each year.

Shareholder Meetings

The Board may hold an Annual General Meeting (AGM) between 30 September and 30 November each year to present the Annual Report to all Shareholders. If no AGM is held then the shareholders will pass the required resolutions.

Acquisition/Divestment policy

Any subscription, purchase or acquisition by WREDA of shares in a company or organisation will, require Shareholder approval other than those shares received in return for providing mentoring services.

Activities for which compensation is sought from Shareholders

At the request of Shareholders, WREDA may (at its discretion) undertake activities that are not consistent with its normal commercial objectives. Specific financial arrangements will be entered into to meet the full cost of providing such as activities.

Currently there are no activities for which compensation will be sought from Shareholders.

Commercial value of Shareholder's investment

WREDA will seek to achieve the outcomes as set by the WRSC and its Shareholders from time to time.

It is unlikely that WREDA will deliver a financial dividend to its Shareholders as it is deemed to be a not-for-profit council controlled organisation.

WREDA's share capital is represented by 1,000 fully paid shares.

Shareholders funds at 30 June 2015 is expected to be \$2.7 million, this is considered by the Board to be the current commercial value of WREDA.

Accounting Policies

WREDA has adopted accounting policies that are in accordance with the New Zealand International Financial Reporting Standards and generally accepted accounting practice. The detailed policies are as disclosed in WREDA's 2014/15 Annual Report.

STATEMENT OF COMPREHENSIVE INCOME	2016-2017	2017-18	2018-2019
WREDA excluding Venues Project			
Revenue			
Shareholder grants	20,961,659	21,290,482	21,510,549
Other revenue	6,871,679	6,871,679	6,871,679
Total Revenue	27,833,338	28,162,161	28,382,229
Operating costs			
Employment costs	12,214,359	11,861,276	12,138,140
Marketing	9,813,000	10,178,000	10,140,000
Other expenses	5,830,372	6,099,548	6,075,297
Operating expenditure	27,857,731	28,138,824	28,353,437
Net Surplus/(deficit)	-24,393	23,337	28,791
STATEMENT OF FINANCIAL POSITION			
WREDA excluding Venues Project			
Shareholders funds	1,519,255	1,564,093	1,592,884
Current assets	2,214,168	2,120,692	2,071,438
Investments	1,400,000	1,500,000	1,500,000
Fixed assets	288,200	268,700	276,200
Total assets	3,902,368	3,889,392	3,847,638
Current Liabilities	2,383,113	2,325,299	2,254,754
Net Assets	1,519,255	1,564,093	1,592,884
STATEMENT OF CASH FLOWS			
WREDA excluding Venues Project			
Operating cash receipts	23,189,427	23,854,456	23,289,881
Operating cash payments	-23,108,930	-23,823,933	-23,300,135
Other receipts	6,000	6,000	6,000
Other payments	-70,000	-45,000	-45,000
Net cashflow	16,497	-8,477	-49,253

REPORTS FROM COUNCIL CONTROLLED ORGANISATIONS FOR THE QUARTER ENDING 31 MARCH 2016

Purpose

1. To provide reports from Basin Reserve Trust, the Wellington Museums Trust and the Wellington Regional Economic Development Agency for the quarter ended 31 March 2016.

Recommendations

That the Economic Growth and Arts Committee:

1. Receive the information.
2. 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.
5. WRST provides half-yearly written reports so is not included in this report.
6. The organisations included in this report are:
 - Basin Reserve Trust (BRT)
 - Wellington Museums Trust (WMT)
 - Wellington Regional Development Agency Ltd (WREDA)
7. Officers have reviewed the Quarterly reports from the organisations noted in paragraph 6 and consider that there are no material issues that are not covered in the reports.
8. 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.

Discussion

Basin Reserve Trust

ACTIVITY SUMMARY

- Q3 is the busiest time at the Basin Reserve with respect to delivering the annual cricket programme. In addition to the Australia Test Match, this summer saw the return of limited overs cricket to the Basin with the Blackcaps hosting Pakistan. The international matches drew sell-out crowds, but also highlighted some issues with the ground's ageing drainage infrastructure.
- Work began on refurbishing the RA Vance Stand to address deferred maintenance issues.
- 30,166 people attended events at the cricket, including sold out days for the international test and ODI matches.

Cricket Events

- 1 x International Test Match (Australia)
- 1 x ODI match (Pakistan)
- 2 x T20 matches (White ferns)
- 1 x 'Island of Origin' T20 match
- 2 x Ford Trophy matches
- 3 x Plunket Shield matches
- 3 x Women's domestic matches
- 4 x community matches

Training

- 45 x cricket training sessions

Repairs and Maintenance

In addition to regular maintenance and repair work, the following was undertaken:

- During the international cricket season, the Basin's drainage infrastructure came under considerable pressure. The Trust has since completed a full review of drainage and addressed the immediate issues.
- The Trust has upgraded the southern toilet block to include a family change room
- Two public water stations have been added to the ground

SUMMARY FINANCIALS

FINANCIAL PERFORMANCE	Q3 Actual	Q3 Budget	Variance	YTD Actual	YTD Budget	Variance	FYE
Total Revenue	353	459	(106) ✗	799	774	25 ✓	886
Operating Expenses	280	254	(26) ✗	675	668	(7) ✗	880
Net Surplus	73	205	(132) ✗	124	106	18 ✓	6
FINANCIAL POSITION							
Total Assets				942	928	14	867
Total Liabilities				146	108	38	146
Equity				796	821	(25)	721
CASH FLOWS							
Total Net Cash Flows				88	103	(15)	73
Opening Cash				48	100	(52)	100
Closing Cash				136	203	67	173

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

- YTD, the Trust has reported a net surplus of \$124k, \$18k ahead of budget.
- After allowing for depreciation of \$43k, the Trust had an operating surplus for the quarter of \$73k, \$132k behind budget.
- Income of \$353k was \$106k (23%) lower than budget largely as a result of budgeting for income from two test matches (only one was played at the Basin this year) and securing a naming rights sponsor in Q3. However, income for the year remains positive as a result of venue hire charges for the Robbie Williams concert and unbudgeted first-class cricket matches in Q2.
- Expenditure for the quarter of \$280k was \$26k (1%) over budget largely due to an unbudgeted survey of drainage infrastructure and repairs.

KEY PERFORMANCE INDICATORS

MEASURE		Q3	YTD	3 Year	Comments
		31 Mar16		Trend	
Cricket Events	Target	8	11	Steady	The Trust's KPIs for cricket events were set in the 2015/16 Statement of Intent before the fixtures for the upcoming season were able to be confirmed.
	Actual	17 ✓	30 ✓	→	
Other Sports Events	Target	0	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	0 ✓	18 ✓	→	

KEY PERFORMANCE INDICATORS					
Community Events	Target	0	0	Steady	
	Actual	2 ✓	13 ✓	→	
Cricket Event Days	Target	21	27	Steady	
	Actual	29 ✓	45 ✓	→	
Other Sports Events Days	Target	0	6	Steady	
	Actual	0 ✓	18 ✓	→	
Community Event Days	Target	0	0	Steady	
	Actual	2 ✓	31 ✓	→	
Practice Facility Usage Days	Target	40	70	Steady	
	Actual	45 ✓	101 ✓	→	
Numbers attending events	Target	18,200	22,800	Steady	This figure includes sold out days for the international test match and ODI match
	Actual	30,166 ✓	54,180 ✓	→	

KPI COMMENTARY

The Trust met or exceeded all its performance measures for the quarter, including the number of cricket events and other sports, and community event targets.

OUTLOOK

Key activities and issues anticipated in the next quarter include:

- Work will continue on implementing the Masterplan. The main part of deferred maintenance work on the RA Vance Stand has begun, with the timing of scaffolding work having to be adjusted around events at the Basin Reserve.
- During Q4, a contract will be awarded for developing concept designs for the Basin Reserve redevelopment, along with initiating a comprehensive engagement process with key stakeholders and resident groups.

Wellington Museums Trust

ACTIVITY SUMMARY

During Q3, the Trust recorded strong visitation at Wellington Museum, City Gallery and the Cable Car Museum. In YTD terms, as at 31 March 2016 the Trust had achieved 537,717 which is 80,385 (18%) ahead of the YTD target and represents 90% of the full year target of 600,000 visitors.

The 7th annual *Scavenger Hunt*, held over Wellington Anniversary weekend, was a successful collaborative event led by Capital E and involving all Trust institutions, other waterfront attractions and local businesses with 1,300 scavenger hunters in attendance.

In January 2016 Capital E ran ten sold-out, one-day digital workshops in collaboration with Te Papa, based around their *Dreamworks Animation: The Exhibition*.

City Gallery Wellington's Director was the guest speaker at the opening and book launch for *Fiona Pardington: A Beautiful Hesitation* at Auckland Art Gallery 4 March (exhibition developed by City Gallery and touring to Auckland and Christchurch).

Programmes:

- Filming for the *Roxy5 Short Film Competition*, with Capital E began this month. There are 22 short films currently in production around the Wellington region with ideas ranging from interpretive dance to life as an immigrant in New Zealand.
- *Bullet Time* opened at City Gallery Wellington over the Easter weekend and is receiving a positive response.

SUMMARY FINANCIALS

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

FINANCIAL PERFORMANCE (\$000)	Q3 Budget 31 Mar 16	Q3 Actual 31 Mar 16	Variance* 31 Mar 16	YTD Budget 31 Mar 16	YTD Actual 31 Mar 16	Variance* 31 Mar 16	FY Budget 30 Jun 16
WELLINGTON MUSEUMS TRUST (EXCL. SPACE PLACE)^							
Total Revenue	2,576	2,555	(21) ✗	7,728	7,770	42 ✓	10,297
Opex before Depreciation	2,478	2,496	18 ✗	7,096	7,347	251 ✗	9,914
Depreciation	104	95	(9) ✓	312	288	(24) ✓	415
Net Surplus (Loss)	(8)	(39)	(31) ✗	314	135	(179) ✗	(30)
SPACE PLACE^							
Total Revenue	263	224	(39) ✗	777	638	(139) ✗	1,050
Opex before Depreciation	290	199	(91) ✓	867	715	(152) ✓	1,161
Net Surplus (Loss)	(31)	23	54 ✓	(102)	(81)	21 ✓	(123)
FINANCIAL POSITION^							
Total Assets				6,158	9,949	3,791	4,571

Total Liabilities	2,720	5,612	2,892	1,171
Equity	3,438	4,337	899	3,400

^ 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.

Total revenue from Space Place in Q3 fell below budget by \$39k but the impact was reversed by lower than forecast operating costs which resulted in a Q3 net surplus of \$23k (or a positive variance to budget of \$54k). In year to date terms, the net loss at Space Place is \$81k versus the SOI forecast net loss of \$102k (a positive \$21k variance).

In Q3 the Museums Trust (excl. Space Place) saw minor variances in revenue and expenses versus forecasts for the period. The YTD net surplus for the Trust (excl. Space Place) is \$135k, which is also below the YTD forecast by \$179k but the position is expected to meet the year end forecast loss of \$30k.

The Trust's balance sheet at 31 Mar 2016 comprised \$3.0m in cash on hand and accounts payable relating to The Attic project. The balance sheet is forecast to normalise by year end.

KPI DASHBOARD

✓ Achieved ✗ Not Achieved. The 3 Year Trend = year on year actual/nominal performance → Steady ↗ Improving ↘ Declining. The table contains a selection of KPIs and measures and is not a complete list.

MEASURE		Q3	YTD	3 Year	Comments
		31 Mar 16	31 Mar 16	Trend	
Council grant/visit	Actual	\$9.13 ✓		↘	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	\$11.09 ✓		n/a	This measure is required by Council and includes property costs which the Trust does not control. The metric is heavily influenced by visitor numbers.
	Target	\$15.13			
Average spend/visit	Actual	\$2.53 ✗		→	Despite Q3 not reaching the annual KPI of \$2.61 per visit the overall trend is steady.
	Target	\$2.61			
Total visits	Actual	201,127 ✓	537,717 ✓	↗	The strong Q3 performance was led by strong visitation figures for the Cable Car Museum, City Gallery and Wellington Museum.
	Target	157,332	457,332		
Cable Car	Actual	83,517 ✓	198,418 ✓	→	There was strong tourist visitation and settled weather over the Q3 period. However the full year visitation has been relatively static over several years.
	Target	59,670	170,170		
City Gallery	Actual	44,335 ✓	138,697 ✓	↗	Strong programmes, an extra day in February and the summer cruise ship season contributed to a strong quarter for the City Gallery.
	Target	37,500	112,500		
Capital E	Actual	10,758 ✗	57,897 ✓	↗	The lower-than-target Q3 result is due

	Target	15,575	46,725		to seasonal variances not reflected in the 2015-16 quarterly targets for Capital E.
Wellington Museum	Actual	47,027 ✓	104,148 ✓	↗	In general the growth is upward and expected to continue. The better-than-target Q3 result is attributed to the strong tourist visitation and The Attic development.
	Target	31,800	91,800		
Space Place	Actual	13,528 ✓	35,924 ✓	→	Visitation is broadly on target but the revenue per visitor is falling short of forecasts due to a higher than expected mix of children and lower paying entries.
	Target	12,238	34,487		

**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 governance and baseline funding review of the Trust is ongoing and drafts are expected to be circulated to the Trust in June.

At Space Place, the challenging issues revolve around the visitor yield as visitation numbers are in line with forecasts and costs are controlled within forecasts. As noted in previous quarterly reporting, the operational and financial performance of Space Place will continue to require close attention to ensure it delivers the benefits that were proposed by the Trust under its new operating model.

Wellington Regional Economic Development Agency (WREDA)

ACTIVITY SUMMARY

General

- Tier 2 managers appointed, commence in early May
- A preferred site to house the whole of WREDA has been identified.

Events

- 85 events, 78,435 tickets sold in Q3, 232,747 YTD, 17% of the attendees came from outside the region, 40% from outside Wellington City
- A number of events were sold out including Danny Bhoj, Sol3Mio, Dawn French, John Cleese/Eric Idle
- 38 conference events in Q3, 203 YTD, including 6 multi-day conferences
- Convention market share by delegate days remained steady at 17%
- Chinese New Year cultural festival at TSB 10,000 attendees
- Webstock attended by over 875 delegates including a number of international speakers.
- Inaugural ITx2016 conference of the Institute of IT Professionals, multi year deal signed for the Electricity Engineers Association conferences
- Successful NZ International Arts Festival (February-March), 64 events delivered over 24 day period comprising 49,242 patrons, 21% from outside the region

Economic Development

- Regional Business Partner Programme allocated \$380,000 to 127 businesses from a total pool of \$450,000, 269 businesses involved, including 184 business mentors matches have been made Improvement in the customer survey score
- Growth sector plan for tech study completed and the launching of Wellington ICT Graduate School by Steven Joyce, WREDA represented on the establishment board
- Wellington International Student Programme commences including a review of accommodation requirements. Meetings held with 25 international agents and 600 students in South America. The region's market share improved slightly despite a decline in the NZ market with Auckland dropping 8%, the rest of NZ was down 6%
- Hosted Chinese supermarket resulting in the signing of a Memoranda of Understanding with local suppliers
- Organised supplier showcase for Visa Wellington on a Plate, 81 exhibitors plus 28 winery attendees including David Jones.
- 17 screen permits issued in Q3, followed by 60 in April, liaised with major productions of Ghost in the Shell and Goodbye Pork Pie which will accrue around \$70m to the economy

Tourism and Marketing

- Strong visitor numbers, Australian visitor numbers up 20%
- Marketing work continued to support a number of exhibitions and events in the City, Sevens, NZ Festival, CubaDupa, Edinburgh Tattoo, Disney's Pete's Dragon
- Two visitor marketing campaigns were created and developed including *It's never just winter when it's in Wellington* and *When Melly met Welly ...and Nelly* for Australian visitation which supports the Jetstar Melbourne service

- 121 media clips in NZ and Australia generating total advertising value of \$1.5m
- Marketing support provided for Sevens, NZ International Festival, CupaDupa and the Royal Edinburgh Tattoo, 84,000 attendees, 51% from outside the region
- 12% increase in visitors to the WellingtonNZ site
- Hosted 75 cruise ships with 230,000 passengers, estimated value to Wellington of \$65.7m
- 128,024 visitors through the i-Site, an 8% increase
- 751,344 commercial guest nights, the highest quarterly total, an increase of 7.6% on last year

SUMMARY FINANCIALS

FINANCIAL PERFORMANCE (\$000)	Q3 Budget 31 Mar 16	Q3 Actual 31 Mar 16	Variance* 31 Mar 16	YTD Budget 31 Mar 16	YTD Actual 31 Mar 16	Variance* 31 Mar 16	FY Budget 30 Jun 16
WREDA							
Total Revenue	6,457	6,696	239 ✓	18,100	18,881	781 ✓	23,405
Operating expenditure	5,873	5,707	166 ✓	17,630	17,464	166 ✓	23,330
Net Surplus (Loss)	584	989	405 ✓	470	1,417	947 ✓	75
FINANCIAL POSITION[^]							
Total Assets				5,952	6,274	322	4,291
Total Liabilities				3,805	3,157	(648)	2,541
Equity				2,146	3,116	970	1,750

The major variances and matters of interest of the financial statements of WREDA are

- Revenue is up on budget due to unbudgeted revenue for Creative HQ conferences and programmes, increased partner income in Tourism.
- Overall, expenses are ahead of budget due to higher travel costs for CHQ conference (covered by increased revenue), the timing of marketing expenditure partly offset by the phasing of economic development expenditure.
- The above budget surplus is largely a result of timing of expenditure
- WREDA's balance sheet has cash on hand of \$3.6m

KEY PERFORMANCE INDICATORS

MEASURE		Q3 YTD Act	Comments
		31 Mar 2016	
Utilisation rate Venues	<i>Annual Target</i>	56%	Utilisation rate is a stretch target, expect to get closer to the target by year end, however it is not expected to be achieved
	Actual	48%	
Maintain convention market share	<i>Annual Target</i>	16%	It is expected this will be maintained until year end
	Actual	17%	
Australian arrivals	<i>Annual Target</i>	4%	The YTD actual results reflects the new Jetstar services
	Actual	20%	
Increase spend overseas visitors	<i>Annual Target</i>	4%	The Q3 actual results reflects in part the new Jetstar services
	Actual	20%	
Number of visitors to website	<i>Annual Target</i>	10%	
	Actual	16%	
Attract screen production to Wellington (economic value to the Wellington Region)	<i>Annual Target</i>	\$20m	The large positive variance is largely due to the Ghost in the Shell and Goodbye Pork Pie productions
	Actual	\$70m	
Assist in raising of capital	<i>Annual Target</i>	\$0.75m	
	Actual	\$2.1m	
Increase in value of new businesses setting up in Wellington	<i>Annual Target</i>	\$45m over 3 years	The forecast for the year is set at \$30.5m, new businesses in energy, consulting and forestry.
	Actual	\$1.5m	

KPI COMMENTARY

WREDA has met or exceeded the majority of its KPIs for Q3. Apart from the Venues utilisation rate all KPIs are expected to be met by year end.

OUTLOOK

Key activities and issues anticipated in the next quarter include:

- New organisational structure in place for WREDA
- Venues Management Agreement will be signed
- Single location for the whole of WREDA
- Complete the transfer of Major Events to WREDA

Attachments

Attachment 1.	Basin Reserve Q3 2015/16	Page 129
Attachment 2.	Wellington Museums Trust Q3 2015/16	Page 141
Attachment 3.	WREDA Q3 2015/16	Page 149

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

SUPPORTING INFORMATION

Consultation and Engagement

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

Treaty of Waitangi considerations

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

Financial implications

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

Policy and legislative implications

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

Risks / legal

Not applicable.

Climate Change impact and considerations

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

Communications Plan

Not applicable.



BASIN RESERVE TRUST

2015-16

Prepared for Wellington City Council

For the 3rd Quarter 2015-16

Signed _____

Date _____

Basin Reserve Trust
WCC Economic Growth and Arts Committee **For the quarter to 31 March 2016**

1. **OVERVIEW**

The three month period under review is generally a period of implementing the first half of the summer season

The Trust has been active as follows:

Trust Meetings

The Trustees met once on February 29 as part of their regular meeting calendar and again on March 23 to be briefed on the RA Vance Stand refurbishment, by the project managers.

Master Plan

The Trust is represented on the Masterplan Steering Committee by Bryan Dickinson (Basin Reserve Manager) and is provided progress updates at Trust Meetings. The steering group will shortly engage in an RFP process with Council approved design organisations for an 'All of Basin' plan. This plan will be presented to Council at the end of September 2016, providing detailed work on each element identified in the original Masterplan, approved by Council in 2015. The first stage of this plan, the RA Vance Stand refurbishment, will begin at the end of May 2016, with a late October completion date.

Cricket Programme

The vast majority of the 2015/16 cricket programme was completed in Q3, notably including the Australia Test Match, the return of Blackcaps limited overs cricket to the Basin Reserve, and the Whiteferns side hosting Australia in two Twenty20 international matches. The ground was again well received by the public and media, with near capacity attendances on every day of Blackcaps matches. However, it should be noted that these large crowds placed considerable pressure on the Basin Reserve's aging infrastructure, further reinforcing the importance of the Masterplan work.

During Q3, the following cricket was hosted on the ground:

- One International Test Match
- One ODI match
- Two Twenty20 International matches (Whiteferns)
- One 'Island of Origin' Twenty20 match
- Two Ford Trophy matches
- Three Plunket Shield matches
- Three Women's domestic matches
- Four community matches

General Renewals and Maintenance

As previously mentioned, the Basin Reserve's services (in particular drains) came under considerable strain during this period and the Trust has consequently addressed these in the latter part of Q3. In addition to standard repairs to fencing, seats and graffiti, the Basin also received improvements to its amenities:

- 2 permanent water refill stations
- A family change room added to the Southern Toilet Block

Both additions were well received by the public.

2. **OPERATIONS**

2.1 ***Performance Analysis***

Events

- 17 Cricket Events
- 30166 Attendees
- 45 Cricket Trainings
- 2 Police Fitness Assessments
- 3 Hospitality Functions (outside of cricket events)

2.2 ***Performance Measures***

The actuals against budget are attached.

3. **FINANCIAL REPORT**

Financial accounts are attached.

3rd Quarter Workings						
Organisation	Days	Events	Trainings	Comment	Type	Attendance
Firebirds		14	5	20	Cricket	568
Blaze		3	1	5	Cricket	300
Blackcaps		6	2	18	Cricket	26698
Whiteferns/North South/Charity Match		2	4	2	Cricket	2000
Wanderers		1	2		Cricket	100
Club Finals		3	3		Cricket	500
NZ Police		2	2		Community	0
Black and Gold		3	3	Not included in below figures	Commercial	175

Measure	Frequency	Measurement	Q3		FY	
			Target	Actual	Target	Actual
Administrative Measures						
Achieve targets within allocated budgets	Annual	Budget forecasts are met				
Comply with financial, technical and regulatory standards	Quarterly	Council reports submitted within stated timeframes				
Asset Management Plan carried out	Quarterly	Planned maintenance activities effected within budget				
Operating Measures						
Number of events	Quarterly					
- cricket (incl minimum of 1 test match pa)		Cricket matches (incl minimum of 1 test match)	8	17	11	
- other sports		Sports events		0	12	
- community		Other events		2	4	
Number of event days	Quarterly					
- cricket		Cricket days	21	29	27	
- other sports		Sports days		0	12	
- community		Other days		2	4	
Numbers attending events	Quarterly	Attendance figures	18,200	30,166	27,300	
Practice facility usage	Quarterly	Cricket use	40	45		
Hirer satisfaction with venue and events	Quarterly	Positive formal feedback received				
Playing surface to be maintained to an international standard	Annual	Based upon NZC and ICC feedback				
Council subsidy per visitor	Quarterly	Subsidy < \$6.00 per visitor				

**BASIN RESERVE TRUST (INCORPORATED)
INCOME STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2016**

Income	Actual	Budget	Variance	Annual Budget
Grant Income				
Grant Wellington City Council	519,410	522,700	(3,290)	605,000
Grant Other	-	-	-	-
	<u>519,410</u>	<u>522,700</u>	<u>(3,290)</u>	<u>605,000</u>
Ground Hire Income				
Ground Hire International Cricket	80,000	160,000	(80,000)	160,000
Ground Hire Domestic Cricket	48,000	38,000	10,000	38,000
Ground Hire Winter Sports	1,500	1,000	500	2,000
Ground Hire Other Events	60,000	2,000	58,000	2,000
	<u>189,500</u>	<u>201,000</u>	<u>(11,500)</u>	<u>202,000</u>
Other Income				
Concession Income	372	22,000	(21,628)	25,000
Signage	1,000	25,000	(24,000)	50,000
Screen Hireage	-	-	-	-
Donations	-	-	-	-
Picket Fence Income	70	75	(5)	100
Miscellaneous Income	85,469	-	85,469	-
	<u>86,911</u>	<u>47,075</u>	<u>39,836</u>	<u>75,100</u>
Interest Income				
Interest Income	2,971	2,900	71	3,500
	<u>2,971</u>	<u>2,900</u>	<u>71</u>	<u>3,500</u>
Total Income	<u>798,792</u>	<u>773,675</u>	<u>25,117</u>	<u>885,600</u>
Expenditure				
Building Expenses				
Repairs & Maintenance	21,736	7,500	(14,236)	10,000
Cleaning	2,580	2,000	(580)	2,000
Electrical Services	6,435	6,000	(435)	8,000
Fire System	3,594	4,500	906	6,000
Painting	520	1,500	980	2,000
Pest Control	3,552	3,375	(177)	4,500
Plumbing	1,104	6,000	4,896	8,000
Other	542	1,125	583	1,500
	<u>40,063</u>	<u>32,000</u>	<u>(8,063)</u>	<u>42,000</u>

**BASIN RESERVE TRUST (INCORPORATED)
INCOME STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2016**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Annual Budget</u>
Ground Expenses:				
Electrical Services	3,300	4,500	1,200	6,000
Equipment Hire	3,184	6,750	3,566	9,000
Cleaning	505	2,250	1,745	3,000
Irrigation	-	1,000	1,000	1,000
Painting	3,836	16,000	12,164	18,000
Plumbing	10,267	4,000	(6,267)	5,000
Rubbish Removal	17,553	14,000	(3,553)	16,000
Ground Structures	26,466	22,500	(3,966)	30,000
Turf	207,053	217,700	10,647	300,000
Karori Park Operation Contribution	10,000	-	(10,000)	-
	<u>282,164</u>	<u>288,700</u>	<u>6,536</u>	<u>388,000</u>
Occupancy Expenses:				
Gas	5,673	7,500	1,827	10,000
Electricity	18,387	17,250	(1,137)	23,000
Rates	22,208	21,375	(833)	28,500
Security	11,040	9,375	(1,665)	12,500
Telephones	2,116	2,400	284	3,200
Water Rates	16,713	27,000	10,287	35,000
Television	-	3,000	3,000	3,000
Insurance	15,275	8,900	(6,375)	8,900
Consumables Laundry & Toilet	6,301	11,350	5,049	13,600
	<u>97,713</u>	<u>108,150</u>	<u>10,437</u>	<u>137,700</u>
Event Running Expenses				
Event Running	84,774	81,500	(3,274)	90,000
Casual Staff	7,996	18,750	10,754	25,000
	<u>92,770</u>	<u>100,250</u>	<u>7,480</u>	<u>115,000</u>
Administration Expenses				
Audit	-	-	-	13,000
Accounting	7,200	7,200	-	9,600
Bank Fees	80	70	(10)	90
Consultants	-	10,000	10,000	15,000
Management Fee	68,000	42,000	(26,000)	56,000
	<u>75,280</u>	<u>59,270</u>	<u>(16,010)</u>	<u>93,690</u>
Other Expenses:				
Bad Debts	-	-	-	-
Capital Contributions	-	-	-	-
Interest Expense	851	-	(851)	-
Marketing	20,588	18,000	(2,588)	20,000
Miscellaneous	365	1,500	1,135	2,000
Picket Fence Expenses	40	37	(3)	50
	<u>21,844</u>	<u>19,537</u>	<u>(2,307)</u>	<u>22,050</u>

**BASIN RESERVE TRUST (INCORPORATED)
INCOME STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2016**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Annual Budget</u>
Depreciation Expense				
Depreciation Expense:	65,000	60,000	(5,000)	81,100
	<u>65,000</u>	<u>60,000</u>	<u>(5,000)</u>	<u>81,100</u>
Total Expenditure:	<u>674,834</u>	<u>667,907</u>	<u>(6,927)</u>	<u>879,540</u>
Net Surplus (Deficit) for the Period	<u>123,958</u>	<u>105,768</u>	<u>18,190</u>	<u>6,060</u>

**BASIN RESERVE TRUST INCORPORATED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2016**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Annual Budget</u>
Net surplus (deficit) for the period	123,958	105,768	18,190	6,060
Total Recognised Income and Expense	<u>123,958</u>	<u>105,768</u>	<u>18,190</u>	<u>6,060</u>
Equity at beginning of year	671,986	714,940	(42,954)	714,940
Equity at End of Period	<u>795,944</u>	<u>820,708</u>	<u>(24,764)</u>	<u>721,000</u>

**BASIN RESERVE TRUST INCORPORATED
BALANCE SHEET
AS AT 31 MARCH 2016**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Annual Budget</u>
Current Liabilities				
Accounts payable	44,752	52,767	(8,015)	110,500
Accrued expenses	101,560	55,000	46,560	35,000
Income received in advance	-	-	-	-
	<u>146,312</u>	<u>107,767</u>	<u>38,545</u>	<u>145,500</u>
Trust Funds				
Retained earnings	671,886	714,840	(42,954)	714,840
Current Year earnings	123,958	105,768	18,190	6,060
Settlers fund	100	100	-	100
	<u>795,944</u>	<u>820,708</u>	<u>(24,764)</u>	<u>721,000</u>
Total Trust Funds and Liabilities	<u>942,256</u>	<u>928,475</u>	<u>13,781</u>	<u>866,500</u>
Non Current Assets				
Fixed asset opening cost	2,382,125	2,376,100	6,025	2,376,100
Fixed asset additions	26,838	50,000	(23,162)	50,000
Accumulated depreciation	(1,802,041)	(1,797,000)	(5,041)	(1,818,100)
	<u>606,922</u>	<u>629,100</u>	<u>(22,178)</u>	<u>608,000</u>
Current Assets				
Bank accounts & petty cash	135,909	202,875	(66,966)	172,500
Accounts receivable	193,890	95,000	98,890	81,000
Prepayments	5,535	1,500	4,035	5,000
	<u>335,334</u>	<u>299,375</u>	<u>35,959</u>	<u>258,500</u>
Total Assets	<u>942,256</u>	<u>928,475</u>	<u>13,781</u>	<u>866,500</u>

**BASIN RESERVE TRUST INCORPORATED
CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2016**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Annual Budget</u>
Cash flows from operating activities				
Cash was provided from:				
Grant Wellington City Council	531,416	459,100	72,316	522,700
Grants other	-	-	-	-
Ground hire - international cricket	80,000	160,000	(80,000)	160,000
Ground hire - domestic cricket	32,000	19,000	13,000	38,000
Ground hire - winter sport	4,000	1,000	3,000	2,000
Ground hire - other events	12,000	2,000	10,000	2,000
Concession income	372	16,000	(15,628)	20,000
Signage	-	25,000	(25,000)	50,000
Screen hireage	-	-	-	-
Donations	-	-	-	-
Picket fence income	70	75	(5)	100
Miscellaneous income	57,969	-	57,969	-
Interest income	2,971	2,900	71	3,500
GST	87,278	5,000	82,278	10,000
Cash was disbursed to:				
Payments to suppliers	(567,484)	(464,200)	(103,284)	(584,800)
Payments to related party - Cricket Wgton	-	(28,000)	28,000	(56,000)
Recharges	(26,121)	-	(26,121)	-
GST	(99,657)	(45,000)	(54,657)	(45,000)
Net cash flows from operating activities	114,814	152,875	(38,061)	122,500
Cash flows from investing activities				
Cash was disbursed to:				
Purchase of property plant & equipment	(27,187)	(50,000)	22,813	(50,000)
Net cash flows from investing activities	(27,187)	(50,000)	22,813	(50,000)
Cash flows from financing activities				
Cash was disbursed:				
Repayment of loan to NZ Cricket	-	-	-	-
Net cash flows from financing activities	-	-	-	-
Net increase (decrease) in cash held	87,627	102,875	(15,248)	72,500
Cash at the beginning of year	48,282	100,000	(51,718)	100,000
Cash at the end of the period	135,909	202,875	(66,966)	172,500

**BASIN RESERVE TRUST INCORPORATED:
CAPITAL EXPENDITURE
FOR THE PERIOD ENDED 31 MARCH 2016**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Annual Budget</u>
WiFi Upgrade	7,720	10,000	2,280	10,000
Signage	7,608	10,000	2,392	10,000
Players Changing Room Upgrade	3,070	10,000	6,930	10,000
Water Refill Stations (2)	6,826	10,000	3,174	10,000
Couches	1,614	10,000	8,386	10,000
	<u>26,838</u>	<u>50,000</u>	<u>23,162</u>	<u>50,000</u>

**BASIN RESERVE TRUST INCORPORATED
CASH FLOW PROJECTION
AS AT 31 MARCH 2016**

Current Assets	
Bank account	135,909
Accounts receivable	193,890
	<u>329,799</u>
To Be Applied As Follows:	
Accounts payable	44,752
Accrued expenses	101,560
Income in advance	-
	<u>146,312</u>
	183,487
Adjustments	
Oceania LED Net Receivable	(58,500)
	<u>(58,500)</u>
	124,987
Commitments	
Karori Park Operation Contribution 2015/16	-
Turf Management 2015/16	-
	<u>-</u>
Funds Available (Deficit)	<u><u>124,987</u></u>

**Wellington Museums Trust
2015-16
Report as at 31 March 2016 (Quarter 3)**



Visitor Numbers

Institution	2015-16 Target	YTD Visitor Numbers (to 31 March 2016)	% of Annual Target	Q3 Target	Q3 Visitor Numbers Achieved	% of Q3 Target
Cable Car	221,000	198,418	90%	59,670	83,517	140%
Capital E	62,300	57,897	93%	15,575	10,758	69%
Space Place	44,500	35,924	81%	12,238	13,528	111%
City Gallery Wellington	150,000	138,697	92%	37,500	44,335	118%
Nairn Street Cottage	2,200	2,633	120%	550	1,962	357%
Wellington Museum	120,000	104,148	87%	31,800	47,027	148%
TOTAL	600,000	537,717	90%	157,333	201,127	128%

Commentary on variation against Target

- **Cable Car Museum:** There was strong tourist visitation and settled weather over the Q3 period.
- **Capital E:** The lower-than-target Q3 result is due to seasonal variances not accurately reflected in the 2015-16 quarterly targets for Capital E. This is a traditionally quieter quarter in a non-Capital E National Arts Festival year.
- **Space Place:** The strong Q3 result is in response to the new business model, including the price point being successful and stronger programming over this period.
- **City Gallery Wellington:** The combination of local interest in *Julian Dashper and Friends*, *Unseen City* and name recognition of Grayson Perry together with summer cruise ship season, an extra day in February, the annual Scavenger Hunt and return of *Tuatara Open Late* has driven strong attendance during the third quarter.
- **Nairn Street Cottage:** The better-than-target Q3 result is due to seasonal variances not accurately reflected in the 2015-16 quarterly targets for the Cottage, and also due to increased programming at the Cottage during the quarter.
- **Wellington Museum:** The better-than-target Q3 result is due to the strong tourist visitation and visitors coming to the Museum for The Attic.

Highlights

- The 7th annual Scavenger Hunt, held over Wellington Anniversary weekend, was another successful collaborative event led by Capital E and involving all Trust institutions, other waterfront attractions and local businesses with 1,300 scavenger hunters in attendance and lots of positive feedback provided.
- In January 2016 Capital E ran ten sold-out one day digital workshops in collaboration with Te Papa, based around their *Dreamworks Animation: The Exhibition*.
- We added new items to the Collection in January 2016 from Kirkcaldie & Stains, including sculptures, furniture, shop signage, puppets, display props and audio tracks and archive from the store. We are aiming to have the material on display before the end of June. *Cluckie*, a Kirks favourite Easter attraction was on display at Wellington Museum and was enjoyed by many Wellington parents keen to indulge childhood memories.
- Capital E celebrated Chinese New Year with a programme of creative activities, run by members of the Wellington Chinese community, for children and families.
- The first Museums Wellington season brochure covering programmes and events March to May was published and as a consequence bookings were strong with the *Original Gangsters Walk* starting from Cable Car Museum, the Nairn Street Preservation Society Preserving and Brewing events at Nairn Street Cottage, multiple sessions of the *Alien* movie in the Planetarium, and the Mark Gee Night Sky Photography Workshop at Space Place quickly selling out.
- The final documentation required for Wellington Museum building works code compliance was completed by the fire engineer, and the documentation submitted to Council in mid-February.
- City Gallery Wellington hosted a visit by the Ambassador of Cuba.
- City Gallery Wellington's Director was the guest speaker at the opening and book launch for *Fiona Pardington: A Beautiful Hesitation* at Auckland Art Gallery 4 March (exhibition developed by City Gallery and touring to Auckland and Christchurch).
- Filming for the *Roxy5 Short Film Competition*, with Capital E began this month. There are 22 short films currently in production around the Wellington region with ideas ranging from interpretive dance to life as an immigrant in New Zealand.
- *Bullet Time* opened at City Gallery Wellington over the Easter weekend and is receiving a very positive response.

Pat Stuart
Chief Executive

**Experience Wellington (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%	
Trust Average	86%	#DIV/0!

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	138,697	37,500	49,157	37,500	45,205	37,500	44,335	37,500	37,500
Wellington Museum	120,000	104,148	28,200	22,368	31,800	34,753	31,800	47,027	28,200	28,200
Capital E	62,300	57,897	15,575	25,036	15,575	22,103	15,575	10,758	15,575	15,575
Cable Car Museum	221,000	198,418	50,830	40,642	59,670	74,259	59,670	83,517	50,830	50,830
Space Place	44,500	35,924	10,012	12,207	12,237	10,189	12,238	13,528	10,013	10,013
Nairn Street Cottage	2,200	2,633	550	508	550	163	550	1,962	550	550
Trust Total	600,000	537,717	142,667	149,318	157,332	186,672	157,333	201,127	142,668	-

*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	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	76,000	101,337		53,596		22,087		25,654		
Museums Wellington^^	90,500	91,260		47,487		19,637		24,136		
Capital E	36,000	38,382		15,069		13,481		9,832		
Trust Total	202,500	230,979		116,152		55,205		59,622		-

^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

Experience Wellington Board Meeting - 20 April 2016 - 2015-16 KPIs - Quarterly Report - Quarter 3, as at 31 March 2016

Social Media Profile^{^^^}						
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	23,636	22,454	23,680	24,774	
Museums Wellington ^{^^^}	4,000	5,622	4,881	5,619	6,367	
Capital E	4,000	3,970	3,743	3,962	4,205	
Space Place	5,750	7,220	7,000	7,163	7,496	
Trust Total	30,250	40,448	38,078	40,424	42,842	-

^{^^^}A snapshot of the number Facebook friends, Twitter and Instagram followers at period end.

^{^^^}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%	88%	87%	87%	89%	
Wellington Museum*	90%	89%	-	88%	90%	
Capital E	90%	98%	98%	97%	100%	
Cable Car Museum*	90%	74%	-	71%	77%	
Space Place*	90%	91%	-	91%	90%	
Nairn Street Cottage*	90%	84%	-	-	84%	
Trust Average	90%	#DIV/0!	93%	87%	88%	#DIV/0!

*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%	64%	77%	48%	68%	
Wellington Museum*	25%	30%	-	31%	28%	
Capital E	40%	54%	49%	56%	57%	
Cable Car Museum*	25%	24%	-	31%	17%	
Space Place*	20%	11%	-	0%	22%	
Trust Average	30%	#DIV/0!	63%	33%	38%	#DIV/0!

*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.

Experience Wellington Board Meeting - 20 April 2016 - 2015-16 KPIs - Quarterly Report - Quarter 3, as at 31 March 2016

Non Council Revenue		Achieved Q1 (to 30-Sep-15)	Achieved Q2 (to 31-Dec-15)	Achieved Q3 (to 31-Mar-16)	Achieved Q4 (to 30-Jun-16)
Non Council Revenue (\$'000)	Target 2015-16	Achieved 2015-16			
City Gallery Wellington	545	170	321	379	
Museums Wellington*	569	91	252	465	
Capital E	1,034	263	513	734	
Space Place	674	142	249	391	
Trust Total	2,988	754	1,335	1,969	

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

Spend per Visit*		Achieved Q1 (to 30-Sep-15)	Achieved Q2 (to 31-Dec-15)	Achieved Q3 (to 31-Mar-16)	Achieved Q4 (to 30-Jun-16)
Spend per Visit (\$)	Target 2015-16	Achieved 2015-16			
City Gallery Wellington	1.51	1.46	1.62	1.27	
Museums Wellington**	1.36	1.48	1.90	2.08	
Capital E	4.65	2.73	2.82	2.98	
Space Place	12.88	9.25	8.89	8.87	
Trust Average	2.61	2.46	2.53	2.53	

*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.

Council Subsidy per Visit^		Achieved Q1 (to 30-Sep-15)	Achieved Q2 (to 31-Dec-15)	Achieved Q3 (to 31-Mar-16)	Achieved Q4 (to 30-Jun-16)
Subsidy per Visit (\$)	Target 2015-16^^	Achieved 2015-16			
City Gallery Wellington	14.16	8.11	9.62	11.15	
Museums Wellington^^^	5.03	6.63	4.68	3.98	
Capital E	20.81	11.92	13.42	16.34	
Space Place	10.16	6.52	7.35	6.87	
Trust Average	11.09	11.11	9.72	9.13	

^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.

Experience Wellington Board Meeting - 20 April 2016 - 2015-16 KPIs - Quarterly Report - Quarter 3, as at 31 March 2016

**ECONOMIC GROWTH AND ARTS
COMMITTEE
21 JUNE 2016**

Actual 30-Jun-15	STATEMENT OF FINANCIAL PERFORMANCE (excluding Carter Observatory)	Actual 9 Mths to 31-Mar-16	Actual Qtr to 31-Dec-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
Revenue										
1,655	Trading Income	835	240	199	199	199	199	794	1,014	823
6,213	Council Operating Grant	4,661	1,554	1,554	1,554	1,554	1,554	6,215	6,371	6,532
1,769	Council Rental Grant	1,327	442	442	442	442	442	1,769	1,768	1,767
896	Other Grants	647	286	193	193	193	193	772	732	732
1,059	Sponsorships and Donations	120	11	102	102	102	102	406	423	333
120	Investment Income	64	36	23	23	23	23	90	94	98
273	Other Income	116	39	63	63	63	63	251	261	263
11,985	Total Revenue	7,770	2,608	2,574	2,574	2,574	2,574	10,298	10,662	10,549
Expenditure										
4,671	Employee Costs	3,609	1,120	1,138	1,138	1,138	1,138	4,550	4,668	4,873
1,338	Council Rent	676	338	338	338	338	338	1,353	1,353	1,353
2,560	Exhibitions & Programmes	913	285	382	382	382	382	1,527	1,955	1,489
525	Marketing & Promotions	311	123	124	124	124	124	495	570	500
1,094	Occupancy Costs (excluding Council Rent)	1,154	266	297	297	297	297	1,189	1,192	1,199
139	Communication Costs	97	26	27	27	27	27	110	110	110
101	Trustee Fees & Expenses	62	20	19	19	19	19	77	77	77
239	Technology Costs	109	37	36	36	36	36	146	147	148
333	Professional Fees	34	11	10	10	10	10	41	41	42
153	Administration Expenses	335	50	77	77	77	77	307	307	305
16	Other Operating Expenses	47	13	30	30	30	30	119	125	125
506	Depreciation	288	96	104	104	104	104	415	415	415
0	Interest	0	0	0	0	0	0	0	0	0
11,675	Total Expenditure	7,635	2,384	2,582	2,582	2,582	2,582	10,328	10,959	10,634
310	Net Surplus/(Deficit) before Taxation	135	224	(8)	(8)	(8)	(8)	(30)	(297)	(86)
	Taxation Expense									
310	Net Surplus/(Deficit)	135	224	(8)	(8)	(8)	(8)	(30)	(297)	(86)
2.6%	Operating Margin	1.7%	8.6%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-2.6%	-0.8%

Actual 30-Jun-15	STATEMENT OF FINANCIAL PERFORMANCE (Carter Observatory)	Actual Qtr to 31-Mar-16	Actual Qtr to 31-Dec-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
Revenue										
440	Trading Income	328	121	154	154	154	154	616	652	650
312	Council Operating Grant	247	80	82	82	82	82	329	336	342
0	Council Rental Grant	0	0	0	0	0	0	0	1	2
92	Other Grants	62	20	21	21	21	21	82	82	82
0	Sponsorships and Donations	0	0	5	5	5	5	19	19	19
0	Investment Income	0	0	0	0	0	0	0	1	2
2	Other Income	1	0	1	1	1	1	4	4	4
848	Total Revenue	638	221	262	262	262	262	1,049	1,094	1,101
Expenditure										
599	Employee Costs	451	176	169	169	169	169	677	693	708
0	Council Rent	0	0	0	0	0	0	0	0	0
33	Exhibitions & Programmes	8	2	22	22	22	22	88	88	88
38	Marketing & Promotions	77	32	31	31	31	31	123	94	94
62	Occupancy Costs (excluding Council Rent)	50	16	26	26	26	26	104	104	104
7	Communication Costs	5	1	4	4	4	4	17	17	17
0	Trustee Fees & Expenses	0	0	0	0	0	0	0	0	0
5	Technology Costs	5	0	1	1	1	1	4	4	4
0	Professional Fees	0	0	0	0	0	0	0	0	0
92	Administration Expenses	119	34	36	36	36	36	144	144	144
19	Other Operating Expenses	0	0	1	1	1	1	4	4	4
5	Depreciation	3	1	3	3	3	3	11	11	11
0	Interest	0	0	0	0	0	0	0	0	0
860	Total Expenditure	719	262	293	293	293	293	1,172	1,139	1,154
(14)	Net Surplus/(Deficit) before Taxation	(81)	(41)	(31)	(31)	(31)	(31)	(123)	(44)	(53)
	Taxation Expense									
(14)	Net Surplus/(Deficit)	(81)	(41)	(31)	(31)	(31)	(31)	(123)	(44)	(53)
-1.7%	Operating Margin	-12.7%	-18.5%	-11.7%	-11.7%	-11.7%	-11.7%	-11.7%	-4.0%	-4.8%

ECONOMIC GROWTH AND ARTS COMMITTEE

21 JUNE 2016

Total YE 30-Jun-15	STATEMENT OF FINANCIAL POSITION						Total YE 30-Jun-16	Total YE 30-Jun-17	Total YE 30-Jun-18
	Actual 31-Mar-16	Actual 31-Dec-15	Budget 30-Sep-15	Budget 31-Dec-15	Budget 31-Mar-16	Budget 30-Jun-16			
Shareholder/Trust Funds									
2,123 Share Capital/Settled Funds	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123
0 Revaluation Reserves	(1)	0	0	0	0	0	0	0	0
373 Restricted Funds	373	374	38	38	38	38	38	38	38
1,792 Retained Earnings	1,842	1,845	1,354	1,315	1,277	1,239	1,239	897	759
4,288 Total Shareholder/Trust Funds	4,336	4,342	3,497	3,441	3,386	3,330	3,330	2,831	2,706
Current Assets									
545 Cash and Bank	96	140	10	10	10	10	10	10	10
995 Accounts Receivable	256	286	120	120	120	120	120	126	132
130 Other Current Assets	166	203	100	100	100	100	100	105	110
1,670 Total Current Assets	518	629	230	230	230	230	230	241	253
Investments									
2,521 Deposits on Call	5,164	2,901	1,778	143	1,749	156	156	228	214
0 Other Investments	(1)	0	0	0	0	0	0	0	0
2,521 Total Investments	5,163	2,901	1,778	143	1,749	156	156	228	214
Non-Current Assets									
4,079 Fixed Assets	4,254	4,388	4,151	4,157	4,163	4,169	4,169	4,214	4,238
29 Other Non-current Assets	14	15	16	16	16	16	16	16	16
4,108 Total Non-current Assets	4,268	4,383	4,167	4,173	4,179	4,185	4,185	4,230	4,254
8,299 Total Assets	9,949	7,914	6,175	4,546	6,159	4,571	4,571	4,698	4,721
Current Liabilities									
3,566 Accounts Payable and Accruals	3,632	3,235	572	577	622	671	671	1,115	1,250
447 Provisions	344	337	498	493	498	500	500	525	551
0 Other Current Liabilities	(1)	0	0	0	0	0	0	0	0
4,013 Total Current Liabilities	3,976	3,572	1,069	1,070	1,120	1,171	1,171	1,640	1,801
Non-Current Liabilities									
0 Loans - WCC	0	0	0	0	0	0	0	0	0
0 Loans - Other	0	0	0	0	0	0	0	0	0
0 Other Non-Current Liabilities	1,636	0	1,601	0	1,601	0	0	0	0
0 Total Non-Current Liabilities	1,636	0	1,601	0	1,601	0	0	0	0
4,286 Net Assets	4,337	4,342	3,515	3,476	3,438	3,400	3,400	3,058	2,920
0.42 Current Ratio	0.13	0.18	0.22	0.21	0.21	0.20	0.20	0.15	0.14
0.52 Equity Ratio	0.44	0.55	0.57	0.78	0.56	0.74	0.74	0.65	0.62

Total YE 30-Jun-15	STATEMENT OF CASH FLOWS	Actual	Actual	Budget	Budget	Budget	Budget	Total YE	Total YE	Total YE
		9 Mths to 31-Mar-16	Qtr to 31-Dec-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
Cash provided from:										
2,059	Trading Receipts	1,799	469	481	353	353	353	1,538	1,655	1,482
8,294	WCC Grants	6,235	3,714	3,679	478	3,679	478	8,313	8,475	8,644
988	Other Grants	709	307	213	213	213	213	854	814	814
1,059	Sponsorships and Donations	120	11	106	106	106	106	425	442	352
120	Investment Income	64	36	23	23	23	23	90	95	100
275	Other Income	117	39	64	64	64	64	254	264	267
12,795		9,044	4,576	4,565	1,236	4,457	1,236	11,475	11,745	11,638
Cash applied to:										
5,270	Payments to Employees	4,061	1,296	1,307	1,307	1,307	1,307	5,227	5,360	5,581
4,788	Payments to Suppliers	4,440	2,210	1,743	1,743	1,704	1,702	6,894	7,060	6,835
123	Net GST Cashflow	5	1	(292)	(292)	(292)	(292)	(1,169)	(1,217)	(1,215)
0	Other Operating Costs	0	0	0	0	0	0	0	0	0
0	Interest Paid	0	0	0	0	0	0	0	0	0
10,181		8,505	3,508	2,758	2,758	2,719	2,717	10,952	11,203	11,202
2,614	Total Operating Cash Flow	539	1,068	1,807	(1,522)	1,719	(1,481)	523	542	436
Investing Cash Flow										
Cash provided from:										
0	Sale of Fixed Assets	0	0	0	0	0	0	0	0	0
0	Other	0	0	0	0	0	0	0	0	0
Cash applied to:										
601	Purchase of Fixed Assets	564	122	113	113	113	113	450	470	450
0	Other	0	0	0	0	0	0	0	0	0
601		564	122	113	113	113	113	450	470	450
(601)	Total Investing Cash Flow	(564)	(122)	(113)	(113)	(113)	(113)	(450)	(470)	(450)

**ECONOMIC GROWTH AND ARTS
COMMITTEE**
21 JUNE 2016

Budget 30-Jun-15	STATEMENT OF CASH FLOWS (CONT)	Actual Mths to 31-Mar-16	Actual Qtr to 31-Dec-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
Financing Cash Flow										
Cash provided from:										
0	Drawdown of Loans	0	0	0	0	0	0	0	0	0
0	Other	0	0	0	0	0	0	0	0	0
Cash applied to:										
0	Repayment of Loans	0	0	0	0	0	0	0	0	0
0	Other	0	0	0	0	0	0	0	0	0
0		0	0	0	0	0	0	0	0	0
0	Total Financing Cash Flow	0	0	0	0	0	0	0	0	0
2,013	Net Increase/(Decrease) in Cash Held	(25)	947	1,695	(1,635)	1,606	(1,594)	73	72	(14)
1,053	Opening Cash Equivalents	3,066	3,066	92	1,787	152	1,758	92	165	237
3,066	Closing Cash Equivalents	3,041	4,013	1,787	152	1,758	165	165	237	223
		(0)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Budget 30-Jun-15	CASH FLOW RECONCILIATION	Actual Mths to 31-Mar-16	Actual Qtr to 31-Dec-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	Operating Surplus/(Deficit) for the Year	54	183	(38)	(38)	(38)	(38)	(153)	(342)	(139)
Add Non Cash Items										
511	Depreciation	290	97	106	106	106	106	426	426	426
0	Other	0	0	0	0	0	0	0	0	0
807		344	280	68	68	68	68	273	84	287
Movements in Working Capital										
(134)	(Increase)/Decrease in Receivables	709	208	(7)	0	0	0	(7)	(6)	(6)
(27)	(Increase)/Decrease in Other Current Assets	(73)	(100)	135	0	0	0	135	(5)	-5
665	Increase/(Decrease) in Accounts Payable	(441)	(959)	6	6	45	49	105	444	135
1,303	Increase/(Decrease) in Other Current Liabilities	0	1,639	1,606	-1,695	1,606	-1,598	17	25	26
1,607		195	788	1,739	-1,690	1,650	-1,549	250	458	148
Net Gain/(Loss) on Sale:										
0	Fixed Assets	0	0	0	0	0	0	0	0	0
0	Investments	0	0	0	0	0	0	0	0	0
2,614	Net Cash Flow from Operations	539	1,068	1,807	(1,622)	1,719	(1,481)	523	542	436
0		0	0	0	0	0	0	0	0	0



QUARTERLY REPORT

Q3 (January – March)

Financial Year 2015/16

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Executive Summary

The third Quarter of the 2015-16 Financial Year has seen Wellington Regional Economic Development Agency (WREDA) teams continue to deliver strongly across the breadth of operations, while the process of organisational integration has gathered pace.

The first three months of the calendar year have seen major initiatives developed, launched and gathering pace. The Wellington International Student Growth Programme is gaining traction with foundational projects upon which the multi-year phases of this workstream will be built. Visitor attraction campaigns targeting both domestic and Australian visitation are now in-market, building on strong momentum in the sector. A new programme to leverage Wellington's innovation resources, encouraging tech-oriented multinationals to expand their footprint in the region has launched. Meanwhile, the high-quality summer events schedule has kept our venue operations and i-SITE teams busy – as well as providing a significant boost to the regional economy.

Business activity in our priority sectors is positive. Screen production activity in the region is increasing, with WREDA playing a liaison and facilitation role between production companies and community stakeholders. International deals done in the primary/F&B sector, with WREDA support, have delivered significant ongoing benefits for Wairarapa producers, and progress on the Water Project promises further opportunities for growth. Deals have also been done to secure high-value event product for the region, with our venue and Business Events Wellington teams both recording new business 'wins' this Quarter.

From an internal and stakeholder perspective, the appointment and arrival of the WREDA Leadership Team is one of the most important milestones of the immediate past period. The General Managers bring fresh eyes and energy to WREDA, and along with the CEO, will lead the next phase of organisational design, building the teams that will deliver on our strategic objectives in the months and years ahead.

Looking to the next quarter, WREDA will undergo major transitional changes, with the completion of the Phase Two Organisational Design process finalising and implementing our integrated team structure.

Our 2016-2019 Statement of Intent (SOI) will also be finalised and delivered before the end of the Financial Year. Constructive feedback from council shareholders on drafts, plus the necessary internal review as part of transition, have all contributed to the articulation of a robust programme and ambitious performance measure framework in the SOI.

By the beginning of the 2017 Financial Year, WREDA will have both human and strategic resources in position to enhance performance in core business areas, deploy new high-impact activity programmes, and continue delivering significant progress on our strategic priorities, on behalf of the people of the Wellington region.

Activity Update

Business growth and sector development

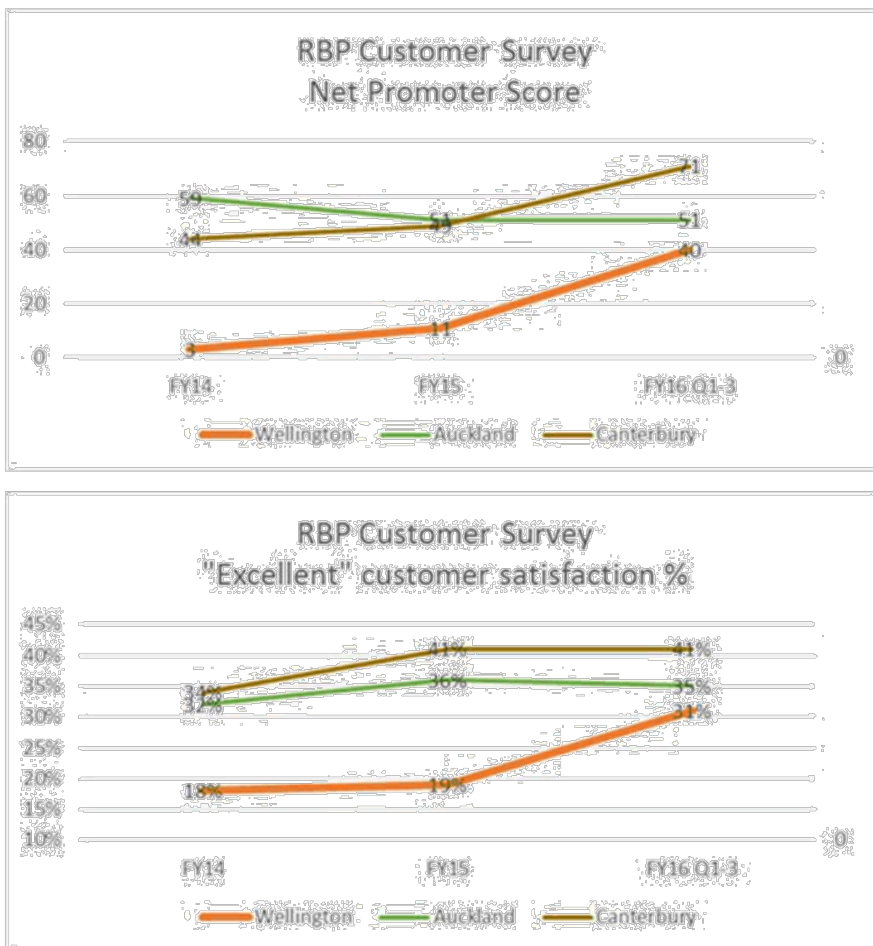
Regional Business Partner Programme

From a total pool of \$450,000 in management capability development funding vouchers, in the year-to-date (YTD) we have approved allocation of \$380,000 to 127 Wellington businesses.

- 269 businesses are actively engaged in the programme so far this year.
- 184 Business Mentors NZ (BMNZ) matches have been made, already above the target for the year of 168.

The first three quarters of this financial year have also seen a significant and very pleasing improvement in the customer satisfaction ratings for the programme, as seen below.

Figure 1: Results from MBIE-conducted survey of RBP customers

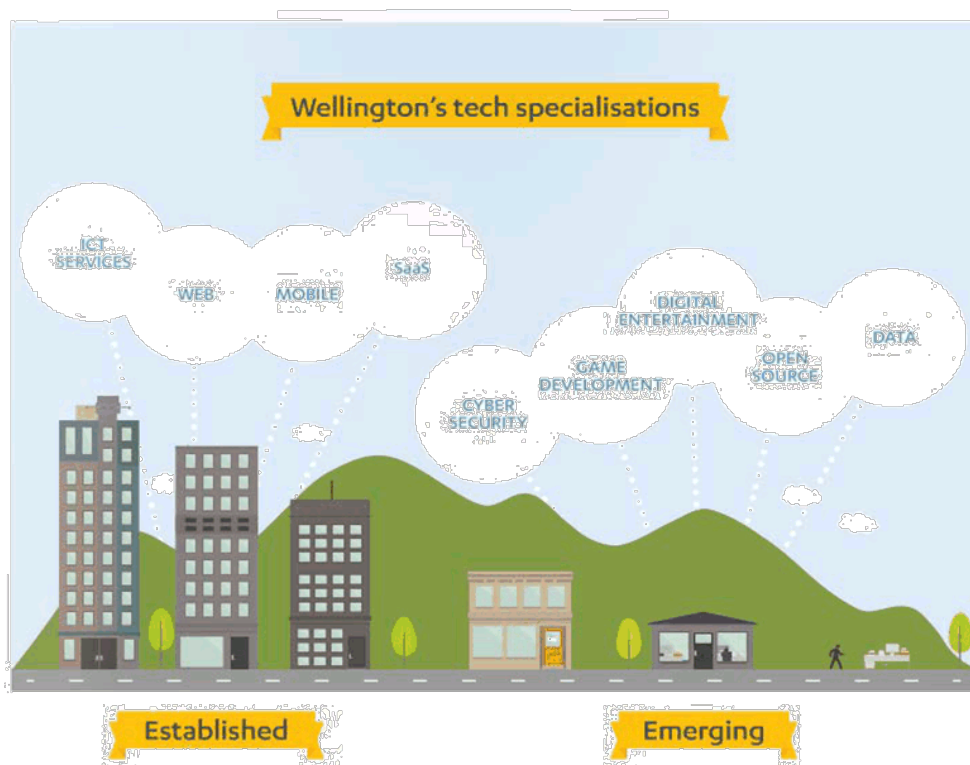


Wellington Tech Sector Strategy

The Wellington Tech Strategy document has been completed and published, and is [available online](#) and in print.

The document contains a strategic analysis of the tech sector landscape, including opportunities for future growth and development.

Figure 2: Illustration from Tech Sector Strategy document



The Tech Sector Strategy document also identifies opportunities for economic development agency intervention, which will inform WREDA business planning in this area.

Wellington International Student Growth Programme (WISGP)

The initial stages of this multi-year programme focus on creating new and better opportunities for the international students already present in Wellington.

The *Work Readiness* component of the WISGP involves a series of courses designed to assist international students move confidently into the Wellington workforce post-graduation. Developed in partnership with the Wellington Employers Chamber of Commerce, the course content includes CV development, interview technique and workplace communications in a New Zealand context.

Three scheduled courses for 2016, (starting with the pilot in May) have been designed and are already fully subscribed. From 2017, the courses will run at minimum four times a year.

Work Pathways is about creating internship and work experience opportunities for international students in Wellington. To date the programme component has taken stock of current pathway opportunities in the region, and identified areas for potential development. Future stages will involve the development of tools to promote the benefit of international interns to Wellington businesses, (in particular to export-focussed enterprise), and partnership with the regional Chambers to maximise insight and networking reach.

In terms of student attraction, in the last quarter we have

- initiated foundational research into international student decision-making, using a specialist research partner;
- traveled with Education New Zealand and local providers to international education events in South America in January. Meetings were completed with 25 international agents and approximately 600 students, supported by promotional materials; and
- hosted agents from Thailand (3) and Japan (1) have also been hosted for familiarisation visits.

The regional *Accommodation Review* component also began this quarter, to quantify the needs and opportunities in the provision of student accommodation, in anticipation of significant growth.

According to the education New Zealand Student Visa Dashboard, the first three months of the calendar year saw Total Student Visas (TSVs) issued decline across the country. Auckland registered an 8% drop compared with the same quarter in 2015, leading a 6% decline across New Zealand. The Wellington region resisted this trend, with a very small decrease (1%), equating to a firming of our market share position from 7.0% to 7.4%.

Figure 3: Education New Zealand Student Visa Dashboard March 2016

Indicator	TSV	2015 YTD	2016 YTD	Change in numbers	% change
↓	Auckland	17,365	16,007	-1,358	-8%
→	Canterbury	2,803	2,824	21	1%
→	Wellington	2,038	2,026	-12	-1%
→	Waikato	2,029	1,997	-32	-2%
↓	Otago	1,777	1,664	-113	-6%
↓	Manawatu	1,029	839	-190	-18%
→	Bay of Plenty	593	570	-23	-4%
↑	Nelson	282	300	18	6%
↑	Hawke's Bay	252	286	34	13%
↓	Southland	291	269	-22	-8%
→	Taranaki	209	210	1	0%
↓	Other	168	147	-21	-13%
↓	Northland	129	111	-18	-14%
↓	Cisborne	21	14	-7	-33%
→	West Coast	4	4	0	0%
↓	Grand Total	28,993	27,268	- 1,725	-6%

Wairarapa Water Project

Support for the development of a productivity-enhancing irrigation scheme continued this quarter, with the following key activities:

- Worked with land use experts to develop farm case study on land use change scenarios under irrigation for each of the 3 example properties
- Organised and led a seminar with the NZ Institute of Primary Industry Managers (Lower North Island) showcasing the case study results to an audience of approximately 50 industry professionals
- Deeply engaged in planning for Field Days and farmer engagement which occurs in April.

Food & Beverage/Primary Sector

WREDA organised producer/supplier participation in the Visa Wellington On a Plate Supplier Showcase event in February in the Michael Fowler Centre.

- This year saw the highest attendance to date, with a total of 81 exhibitors, plus 28 winery attendees
- Invited retail guests from Auckland (Nosh, Farro Fresh), Australia (David Jones) and locals (Moore Wilson, New World's)
- In addition to hosting David Jones wholesale buyers at the event, we organised a private showcase targeting Wellington suppliers suitable for David Jones' café offering.

Following participation in the civic delegation to China in October, WREDA hosted representatives from Seashine Supermarkets (Xiamen), with the goal of getting Wellington regional produce into their stores.

- As a result, Seashine signed Memoranda of Understanding at Parliament in mid-March with Watson & Sons (Manuka honey) and Matahiwi Vineyard.
- Deals likely with at least 4 other providers.

Independent advisory support for the Wellington Wine Country marketing collective of Wairarapa producers continued this quarter, including input on strategy and objectives ahead of the recruitment of a General Manager for the organisation. WREDA also investigated potential conflicts with the Wellington wine region of South Africa, and consider it low risk.

Also ongoing this quarter was strategic and secretarial support for Wairarapa Water Users Society (existing irrigators) and Southern North Island Wood Council (forestry sector group).

Screen Sector

In the quarter, Screen Wellington issued 17 filming permits, followed by 60 in April, indicating a high level of activity in the region.

For the major feature productions underway in the region, *Ghost in the Shell* and *Goodbye Pork Pie*, WREDA conducted liaison work with production companies, publicists and local stakeholders, including the OurCBD group, to mitigate retailer and resident resistance to filming.

Figure 4: Media coverage of film production in Wellington CBD



Via statements and interviews with CEO Chris Whelan, WREDA acted as advocate for the value of film production activity to the Wellington economy, when road closures caused some disruption.

This role continued in response to the release in April of government figures showing a significant decrease in film sector revenue, following the conclusion of *The Hobbit* trilogy, with Chris Whelan quoted in Fairfax media saying:

"In terms of facilities, locations and expertise, Wellington's credentials as a feature film destination are second-to-none. We are in demand for current and future projects, and film production – including the occasional mega-project – is set to be an important contributor to the Wellington economy for the foreseeable future."

In other developments this quarter, having received and assessed proposals from a number of major firms, WREDA selected EY as feasibility study provider for a regional sound studio project. This study is now underway, with the end of this Financial Year as delivery deadline.

The appointment of New Zealand Film Commission CEO Dave Gibson to the WREDA Board of Directors has facilitated an increased level of engagement between the organisations, with major projects now under discussion, including;

- Regional sound stage
- Joint marketing initiatives around release of Disney's *Pete's Dragon*
- 3 x project attraction leads
- Market intelligence on positioning Wellington as a production destination, leading to current development of a new collateral map highlighting location diversity in a 20km radius of the city.

Business attraction

Multinational R&D Investment

In the last quarter, a new programme has been initiated to increase research & development and investment by multinational companies (MNCs) in Wellington.

The strategy is to empower local subsidiaries of large MNCs to communicate the benefits of establishing or expanding their footprint in Wellington. A series of innovation workshops (two completed to date) will forge closer links between MNCs, tertiary institutions and Crown Research Institutes. Participants begin to explore how Wellington's innovation resources can address technological opportunities or challenges across their global business. Current participants include Merck, Lockheed Martin, Aviat Networks, Dulux and Ericsson.

A WREDA 'wraparound' of resources demonstrating the talent, lifestyle and visitor benefits of the region provides the local subsidiaries with a powerful case to pitch their head office for expansion.

The programme aligns closely with MBIE's strategy for multinational R&D attraction, and opportunities to leverage this alignment are being explored.

Business innovation

Biomedical initiative

WREDA has picked up the leadership of this initiative, at the request of WCC.

In the last quarter, we hosted a meeting of all stakeholders (universities, research institutes, powerhouse, MBIE, Callaghan Innovation) to restart and refocus the project following handover from the outgoing project director. The immediate focus for the initiative is management of the relationship with a high-value migrant who is considering purchase of, and significant investment in, a biomedical enterprise based in the region.

Looking forward, WREDA will create an action plan for the initiative, identifying opportunities for collective intervention or action by stakeholders in support of biomedical development in the region.

Innovation Alliance

WREDA is a foundation member of this informal alliance of regional authorities that grew out of MBIE- and Callaghan Innovation-funded delegations to the US, Europe, the UK and, most recently, China.

Key objectives of the Alliance include:

- Promoting best practice in the management of hubs and precincts across the country through the national network of practitioners;

- Applying lessons learned from international best practice in the development of new hubs and precincts; and
- Contributing to/influencing the development of national policy.

In its early stages, the Alliance currently represents Wellington, Auckland and Christchurch, with links to other regions. Discussions with MBIE to establish a formally aligned relationship are ongoing.

Wellington ICT Graduate School (WICTGS)

The WICTGS was officially launched by Minister Steven Joyce on May 3.

WREDA has contributed to the development of the school primarily via the presence of Adrian Gregory on the Establishment Board. Adrian has worked to build industry engagement with the School, via the development of scholarship, research project and industry placement opportunities. In partnership with the Director of the School, this 'menu' of engagement opportunities will be rolled out over the coming months.

Figure 5: Minister for Economic Development, Science & Innovation and Tertiary Education Steven Joyce speaks at the WICTGS Launch



Venue Operations

Performance & Exhibitions (P&E)

P&E experienced another busy period in Q3.

- 85 events
- 78,435 attendees (64,242 paid ticket holders)

- 17% from outside of the WREDA area, 40% from outside Wellington City

The following events were sold out:

- *Danny Bhoj* Michael Fowler Centre - 3 March
- *Sol3 Mio* TSB Bank Arena - 19 March
- *Dawn French* Michael Fowler Centre - Opera House, 21-24 March
- *John Cleese & Eric Idle* Michael Fowler Centre – 28 March

Other highlights included *Simply Red* (TSB Bank Arena, 19 March), and the New Zealand Festival (NZF), during which the team successfully delivered 64 events over a 24-day period. There were 49,242 patrons across NZF events in our venues, 21% from outside the region.

Conferences & Events (C&E)

C&E delivered 38 events for Q3 2016, compared to 50 events in the same period 2014/15. This was down from 50 in Q3 2015, due to biennial New Zealand Festival hires significantly impacting access to venues for business events in 2016.

Event highlights included:

- **Chinese New Year cultural festival**
Held at TSB Bank Arena and Shed 6, this event saw approximately 10,000 attendees enjoy the celebrations, with food stalls and cultural performances.
- **Webstock**
In a record year of attendance for their 10th anniversary, Webstock was attended by over 875 delegates, participating in the two day conference and pre-event workshops on the future of digital creativity and community. Speakers were hosted from as far afield as the US, UK and India, and included speakers from Google, NASA, and Museum Hack, as well as experts in the fields of UX design, the Internet of Things, global security and intelligence, and the world's most popular 'mommy blogger'.



Figure 6: The St James Theatre dressed for Webstock 2016

Event growth

Across the Quarter, 16 P&E events were contracted, with total venue rental of \$242,924. In addition the P&E team have secured 2 international theatre seasons for Q3 2017, with an estimated revenue of \$500,000.

In the same period, 52 C&E events were contracted, including:

- 6 multi-day conferences;
- a multi-year deal for the Electricity Engineers Association (EEA) Conferences 2016/2017 following successful delivery in 2015;
- the inaugural ITx2016 conference for the Institute of IT Professionals;
- the Aviation Leadership Summit; and
- the return of the National Rural Health Conference and Kiwicon

The official opening of Mojo St James in mid-February was an exciting milestone and we were delighted to have the Mayor and Deputy Mayor of Wellington in attendance, as well as many prominent Wellingtonians. We are working with Mojo on opportunities to leverage our partnership to drive event hires for the St James Foyer/Mojo outside of performance days.

Digital Marketing

WellingtonNZ.com traffic

Following a strong performing March, traffic to WellingtonNZ.com has increased by 16% when compared to the first nine months of the last financial year (July-March).

In the 12 months to March, our year-end run rate is 2,964,480, representing a 12% increase year-on-year.

The third quarter of this year increased 9% on Q3 2014-15, with 640,372 visits.

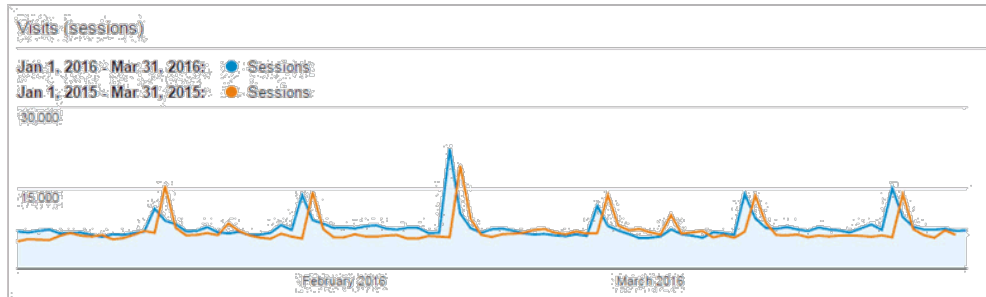


Figure 7: WellingtonNZ.com traffic for Q3 showing overall 9% gain (nb: peaks correspond to e-newsletter mailouts)

Website development

Work has continued on WREDA's single digital platform project in Q3.

The Content Management System from Silverstripe is being upgraded to enable the one platform approach. This will see all digital assets, including websites, brought onto one back-end platform, while allowing for distinct front-facing domains if required.

Within this project is included a corporate presence for WREDA on the site. This went live in the last quarter, and will be expanded following the detailed definition of team structure via the Phase Two Organisational Design process in the current quarter.

Visitor Marketing

Campaign activity

In the last Quarter, two visitor marketing campaigns were created and developed, both launching in-market in April.

- **Domestic visitation**

The *'It's never just winter when it's in Wellington'* campaign is currently across TV, Digital Video, Digital Banners, Social, Outdoor Billboards and PR.

The campaign highlights the benefits of an 'escape' from the winter doldrums via a weekend of colour, culture and cuisine in Wellington.

Figure 8: Domestic visitor campaign TV commercial



- **Australian visitation**

The '[When Melly met Welly...and Nelly](#)' digital content and PR campaign was developed in partnership by WREDA, Wellington International Airport, Nelson Tasman Tourism and Nelson Airport. Targeting the Melbourne market, it supports the MEL-WLG Jetstar service which has brought over 62,000 passengers to Wellington since launching in March 2015. The campaign features video advertising across YouTube, Unruly, Yahoo!, Facebook, Twitter, Vevo and Instagram. The campaign also includes media famils and a content partnership with digital publisher Broadsheet.

Media Programme

In the March Quarter, 121 media clips have been generated across New Zealand and Australia, with a total advertising value of over \$1.5 million.

Highlights have included:

- **New Zealand**

Extensive coverage across print and radio with Mike Yardley, numerous pieces on New Zealand Festival, a culinary article in Cuisine magazine, Woman's Day's *5 reasons to love the Wellington Sevens*, and Sunday Star Times' preview of CubaDupa

- **Australia**

Strong coverage in print outlets including Herald Sun, Sunday Telegraph, Sunday Times, Sunday Mail Brisbane, Sunday Mail Adelaide. Extensive online coverage on platforms including NineMSN, Travel and Leisure Online, Citizens of the World, Pop Sugar, News Corp, AWOL, and Cycling Tips.

22 media famils were hosted across the Quarter, including;

- Eight international media from USA, UK, Germany and France
- Australian outlets including The Guardian, Delicious magazine, Sydney Morning Herald Traveller
- New Zealand newspapers Taranaki Daily Mail, Manawatu Standard and Nelson Mail, and a nature focused 'instameet'

Events marketing

Marketing support was provided to the following events during the last Quarter:

- Sevens Wellington, (30 – 31 Jan) support through owned channels
- NZ Festival (26 Feb – 20 March), comprehensive support through owned channels and media hosting
- Cubadupa (19 – 20 March), comprehensive support through owned channels and media hosting
- Royal Edinburgh Military Tattoo (18 – 21 Feb), support though owned channels and city excitement activity

The Royal Edinburgh Military Tattoo made a significant contribution to visitor numbers in the Quarter, and February in particular. Over 84,000 people attended the event, with 51% from out of town.

WREDA marketing teams promoted the shows through their owned channels and ran city excitement activity in the weeks leading up to the shows. This activity centred on the theme of tartan, with the majority of the activity taking place on Tuesday 16 February which was affectionately called 'Tartan Tuesday'.

The campaign incorporated outdoor advertising, an activation, radio advertising and social media advertising, combined with leveraging PWT's owned channels and media programme. The campaign reach was over 5,082,000, resulting in a total campaign value of more than \$37,000, nearly four times the allocated budget.

WREDA also drove media communications on [the value of the Tattoo to the region](#), with pickup across three major national outlets.

- **Dominion Post, Marlborough Express, Taranaki Daily News, The Press, Southland Times, 16 Feb**

[Royal Edinburgh Military Tattoo set to pump \\$16m into Wellington economy](#)

"It's like having an All Black test double-header. The city and region are going to be buzzing and the atmosphere will be electric," Whelan said.

- **TVNZ Breakfast, 18 Feb**

Live interview with Chris Whelan on the expected numbers for the Royal Edinburgh Military Tattoo.

- **ONE NEWS AT 6PM, 18 Feb**

Report on the opening day of the Royal Edinburgh Military Tattoo, including comment from Chris Whelan on visitor numbers and economic benefits.

Business Events Wellington

The Business Events Wellington (BEW) team hosted a Wellington Open Day for local event organisers on 23 March. The goal was to increase their familiarity with members' capabilities, in terms of venues, products and services. The Open Day involved:

- 92 event organiser delegates on 3 coach tours
- 25 BEW member organisations on show

Strong positive feedback was received from attendees and members, and multiple booking discussions were initiated over the course of the day.

The team also provided advice and market insight to Boomrock and Weta, to assist their development of business incentive market product. This included options for Wellington-based incentive group programmes.

The big conference bid win for the Quarter was the World Administrators Summit in 2021, which will deliver approximately 400 international delegates to the region, for an estimated economic impact of more than \$900,000.

Travel trade marketing

23 appointments were undertaken with Australian travel sellers during March at Tourism New Zealand's Insights event. Interest and conversion in travel to New Zealand remains buoyant; the only negative reported was the difficulty in itinerary planning due to congestion in some New Zealand hotspots – including Wellington – during the summer.

Meetings with Singapore Airlines Leisure Sales teams in Singapore, Sydney, London, Paris and Frankfurt were undertaken in March, in advance of the Singapore Airlines 'Capital Express' service coming online.

Wellington i-SITE Visitor Information Centre

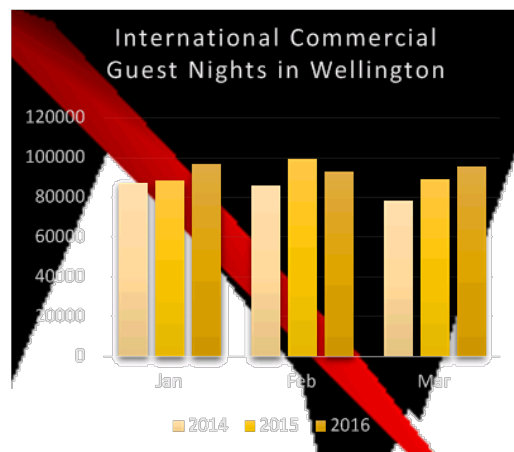
The 2015/16 cruise season concluded just after Q3, with i-SITE and Wellington City Ambassador teams having hosted 76 ships and 230,000 passengers. Cruise New Zealand estimated an economic impact of \$65.7 million to Wellington.

With even higher passenger and visitor numbers anticipated for next season, recruitment began immediately to increase the pool of WCA volunteers.

The total door count of visitors through the i-SITE Visitor Information Centre in the last Quarter was 128,024. This represents an increase of 8.25% on Q3 2015, with March alone increasing by more than 22%. Total i-SITE revenue was up by 14% in the quarter to \$1,089,599. Sales of Wellington product were \$456,203, a 21% increase.

Visitor statistics

According to MBIE data, in the last quarter there were 751,344 Commercial Guest nights in Wellington, the highest quarterly total on record by a margin of just under 50,000. This represented a 7.6% increase on the same quarter last year.



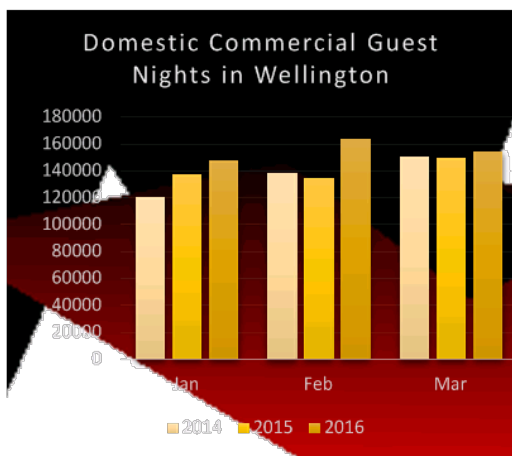


Figure 9: Commercial Accommodation Monitor data, Q3

Financials

In respect of the nine months, revenue overall is running ahead of budget due to increased funding received for Creative HQ’s Lean15 conference, Lightning Lab Manufacturing, and additional funding from Callaghan Innovation

In addition, partner revenue is up due to increased funding (over budget) from the Airport and the hotels for domestic and Australian marketing.

Operating expenses are below budget as the result

of;

- lower salaries, resulting from a part-freeze on hiring new staff;
- delayed marketing spend as the result of a major Australian campaign being deferred until April; and
- lower costs in Grow Wellington resulting from the phasing of expenditure.

These savings have been partly offset by;

- higher costs of CHQ events (funded by the increased revenue noted above)
- increased cost of sales through the I-Site.

Statements of Comprehensive Income, Financial Position, and Cash Flows are on the following pages.

WREDA

Consolidated excluding Venues Project

STATEMENT OF COMPREHENSIVE INCOME	YTD Actual 31-Mar-16	YTD Budget 31-Mar-16
Revenue		
Event revenue	46,898	25,000
Shareholder grants	12,581,229	12,735,864
Government grants	438,699	450,000
Partner revenue	1,185,858	996,296
Visitor Centre	2,255,470	2,200,550
CHQ Third party funding	45,213	48,437
CHQ Sponsorship	45,803	61,500
Sub lease and carpark revenue	286,761	224,661
Interest income	9,830	7,574
Other income	1,985,676	1,351,086
Total Revenue	18,881,437	18,100,968
Total Direct Costs	4,738,446	4,811,296
Operating costs	12,622,673	12,722,234
Depreciation	103,449	97,429
Net surplus	1,416,869	470,009

WREDA
Consolidated excluding Venues Project

STATEMENT OF FINANCIAL POSITION	Actual 31-Mar-16	Budget 31-Mar-16
Shareholders Equity		
Paid up capital	1,000	1,000
Retained earnings	3,115,726	2,145,709
Total Shareholder/Trust Funds	3,116,726	2,146,709
Current Assets		
Cash and cash equivalents	3,651,100	3,376,368
Other current assets	900,902	821,280
Total Current Assets	4,552,002	4,197,648
Investments	1,400,992	1,400,992
Non-current Assets		
Fixed assets	321,493	353,667
Other non-current assets	0	0
Total Non-current Assets	321,493	353,667
Total Assets	6,274,487	5,952,307
Current Liabilities		
Accounts payable	592,316	697,000
Other current liabilities	2,565,446	3,108,598
Total Current Liabilities	3,157,761	3,805,598
Non-current Liabilities	0	0
Total Liabilities	3,157,761	3,805,598
Net Assets	3,116,726	2,146,709

WREDA

Consolidated excluding Venues Project

STATEMENT OF CASH FLOWS	YTD Actual 31-Mar-16	YTD Budget 31-Mar-16
Cash Flows From Operating Activities		
Inflows		
Trading Receipts	2,800,551	2,938,041
Shareholder grants	10,689,694	10,100,303
Partner revenue	1,395,858	996,296
Other Income	2,446,228	2,245,669
Outflows		
Payments to Employees	5,177,522	5,385,242
Payments to Suppliers	9,209,697	8,896,300
Net GST Cashflow	705,332	443,788
Other Operating Costs	65,500	50,254
Net Cash Flows From (Used In) Operating Activities	2,174,280	1,504,725
Cash Flows From (Used In) Investing Activities		
Inflows		
Sale of fixed assets	0	0
Sale of investment assets	0	0
Other	0	0
Outflows		
Purchase of fixed assets	86,752	61,000
Purchase of investments	0	0
Other	0	0
Total Investing Cash Flow	-86,752	-61,000
Cash Flows From (Used In) Financing Activities		
Inflows		
Investment income	0	0
Other	9,828	4,500
Outflows		
Interest paid	0	0
Other	0	0
Total Financing Cash Flow	9,828	4,500
Net Increase/(Decrease) in Cash Held	2,097,356	1,448,225
Opening Cash Equivalents	1,553,744	1,928,143
Closing Cash Equivalents	3,651,100	3,376,368

FY2016 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	Major events not expected to transfer until 1 July.
2. Major events over the entire portfolio will achieve an economic benefit for every dollar invested				20:1	
3. Major events will exceed attendances at their supported events				>500,000	
4. Venues will achieve a minimum utilisation rate across all of its venues	43%	>56%	>48%	>56%	Lower YTD actual reflects the unavailability of the Town Hall, (which was utilised for the Hobbit scoring in FY15), and little theatre product touring Wellington affecting utilisation of the St James Theatre. The traditional holiday period lull also impacts the YTD figure.
5. Maintain Wellington's Convention and Incentive market share of the multi-day conference market within the NZ market	17%	16%	16%	16%	Budget is expected to be achieved.
6. Number of direct Australian visitor arrivals will exceed 2014/15 levels	20%	2%	10%	2%	The impact of the increased Jetstar services to the Gold Coast and Melbourne which had just started in December 2014
Performance Measure 2015/16	YTD Actual	YTD Budget	Forecast for the year	Budget for the year	Commentary

7. Increase spend of international visitors to Wellington will exceed 2014/15	13%	4%	10%	4%	Higher visitors due in part to the impact of the Jetstar services.
8. The number of "visits" to the WellingtonNZ website will exceed (relative to 2014/15)	16%	10%	13%	10%	Budget is expected to be achieved
9. The value of shareholdings in third party companies received by WREDA in return for providing services will exceed	-	-	\$1.4 M	\$1.4M	Next valuation April 2016. At this stage the budget is expected to be achieved
11. Completion of growth sector plans for: <ul style="list-style-type: none"> • Screen • ICT/ Digital • Education • Creative 	-	-	On track	June 2016	ICT/Digital completed and published Wellington International Student Growth Project (major component of education strategy) plan completed and funded Creative on hold until FY2017 pending organisational redesign
12. Increase in value of new businesses setting up in Wellington from the pipeline	\$1.5m	n/a	\$30.5M	Total of \$45 million EVA over 3 years	Three new international businesses have set up in Wellington in the energy, management advice/consulting, and forestry sectors. Using conservative valuation methodology, these equate to an economic value of at least \$1.5m.
Performance Measure 2015/16	YTD Actual	YTD Budget	Forecast for the year	Budget for the year	Commentary

13. Facilitate screen production to Wellington with a combined production value of:	\$70 m	n/a	\$73.4m	\$20m	Led by major productions <i>Ghost in the Shell</i> and <i>Goodbye Pork Pie</i>
14. WREDA is a single integrated organisation with new structure.	n/a	n/a	Completed by June 2016	By June 2016	Process of Phase 2 Organisational Design underway. Consultation scheduled for June. Decision Document in June/early July
15. Increase in the number of jobs in the region	800	n/a	2000	Average of 2,000 jobs per year over 3 years	
16. Number of businesses established in region increased by:	261	n/a	400	200	
17. Help accelerator and incubator companies raise capital	\$2.7m	\$2m	\$4m	\$3m pa	

UPDATE ON THE AIRPORT RUNWAY EXTENSION PROJECT

Purpose

1. At the Economic Growth and Arts Committee meeting, representatives of Wellington International Airport Limited (WIAL) will present an update to the Committee on the work regarding a potential runway extension.

Summary

2. Representatives of WIAL will present to the Committee on progress to date on the process to secure the necessary Resource Management Act approvals for the extension of the length of the Wellington Airport runway, in accordance with the funding agreement.

Recommendation

That the Economic Growth and Arts Committee:

1. Receive the information.

Background

3. The Council has previously agreed to contribute to the funding of the process to secure Resource Management Act approvals for the extension of the length of the Wellington Airport runway. As part of the approval for additional funding, the Council required WIAL to provide regular updates to the Council. The last update was in March 2016.

Discussion

4. Representatives of WIAL will present an update to the Committee on the work regarding a potential runway extension, in accordance with the funding agreement with the Council.

Options

5. Not applicable at this stage.

Next Actions

6. Not required at this stage.

Attachments

Nil

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Authoriser	Derek Fry, Director City Growth & Partnerships

SUPPORTING INFORMATION

Consultation and Engagement

The proposal to progress this project as one of the Big 8 ideas has been communicated as part of the 2014/15 Annual Plan and the 2015-25 LTP.

Treaty of Waitangi considerations

None directly from this update. The project itself is a key issue to Mana Whenua who will be consulted with by WIAL. Further WIAL will undertake an extensive cultural and environmental impact assessment as part of its application.

Financial implications

None directly from this update. Indicative funding for this project has been included in the 2015-25 LTP.

Policy and legislative implications

None.

Risks / legal

No specific legal considerations in relation to this update.

Climate Change impact and considerations

Climate change and other environmental impacts of the runway extension itself will be considered as part of the work required for any application for resource consent.

Communications Plan

None required.