

POSITIVELY

Wellington

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TOURISM

Partnership Wellington Trust
Annual Report 2010/2011



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* As some June 2011 datasets were not available at the time of audit, where the term 'in the year to May' is used this refers to the 11 month period from the start of the financial year to the end of May 2011.

"Those cheeky creative Wellington chappies have been in stellar promotional form this year."

StopPress.co.nz



From the Chair

It's been called the 'perfect storm' – a year where natural disasters, exchange rates and continuing economic challenges transformed the travel industry globally. I am delighted to present a report that, despite that climate, outlines some exceptional results for Partnership Wellington Trust and progression of plans to combat the challenges that have arisen.

The 'Coolest Little Capital in the World'

Without question this year's big news was Lonely Planet's recognition of Wellington as the 'coolest little capital in the world' in Best in Travel 2011's Top 10 Cities to Visit list. Such third party recognition is big news in the tourism industry, but the ability, willingness and vision to maximise the opportunity so others understood its message was a credit to not only our team, but Wellington City Council who supported and helped action the plans. The announcement saw a record visit day for our website WellingtonNZ.com, which in the year saw over 1.6 million visits – 28% ahead of its nearest regional competitor.

Australians...All Let Us Rejoice

Across the year visitor arrivals into Wellington from the country's largest international visitor market regularly outperformed other centres, at one point tripling national growth. An 8.3% increase in direct international visitor arrivals from Australia to 111,657 in the 11 months to May was a major contributor to a successful year amid challenging times. The dollar-for-dollar joint venture partnership model with Government maximised significant Wellington City Council, regional and commercial partner investment.

Facing Up to the Challenges

While the KNOW Wellington downtown campaign continues to go from strength-to-strength in terms of engagement and reach, its creative wiles weren't quite enough to woo more visitors and wallets into the central city amid a challenged retail climate. Positively Wellington Tourism is setting a strong platform to mitigate challenges through the incubation of Visa Wellington On a Plate and its engagement work with the service sector.

The Balance Sheet

The financial result for the year was a small profit of \$8362. Partnership Wellington Trust remains in a solid financial position, with funds at year-end at \$499,803.

The Coolest Little Team in the World

Positively Wellington Tourism continues to be a leader in its field. On behalf of the Board I'd like to thank David and his team for their dedication and innovation, as well as our core partners – Wellington City Council and Downtown Levy ratepayers - for their continued support of an industry worth \$1.4 billion to the region annually. I'd also like to acknowledge and thank my fellow directors for their expertise and energy.



From the CEO

If there ever was a time to have a name such as ours, this year was it. In 2009/10 Positively Wellington Tourism reported on a world of travel that was changing and an industry that was having to examine its position and respond accordingly. Little did we know that we would be examining it in a year where mother nature would repeatedly remind us who is boss. We may set the strategy, but she can change it in an instant. And she did – floods in Queensland, earthquakes in Christchurch, a tsunami in Japan....

The Nimble Bird Catches the Worm

A smart team is a nimble one. Our team's ability to shift and adapt messaging and placements in the face of a unique set of circumstances was an exceptional credit to them. The results we present in this report are the outcome of a willingness and capability to move with the market to deliver relevance to consumers, sensitivity to our colleagues and economic return to our partners. This flexibility also transcended to the positive news, with the team banding together to turn around a major PR and marketing campaign to maximise Lonely Planet Best in Travel 2011's recognition of the 'coolest little capital in the world' in just a matter of weeks.

Living Up to the 'Capital of Cool' Name

Lonely Planet's endorsement of the city comes with its responsibilities. Wellington continued to be ruled as New Zealanders' favourite destination in the Mood of the Traveller quarterly survey, and is making real in-roads into a cluttered Australian market through creative marketing and tactical executions. Whether it be the sell-out WLG pop up restaurant in Sydney or the incredibly popular KNOW Wellington digital advent calendar, we continued to challenge convention in a bid to share Wellington's story in relevant ways. The redevelopment of the i-SITE Visitor Centre in Civic Square now gives the city a welcome mat that reflects our marketing messages.

In for the Long Haul

In large part due to growth in the Australia market, Wellington maintained its 24% international market share. As the visitor profile for the country develops, we continue to explore opportunities in the Asian markets. Some exciting discussions were had and relationships formed at the Routes Asia Conference in Seoul as we continue our quest for long-haul direct flights into the capital. International commercial accommodation nights and visitors both grew and we are seeing more Wellington profile in trade itineraries and quality 'capital of cool' coverage in the media.

Working Together

Positively Wellington Tourism's team is much larger than those who sit in our office and serve at our i-SITE Visitor Centre. This organisation is the centre of a tourism team that comprises a network of regions, sectors and business units throughout the city and region. I'd like to thank not only our staff and Board, but the wider team - Wellington City Council; our numerous council partners from across the region; hotel, transport and activity partners; Destination Wairarapa and Destination Marlborough - all of whom have invested both time, energy and money in making Wellington the 'coolest little capital in the world'.



David Perks CEO

The Board



John Milford CHAIR



David Perks CEO



Ruth Pretty



Glenys Coughlan



Kim Wicksteed



Mike O'Donnell



Jo Coughlan



Peter Monk

Highlights of the Year



CAPITAL OF COOL: Global acclaim for the 'Coolest Little Capital in the World' on Lonely Planet Best in Travel 2011 Top 10 Cities List.



PLATING IT UP: Visa Wellington On a Plate DINE participants more than double, the events programme surges five-fold and festival media coverage increases by 40% on year 1.

AUSSIE AUSSIE AUSSIE: Sell out pop up restaurant breaks timeoutsydney.com.au records and visitor arrivals into Wellington triple national growth.



OPEN HOME: Gold coin entry Wellington Open Day sees thousands of locals visit the city's attractions ahead of Rugby World Cup 2011.



CENTRE POINT: Redeveloped i-SITE Visitor Centre launched for the capital of cool.



THE RIGHT TACTICS: 3 Nights for Two campaign sees record bookings on WellingtonNZ.com and successfully addresses seasonality issues for hotel partners in May and June.



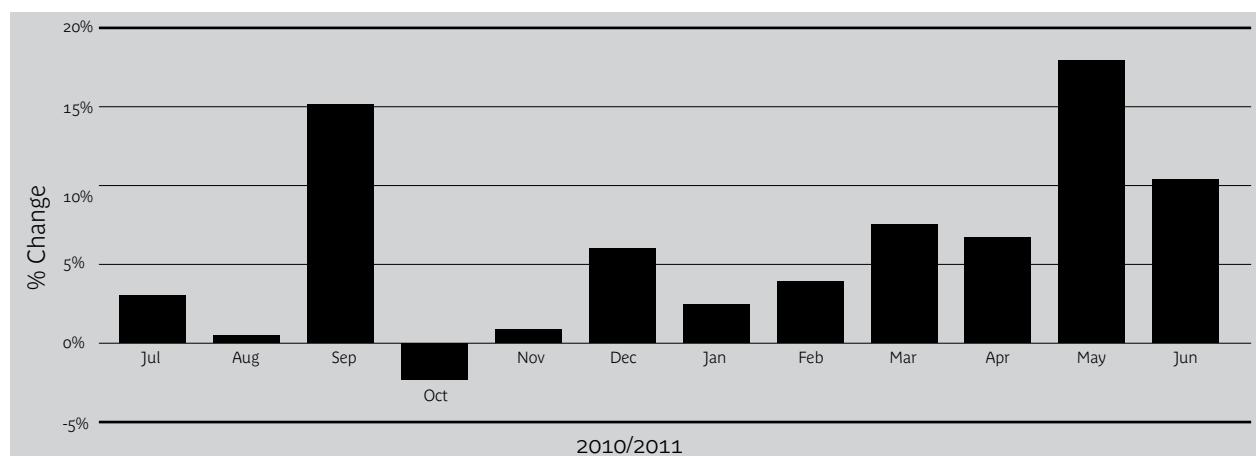
CRUISE CONTROL: Wellington welcomed 59 cruise ship visits carrying an estimated 91,000 passengers over the season.

Delivering Results

Positively Wellington Tourism's job is in essence to get bodies in beds. Statistics New Zealand's Commercial Accommodation Monitor provides us with a regional view that encompasses all types of paid-for accommodation. As the city's hotels are major funders of Wellington promotion, PWT also operates our own Hotel Monitor to track city hotel-specific performance.

The 2010/11 year saw the number of hotel rooms sold grow for all but one month (October) when compared to the same month the year prior – a significant achievement given the challenges of the year. Strategic campaigning, major events leveraging and Australia market growth were the key drivers to this success.

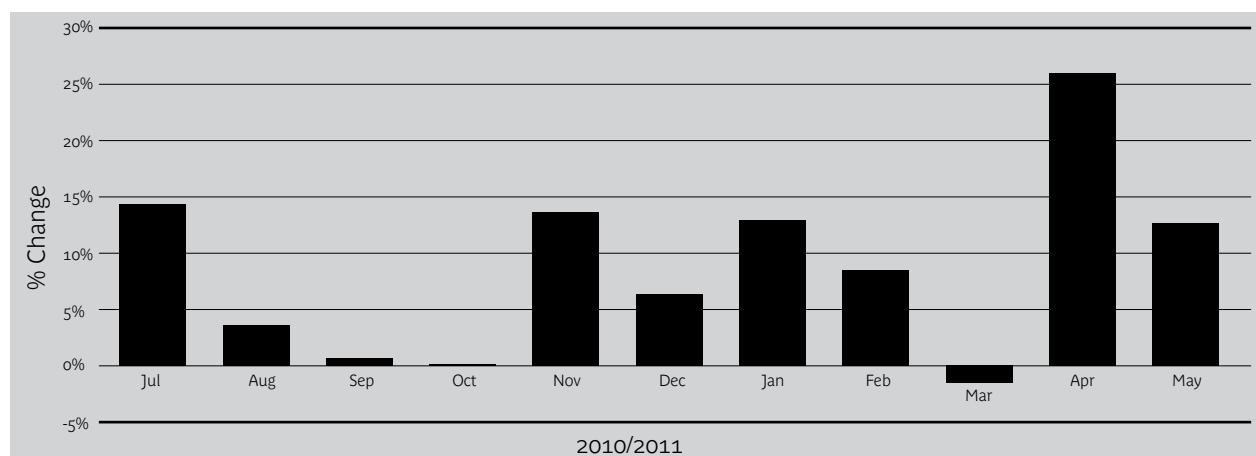
Hotel Rooms Sold: % Change in Rooms Sold - Month vs Same Month Previous Year



Source: PWT Hotel Monitor

A strong theme in this report is the achievement of growth within a challenged climate. With a major domestic visitor market affected by a significant disaster and traditional long haul markets suffering, the 2009/10 developments that saw the launch of a large scale campaign for Wellington region in Australia were pivotal for the 2010/11 successes reported. Aside from March – when post-earthquake travel to New Zealand ‘almost stopped’ in the early days of the month – Australian visitor arrivals to Wellington grew each month when compared to the same period the year prior.

Australian Air Arrivals to Wellington: % Change in Visitor Arrivals - Month vs Same Month Previous Year



Source: International Visitor Arrivals, Ministry of Economic Development

Australia Marketing



Wellington direct arrivals from Australia regularly exceeded national growth and outperformed the country's other major cities. The sell-out WLG pop up restaurant and securing MasterChef Australia were cornerstones of the PR and media programme.

OUR GOALS	RESULTS
75 media stories achieved reflecting Wellington and wider region key messages, with an added emphasis on new media.	Over 200 media stories about Wellington were secured, through the hosting of 29 media groups, experiential PR activity such as the WLG pop up restaurant and distributing news and imagery of major news and events. Status: Exceeded
Increase direct visitor arrivals to Wellington from Australia (via Wellington International Airport) by 8.8% over 2009/2010 levels	There were 111,657 direct international visitor arrivals from Australia in the year to May 2011 - up 8.3% on 2009/10. (Source: <i>International Visitor Arrival survey</i>) Status: Nearly Achieved
Continue growth of Australian website traffic to WellingtonNZ.com by 125% over the July – March period	Australian traffic to WellingtonNZ.com increased by 95.9% in the financial year to March 31, compared to the same period the year prior. Status: Not Achieved
An 8.8% increase in Australian visitor spend in the Wellington region in 2010/11	Australian visitors spent \$281,160,686 in the Wellington region in the year to March 2011 – an increase of 8.48% on 09/10. (Source: <i>International Visitor Survey</i>) Status: Nearly Achieved
Deliver 12 trade familiarisations per year	20 trade familiarisations comprising 110 Australian travel trade visited Wellington. Status: Exceeded
Maintain six partnerships, including three regional funding partners and three commercial funding partners	We had 6 campaign partners, including 3 regional (Marlborough, Wairarapa, Hutt City) and 3 commercial (Wellington Airport, Te Papa, Interislander). Status: Achieved
6 Wellington/Wairarapa operators to participate in joint sales visits to wholesalers annually	6 operators participated on two sales visits to Australia. Status: Achieved
Undertake at least three marketing campaigns in conjunction with airline partners and WIAL	3 campaigns were completed with Air NZ, Pacific Blue and Qantas. Status: Achieved
Successful launch and execution of Wellington marketing activity in second city	The 'There's No Place Like Wellington' marketing campaign was extended to the Melbourne market in Quarter 3. Status: Achieved

**OUR GOALS****RESULTS**

Airline capacity maintained at least at 2009/10 levels and negotiations advanced to grow capacity further.	Wellington's successful negotiations over the Air NZ and Pacific Blue alliance, along with the introduction of Qantas' larger aircraft, saw capacity increase by 5%. Status: Achieved
Database of 25 000 Australian consumers engaged with on quarterly basis	38,599 Australians now subscribe to bi-monthly updates from Wellington. Status: Exceeded
Develop at least two experiential concepts to launch in Australia	The WLG pop up restaurant in Sydney in September was the fastest ever selling restaurant on timeoutsydney.com.au. A second similar project is currently in the planning phases for delivery in the 11/12 financial year. Status: Achieved

Communications



Media have played a pivotal role in sharing the story of the country's 'culinary capital' and the 'coolest little capital in the world' with New Zealanders this year. They have also helped celebrate PWT's successes, innovative marketing activities and tactical strategies.

OUR GOALS	RESULTS
15 media hosted to support New Zealand Marketing Strategy	23 media were hosted to support the New Zealand Marketing Strategy, with highlights including Fashion Quarterly, AA Directions and regular features in the Sunday Star Times and Herald on Sunday. Status: Exceeded
80% of media coverage of PWT and Wellington tourism is positive and 09/10 levels are maintained	Media coverage of PWT and Wellington was up 26% on 09/10 levels. 85% of coverage was positive. Status: Exceeded
20 media releases about PWT or Wellington tourism distributed	57 media releases about PWT or Wellington tourism were distributed throughout the year. Status: Exceeded
12 issues of Positively Informed produced and distributed	12 issues of Positively Informed were distributed to an industry database of over 2000. A corporate blog – www.positivelyinformed.com – was also launched. Status: Achieved
WellingtonNZ.com media sections updated fortnightly	The media website was updated with news, themed travel releases, story ideas and/or image stock at least fortnightly. Status: Achieved

Downtown Marketing



Over 30,000 Wellingtonians and hundreds of downtown businesses are now kept ‘in the KNOW’ by Positively Wellington Tourism fortnightly as we continue to engage local advocates and wallets.

OUR GOALS	RESULTS
Downtown weekend visitation and retail sales 2% above 2009/2010 levels (Source: BNZ MarketView)	Weekend visitation to downtown Wellington declined 1.8% compared with 2009/10. Weekend retail spend in downtown Wellington declined 3%. Status: Not Achieved
KNOW e-News and KNOW e-Biz distributed fortnightly to subscriber database	Status: Achieved
Increase reach of KNOW e-news (including social media channels) to Wellington Residents from 11.3% of residents to 16.7% (30,000)	The combined reach of the KNOW audience is 34,875 including the KNOW eNews (25,557), Facebook (3664) and Twitter (5654) – this represents 19.4% of residents. Status: Exceeded
Maintain the KNOW e-Biz database to within 10% of 2009/10 levels	The KNOW Business database has increased by 40.3% to 856. Status: Exceeded
Deliver at least 2 tactical campaigns with Partners	4 tactical campaigns were carried out. Highlights included a week-long reader promotion involving 15 partners with The Dominion Post and a hugely popular advent calendar promotion which involved 24 partners. Status: Exceeded
Produce and distribute the Downtown Year Planner	Status: Achieved
Grow visitation to WordontheStreet.co.nz; monthly unique visitors 10,000 / visits 20,000	Average monthly visits for the year were 8785, with unique monthly visits of 6653. Status: Not Achieved
Continue to inform Wellingtonians through daily updates via social media	Regular updates on social media channels have continued and levels of interaction remain strong. Status: Achieved

International Marketing

Lonely Planet Best in Travel 2011's recognition of the 'coolest little capital in the world' provided a clear focus for the year's activity. The 'School of Cool' took to the road on trade training in North America while 'coolest little capital' theming set the scene at TRENZ.

OUR GOALS	RESULTS
Number of partners within 5% of 2009/10 levels	The number of partners in the International Marketing Group (57) was 3.4% below 2009/10 (59). International Marketing Alliance partnerships (5) remained the same. Status: Achieved
Train 300 frontline staff from key markets	709 frontline staff from key markets were trained, with 195 sales calls made to decision makers.
Sales calls to 125 decision makers in key offshore markets	Status: Exceeded
Increase Wellington's coverage in US and UK brochures, websites and guidebooks by 5%	Wellington's profile has increased 7%, with a particularly positive increase in suggested itineraries. Of special note was the inclusion in Lonely Planet's Best in Travel 2011 guide. Status: Achieved
Provision of port to city shuttles for cruise ship passengers.	Wellington received 59 cruise ship visits carrying an estimated 91,000 passengers over the summer cruise period. Shuttles were provided for 11 of these ships, ensuring that every passenger arriving in Wellington had shuttles providing easy access to the city. Status: Achieved
Update and increase content of the travel trade section of WellingtonNZ.com	The trade section of WellingtonNZ.com was regularly updated with product news and an interactive online trade directory was also introduced.
Distribute 4 e-updates to trade Distribute 8 e-updates to media	9 trade updates. 8 media updates were distributed. Status: Nearly Achieved
Maintain Wellington's market share of international visitors to NZ relative to 2009/10	The total number of international visitors to Wellington grew 1.8% to 551,658 for the 12 months to March 2011; Wellington's market share declined marginally by 0.09% (to 23.83%). Status: Achieved

**OUR GOALS****RESULTS**

Host 2 familiarisations for Inbound Tour Operators (IBOs)	11 inbound tour operator (IBO), 9 product buyer and 27 wholesale/retail familiarisations were hosted in Wellington. 48 IBO sales calls were carried out. Status: Exceeded
Host 1 product buyer familiarisation	
Host 15 wholesale or retail trade familiarisations	
40 sales calls to Inbound Tour Operators	
Increase international visitor room nights by 2% relative to 2009/10	International visitor nights in commercial accommodation grew 4% to 668,893 in the year to May 2011. (Source: <i>Commercial Accommodation Monitor</i>) Status: Exceeded
Produce 2010 Wellington Regional Visitor Guide and Trade Directory	The Wellington Regional Visitor Guide and Trade Directory were both produced and distributed, with e-book versions created online.
Achieve 70 positive editorial media placements	There were 74 positive editorial media placements for Wellington, and 7 for Classic New Zealand Wine Trail and International Marketing Alliance partners.
Assist CNZWT and IMA partners to achieve at least 5 editorial media results	Status: Achieved

Long Haul



Exploration into emerging markets such as China and India alongside Tourism New Zealand continues as we take the coolest little capital in the world to the globe. Attendance at the Routes Asia Conference proved productive and informative.

OUR GOALS	RESULTS
Funding within 5% of 2009/10 levels	Funding was achieved at the same level as 2009/10. Status: Achieved
Provide two updates annually to funding partners	Stakeholder updates were held with both Wellington International Airport Limited and Wellington City Council on a regular basis throughout the year. Status: Achieved
Contact maintained with at least three target airlines	PWT & WIAL met with 10 targeted airlines in Quarter 3 at the annual Routes Asia Conference held in Seoul, Korea. Status: Exceeded
Undertake a minimum of 10 trade and airline sales calls to key Asia wholesalers	111 one-on-one decision maker appointments were undertaken at TRENZ and KiwiLink Asia across seven Asian countries. Status: Exceeded

New Zealand Marketing

Wellington continued to dominate as Kiwis' favourite destination in the Fly Buys/Colmar Brunton Mood of the Traveller survey. This popularity was converted through successful tactical partner campaigns.

OUR GOALS	RESULTS
<p>Weekend rooms sold in partner hotels 2% above 2009/10 levels (Source: Hotel Monitor)</p> <p>2% growth in visitor nights above 2009/10 levels (Source: CAM)</p>	<p>The number of weekend rooms sold in partner hotels in the year to May was 3.9% above 2009/10 levels.</p> <p>Domestic commercial visitor nights declined 2.6% to 1,191,067 in the year to May when compared with the same period in 2009/10.</p> <p>Status: Partially Achieved</p>
<p>Generate \$730,000 of bookings through WellingtonNZ.com (joint KPI with Online)</p>	<p>\$741,815 of bookings were generated through WellingtonNZ.com in the year – an increase of 4% on 09/10.</p> <p>Status: Achieved</p>
<p>Grow visitation to WellingtonNZ.com by 20% compared to 2009/10 (joint KPI with Online)</p>	<p>Visits to WellingtonNZ.com increased 20% to 1,638,341 compared to 2009/10.</p> <p>Status: Achieved</p>
<p>Maintain at least 20 funding partners in New Zealand marketing partnership</p>	<p>The New Zealand Marketing Campaign has 23 funding partners – Te Papa and 22 inner city Wellington hotels.</p> <p>Status: Achieved</p>
<p>Joint market at least 4 Wellington events through TV, online or appropriate mediums</p>	<p>5 joint marketing campaigns were run for Visa Wellington On a Plate, Wellington Phoenix vs Boca Juniors match, Bon Jovi concert, Neil Diamond concert and the All Whites vs Paraguay.</p> <p>Status: Achieved</p>
<p>Joint market up to 3 Te Papa exhibitions through TV and digital campaigns</p>	<p>It was decided in conjunction with Te Papa to focus on promoting two exhibitions only during 2010/11 to enable greater promotion of the European Masters exhibition. Brian Brake: Lens on the World was also jointly promoted.</p> <p>Status: Achieved</p>
<p>Deliver at least 2 tactical campaigns with partners</p>	<p>A weekly reverse auction website – WellingtonWednesday.com - and a 3 Nights for Two hotel partner campaign were carried out to tactically address seasonality/low demand periods.</p> <p>Status: Achieved</p>

Digital Marketing

WellingtonNZ.com remains a leader in its field nationally, with annual unique visitation 28% ahead of its nearest regional tourism organisation (RTO) competitor. A multi-faceted campaign supporting the Lonely Planet Best in Travel 2011 ‘coolest little capital’ accolade saw record visits to the site and social media channels continue to be a key driver.

OUR GOALS	RESULTS
Maintain a presence in 4 social media communities and utilise these channels for tactical campaigns	PWT continued to develop its Facebook (20,017) and Twitter (5,654) following and engagement, posted relevant videos on YouTube and submitted a number of articles to Tourism New Zealand’s new user-generated content section of their website www.newzealand.com . Status: Achieved
Generate \$730,000 of bookings through WellingtonNZ.com (joint KPI with New Zealand)	\$741,815 of bookings were generated through WellingtonNZ.com in the year – an increase of 4% on 09/10. A <i>3 Nights for Two</i> campaign with hoteliers saw record bookings in May. Status: Achieved
Grow visitation to WellingtonNZ.com by 20% compared to 2009/10 (joint KPI with New Zealand)	Visits to WellingtonNZ.com increased 20% to 1,638,341 compared to 2009/10. Status: Achieved
Increase the position of WellingtonNZ.com to within the top 5 in Google organic results for identified keywords ([top] things to do in Wellington + Wellington hotels)	WellingtonNZ.com is the first and second result on Google, for the term ‘Wellington Hotels’. For ‘Things to do in Wellington’ WellingtonNZ.com makes up positions 1 to 4 on Google. Status: Achieved
Maintain WellingtonNZ.com’s position as the number 1 RTO website in New Zealand	The number of unique visitors to WellingtonNZ.com was 28% higher than for our nearest RTO competitor (Auckland). Status: Achieved
16,000 visitors to the Wellington Mobile site	There were 19,600 unique visitors to the Wellington mobile site, an increase of 38.9% on 09/10. Status: Exceeded





Rugby World Cup

Wellington is well positioned to show visitors, media and locals an incredible time during Rugby World Cup 2011. Positively Wellington Tourism is supporting Wellington City Council's Rugby World Cup 2011 office through marketing and communications activity, service sector engagement and hosted a highly successful Wellington Open Day for locals.

OUR GOALS	RESULTS
Host two key provider forums	A key provider forum and regular updates with Retail and Hospitality sector groups have been hosted. Status: Achieved
Deliver City theming for South Africa vs New Zealand in July 2010	The regional brand was successfully rolled out for the South Africa vs New Zealand test in July 2010. Status: Achieved
70,000 visits to WellingtonNZ2011.com during the 2010/11 financial year	Total visits to WellingtonNZ2011.com were 20,156. Status: Not Achieved
Key providers communications plan delivered on time and budget	Regular Marketing Communications and Media Communications meetings were undertaken to update the wider team on all Marketing Communications and Media activities. Activity leaders were appointed for all activities and include accommodation, transportation, theming, branding, media relations and visitor information. Status: Achieved
Regional theming delivered on time and on budget	Preparations for regional theming are completed for delivery at Tournament time. Status: Achieved

Tourism Product Development

The revamp of the i-SITE Visitor Centre in Civic Square was a highlight of the year, providing the city with a fitting welcome mat for the ‘coolest little capital in the world’. A commissionable Wellington City Pass combining a range of key attractions was also launched.

OUR GOALS	RESULTS
Monitor and advocate for the continual improvement of tourism related infrastructure	Infrastructure highlights for the year included the redevelopment of the i-SITE Visitor Centre in Civic Square and improvement of directional signage to the centre. PWT also began an assessment of the provision of signage along the “Cable Car corridor”. Status: Achieved
Help advance the development of the Marine Education Centre and other significant attractions	A feasibility study for the proposed Wellington Marine Education Centre is currently being prepared by Angus & Associates; the business case is proposed to be available in July 2011. Status: Achieved
Universal access included in all relevant public submissions on which PWT submits	Universal access was incorporated into relevant submissions and in the review of the ‘Cable Car corridor’ visitor signage and access. Status: Achieved
Phase 3 of Wellington’s STAR programme delivered	The third and final phase of the Sustainable Tourism Advisors in Regions (STAR) programme was continued by Tourism Resource Consultants. Status: Achieved
One commissionable product developed from repackaging existing products	A commissionable ‘Wellington City Pass’ packaging tourism attractions, optional transport and a return Cable Car ride was launched in January. Status: Achieved
Action items within the Wellington Visitor Strategy 2015 initiated	A number of actions within the WVS2015 were either initiated, achieved or are ongoing. These included Nature Tourism Products (2b) – PWT assisted one operator to establish a new South Coast tourism product. Status: Achieved
Maximise WCC’s investment in tourism product and destination marketing through maintaining a perpetual MOU with each of the Karori Sanctuary Trust and the Carter Observatory	PWT has put MOUs in place with Karori Sanctuary Trust, Carter Observatory and Wellington Zoo. Status: Achieved
Support investment groups in completing feasibility studies for product developments	PWT provided product development advice and guidance for a number of start-up tourism activities proposals (commercial in confidence). Status: Achieved

Tourism Research



Our investment in local as well as national research has proved pivotal to analysing campaign successes. PWT continues to take a lead in the continuous improvement of national tourism data.

OUR GOALS	RESULTS
Produce and communicate Hotel Monitor, CAM (Commercial Accommodation Monitor), WAAM (Wellington Activity & Attractions Monitor) and other statistics monthly	<p>The Hotel Monitor (internal) was managed and reported on a monthly basis directly to the hotels and quarterly via Council reporting. The Commercial Accommodation Monitor (CAM) is communicated monthly both internally and externally through PWT's monthly Positively Informed newsletter and online. Due to lack of provision of data, the WAAM was not able to be reported; this data is under review.</p> <p>Status: Partially Achieved</p>
Deliver annual domestic market research programme quarterly	<p>The Commercial Accommodation Monitor (CAM) and Hotel Monitor were analysed and communicated monthly internally and externally. The BNZ MarketView Domestic and Downtown reports were carried out to inform New Zealand Marketing team and partner activity.</p> <p>Status: Achieved</p>
Deliver annual international market research programme quarterly	<p>PWT continues to analyse and communicate the datasets on an ongoing basis, particularly the quarterly International Visitor Survey (IVS) and Regional Visitor Monitor (RVM), and the monthly Commercial Accommodation Monitor (CAM).</p> <p>Status: Achieved</p>
Improvement of national tourism statistics to help Positively Wellington Tourism with more effective decision making	<p>PWT engages with the Tourism Strategy Group and through the leadership of Regional Tourism Organisations New Zealand, has lobbied the Ministry of Economic Development for a full review of the national core dataset for tourism. PWT is now part of the sector reference group participating in this review.</p> <p>Status: Achieved</p>
Australian campaign/market research report completed	<p>Two campaign evaluation research reports were undertaken by Tourism New Zealand in Australia. The first report saw 45% of Tourism New Zealand's "Active Considerer" target audience considering Wellington a priority destination to visit. Results for the second report are expected in the coming financial year.</p> <p>Status: Achieved</p>

Wellington Convention Bureau

The Wellington Convention Bureau reached its largest partnership level ever and provided a record total of close to 500 leads and referrals to these partners over the year.

OUR GOALS	RESULTS
Attend 2 convention and incentive trade shows per year	Wellington Convention Bureau attended the Australian Business Events Expo in Sydney, AIME in Melbourne and Meetings in Rotorua. Status: Achieved
Make 4 sales trips to Australia annually	4 trips were made to Australia on sales trips to Sydney, Brisbane and Melbourne. Status: Achieved
Host a minimum of 70 prospective organisations on a famil in Wellington annually	71 prospective clients were hosted on famils in Wellington. Status: Achieved
5% increase in leads / referrals generated to CVB partners relative to 2009/10	479 leads/referrals were generated to partners in the year, an increase of 15.7% on 09/10. Status: Exceeded
Maintain Wellington CVB partners to +/- 5% of membership at the 2009/10 financial year levels	Wellington Convention Bureau membership for the year was 105 – a 1% increase on 09/10. Status: Achieved
Maintain Wellington CVB funding level +/- 10% of membership as at 2009/10 financial year levels	\$173,000 of funding was secured – a decrease of 1% on 09/10. Status: Achieved

Wellington i-SITE Visitor Centre



The launch of what we fancy may just be the coolest little i-SITE in the world was one of many highlights of the year in our frontline engine room. While the downturn in traditional long haul markets such as the USA, UK and Europe (high users of visitor centres) saw a decline in foot traffic and overall sales, Wellington product sales were ahead of last year.

OUR GOALS	RESULTS
Grow revenue by at least 3%	Total revenue was 3.8% behind 09/10. Wellington product sales were 1.3% ahead.
Increase sales of Wellington attractions, tours and accommodation by 10%	Status: Not Achieved
Customer satisfaction at consistently high levels of 90%	The annual mystery shopper assessment for the year was 75%, while Qualmark assessment was 85%. Status: Not Achieved
Redevelopment plans for technology systems and environment of the i-SITE implemented in time for RWC 2011	Redevelopment of the i-SITE was completed in December 2010, with internet kiosks installed April 2011. Status: Achieved
Break-even financial result achieved at both Wellington & Interislander i-SITES	Wellington i-SITE's financial result for the year was a loss of \$106,502. With a depreciation cost \$71,591 higher than 2009/10 due to the centre's redevelopment, this was a stronger result than last year. Interislander i-SITE's result was a loss to PWT of \$5513. Status: Not Achieved
Visitors to i-SITE maintained at least at 2009/10 levels	There were 365,907 visitors to the i-SITE - a decrease of 7.2% on 09/10. An estimated 10,300 visitors were estimated to have been served on the Interislander i-SITE. Status: Not Achieved

Financial Statements

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Independent Auditor's Report

To the Readers of Partnership Wellington Trust Incorporated's Financial Statements and Statement of Service Performance for the Year Ended 30 June 2011

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The Auditor-General is the auditor of Partnership Wellington Trust Incorporated (the Trust). The Auditor-General has appointed me, Brent Kennerley, using the staff and resources of Grant Thornton New Zealand Audit Partnership, to carry out the audit of the financial statements and statement of service performance of the Trust on her behalf.

We have audited:

- the financial statements of the Trust on pages 23 to 39, that comprise the Statement of financial position as 30 June 2011, the statement of comprehensive income, statement of movement in trust funds and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the Trust on pages 40 to 44.

Opinion

In our opinion:

- The financial statements of the Trust on pages 23 to 39:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the Trust's:
 - financial position as at 30 June 2011; and
 - the financial performance and cash flows for the year ended on that date.
- the statement of service performance of the Trust on pages 40 to 44:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the Trust's service performance for the year ended 30 June 2011, including:
 - its service performance compared with forecasts in the statement of forecast service performance at the start of the financial year; and
 - its actual revenue and output expenses compared with the forecasts in the statement of forecast service performance at the start of the financial year.

Our audit was completed on 16th August 2011. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board of Trustees and our responsibilities, and we explain our independence.

Basis of opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and statement of service performance are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and statement of service performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of service performance, whether due to fraud or error. In making those risk assessments we consider internal control relevant to the entity's preparation of the financial statements and statement of service performance that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board of Trustees;
- the appropriateness of the reported service performance information with in the framework for reporting performance;
- the adequacy of all disclosures in the financial statements and statement of service performance ; and;
- the overall presentation of the financial statements and statement of service performance.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and performance information. We obtained all the information and explanations we required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Board of Trustees

The Board of Trustees is responsible for preparing the financial statements and a statement of service performance that:

- comply with generally accepted accounting practice in New Zealand.
- fairly reflect the Trust's financials position, financial performance and cash flows; and
- fairly reflects its service performance that include achievements compared to forecasts.

The Board of Trustees is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error.

The Board of Trustee's responsibilities arise from the Local Government Act 2002.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Act 2011 and section 69 of the Local Government Act 2002.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

In addition to the audit we have carried out assignments in the areas of Taxation advice, which are compatible with those independence requirements. Other than the audit and these assignments, we have no relationship with or interests in the Trust.



Brent Kennerley

Grant Thornton New Zealand Audit Partnership

On behalf of the Auditor-General

Wellington, New Zealand

18 August 2011

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2011	NOTE	Actual 2011 \$	Budget 2011 \$	Actual 2010 \$
INCOME				
Wellington City Council funding	21	5,940,000	5,970,000	5,440,000
Interest income		92,943	100,000	95,845
Visitor Centre income	1, 21	2,927,640	3,324,485	3,050,382
Rental income	1	101,388	96,744	96,752
Partner income		2,736,000	2,942,724	1,444,794
Cruise shuttle operations		53,602	130,088	144,100
Other income		57,080	-	2,191
TOTAL INCOME		11,908,653	12,564,041	10,274,064
EXPENDITURE				
Personnel costs	2	2,428,904	2,574,855	2,256,868
Depreciation & amortisation expenses		199,207	205,068	164,543
Visitor Centre cost of sales	1	2,389,108	2,763,425	2,520,533
Marketing, publications and cruise shuttle operations		6,120,081	6,404,691	4,641,044
Premises expenses		379,968	345,230	340,558
Operating expenses	3	383,023	323,064	384,967
TOTAL EXPENDITURE		11,900,291	12,616,333	10,308,513
SURPLUS/(LOSS) FOR THE YEAR BEFORE TAX		8,362	(52,292)	(34,449)
Income tax expense	10	-	-	-
SURPLUS/(LOSS) FOR THE YEAR		8,362	(52,292)	(34,449)
Other comprehensive income		-	-	-
TOTAL COMPREHENSIVE INCOME		8,362	(52,292)	(34,449)

The Notes to the Financial Statements form part of and are to be read in conjunction with the Financial Statements.

Statement of Movement in Trust Funds

FOR THE YEAR ENDED 30 JUNE 2011	NOTE	Actual 2011 \$	Budget 2011 \$	Actual 2010 \$
ACCUMULATED FUNDS				
Funds at beginning of year		491,441	501,249	525,890
TOTAL COMPREHENSIVE INCOME				
Surplus/(loss) for the year		8,362	(52,292)	(34,449)
Other comprehensive income		-	-	-
TOTAL COMPREHENSIVE INCOME		8,362	(52,292)	(34,449)
Transactions with owners recorded directly in equity		-	-	-
Transactions with non-owners recorded directly in equity		-	-	-
Total accumulated funds		499,803	448,957	491,441
TOTAL TRUST FUNDS		499,803	448,957	491,441

The Notes to the Financial Statements form part of and are to be read in conjunction with the Financial Statements.

Statement of Financial Position

AS AT 30 JUNE 2011	NOTE	Actual	Budget	Actual	
		2011 \$	2011 \$	2010 \$	
ASSETS					
Current Assets					
Cash and cash equivalents	4	778,370	320,000	367,826	
Short term deposits	4	250,000	-	407,773	
Trade debtors and other receivables	5	359,346	170,000	286,537	
Prepayments		9,285	-	59,538	
Resident Withholding Tax paid		25,387	-	-	
Inventories	6	-	1,000	-	
Total current assets		1,422,388	491,000	1,121,674	
Non Current Assets					
Intangible assets	12	60,281	146,252	133,598	
Property plant & equipment	11	328,137	384,933	117,257	
Total non current assets		388,418	531,185	250,855	
Total assets		1,810,806	1,022,185	1,372,529	
LIABILITIES					
Current Liabilities					
Trade creditors and other payables	7	986,664	343,228	533,304	
Income in advance		184,436	130,000	214,046	
Current tax payable	10	-	-	-	
Employment entitlements	8	139,903	100,000	133,738	
Total current liabilities		1,311,003	573,228	881,088	
Total liabilities		1,311,003	573,228	881,088	
NET ASSETS		499,803	448,957	491,441	
TRUST FUNDS					
Accumulated funds					
Total trust funds		499,803	448,957	491,441	

These financial statements are approved by the Board on 15 August 2011.

CHAIR: John Milford

TRUSTEE: Peter Monk

DATE: 15 AUGUST 2011

DATE: 15 AUGUST 2011

The Notes to the Financial Statements form part of and are to be read in conjunction with the Financial Statements.

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2011	NOTE	Actual	Budget	Actual
		2011 \$	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Wellington City Council funding		5,940,000	5,970,000	5,440,000
Interest income		92,943	100,000	95,845
Visitor Centre income		2,927,640	3,324,485	3,070,438
Rental income		101,388	96,744	96,753
Partner income		2,736,000	2,942,724	1,549,172
Other income		110,682	130,088	128,411
Payments to suppliers		(9,133,468)	(9,915,486)	(8,167,065)
Payments to employees		(2,184,741)	(2,574,855)	(2,263,149)
Income taxes paid		-	-	(17,236)
Net cash inflow/(outflow) from operating activities	9	590,444	73,700	(66,831)
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts from sale of property, plant & equipment		-	-	-
Purchase of intangible assets		-	-	113,900
Purchase of property plant and equipment		337,673	363,700	75,525
Net cash inflow/(outflow) from investing activities		337,673	363,700	189,425
Net increase/(decrease) in cash		252,771	(290,000)	(256,256)
Cash balance at the start of the year		775,599	610,000	1,032,363
Total cash at the end of the year		1,028,370	320,000	776,107
Total cash is represented by:				
Cash and cash equivalents		778,370	320,000	367,826
Short term investments		250,000	-	407,773
Total cash at the end of the year		1,028,370	320,000	775,599

The Notes to the Financial Statements form part of and are to be read in conjunction with the Financial Statements.

Notes to the Financial Statements

REPORTING ENTITY

These financial statements comprise the separate financial statements of the Partnership Wellington Trust Incorporated (the Trust), for the year ended 30 June 2011.

The Trust was incorporated under the Charities Trusts Act 1957.

The principle objective of the Trust is to market and add value to Wellington and to achieve sustainable economic growth for the benefit of the public of Wellington.

The financial statements were authorised for issue by Members of the Trust Board on 15 August 2011.

BASIS OF PREPARATION

(a) Statement of Compliance

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards as appropriate for Public Benefit entities.

The Trust is defined as a Public Benefit entity as its primary objective is to provide services to the community for social benefit and the Trust has been established with a view to supporting that primary objective rather than financial return.

(b) Basis of measurement

The financial statements have been prepared on an historical cost basis. The accrual basis of accounting has been used unless otherwise stated and the financial statements have been prepared on a going concern basis.

(c) Presentation currency

The financial statements are presented in New Zealand dollars (\$), which is the Trust's functional currency.

(d) Judgements and estimations

The preparation of financial statements in conformity with NZ IFRS requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Where material, information on major assumptions is provided in the relevant accounting policy or will be provided in the relevant note.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(e) Changes in accounting policy and disclosures

There has been no change in accounting policies and disclosures in the financial statements presented.

(f) New NZ IFRS standards and interpretations issued but not yet adopted

At the date of authorisation of these financial statements, certain new standards and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Trust.

Management anticipates that all pronouncements will be adopted in the first accounting period beginning on or after the effective date of the new standard. Information on new standards, amendments and interpretations that are expected to be relevant to the financial statements of the Trust are provided below.

(i) NZ IFRS 9 - Financial Instruments (new standard)

The International Accounting Standards Board (IASB) aims to replace IAS 39 Financial Instruments: Recognition and Measurement in its entirety. The replacement standard (NZ IFRS 9) is being issued in phases. To date, the chapters dealing with recognition, classification, measurement and de-recognition of financial assets and liabilities have been issued. These chapters are effective for annual periods beginning 1 January 2013. Further chapters dealing with impairment methodology and hedge accounting are still being developed.

Management have yet to assess the impact this new standard is likely to have on the financial statements of the Trust. However, they do not expect to implement the amendments until all chapters of NZ IFRS 9 have been published and they can comprehensively assess the impact of all changes.

(ii) NZ IAS 24 - Related Party Disclosures (amendment)

The amended standard is effective for annual periods on or after 1 January 2011. It clarified the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised standard introduces a partial exemption of disclosure requirements for government-related entities. The Trust does not expect any impact on its financial position or performance.

(iii) 2010 Improvements to IFRSs (amendments)

In May 2010 the IASB issued the annual omnibus of minor amendments to IFRS standards. Management has yet to complete a detailed review of these amendments, however upon preliminary review the impact is not expected to be significant.

(iv) Recently issued standards (effective for years beginning from 1 January 2013)

In May 2010 the IASB issued the following accounting standards that will be incorporated into NZ IFRS:

- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IFRS 13 Fair Value Measurement

Upon preliminary review management do not expect these standards to have a material impact on the financial statements; however a full understanding of the standards has yet to be obtained.

(g) Comparatives

To ensure consistency with the current year, certain comparative information has been restated or reclassified as appropriate. This has occurred where classifications changed between periods.

(h) Budget figures

The budget figures are derived from the Statement of Intent as approved by the Board of Trustees at the beginning of the financial year. The budget figures have been prepared in accordance with NZ IFRS, using accounting policies that are consistent with those adopted by Partnership Wellington Trust Inc. for the preparation of financial statements.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

(a) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(b) Trade and other receivables

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

A provision for impairment is established where there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of the receivable.

Receivables with a short duration are not discounted.

(c) Inventories

Inventories are stated at the lower of cost and net realisable value (being the net selling price), with due allowance for any damaged and obsolete stock items.

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.

Net selling price is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make the sale.

Any write down in the cost of inventory to net realisable value is recognised in the Statement of Comprehensive Income.

(d) Property, plant and equipment

Property, plant and equipment is measured at cost, less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

(i) Additions

The cost of acquiring or replacing part of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential will flow to the Trust and the cost of

the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

(ii) Disposal

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Comprehensive Income.

(iii) Depreciation

Depreciation is charged on a straight-line basis on all property, plant and equipment over the estimated useful life of the asset. Depreciation is charged to the profit or loss in the Statement of Comprehensive Income.

The following depreciation rates have been applied to each class of property, plant and equipment:

Leasehold improvements	20%
Furniture and office equipment	33%
Computers	33%

The residual value of property, plant and equipment is reassessed annually.

(e) Intangibles

Intangible assets acquired by the Trust, which have finite useful life, are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in the Statement of Comprehensive Income on a straight-line basis over the estimated useful life of the asset. The following depreciation rates have been applied to each class of intangible assets:

Computer software	33%
Website	33%

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

(f) Trade and other payables

Trade and other payables are measured at amortised cost using the effective rate interest method.

(g) 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 rate that reflects current market rates and, where appropriate, the risks specific to the liability. Provisions are not recognised for future operating losses.

A provision for onerous contracts is recognised when the expected benefits from the contract are lower than the unavoidable costs of meeting contract obligations.

(h) Employee entitlements

Short term benefits

Employee benefits that the Trust expects to be settled within 12 months of balance date are measured at

nominal value based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned, but not yet taken at balance date, and sick leave.

The Trust recognises a liability for sick leave. The amount is calculated based on the unused sick leave entitlements that can be carried forward at balance date, to the extent that the Trust anticipates that it will be used by staff to cover those future absences.

The Trust recognises a liability and expense for bonuses where they are contractually obliged or where there is a past practice that has created a constructive obligation.

(i) Income tax

Income tax expense is the aggregate of current period movements in relation to both current and deferred tax.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect to prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantially enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses (if any). Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the consumption of taxable surplus.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Trust expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surpluses will be available against which the deductible temporary differences or tax losses can be utilised.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a transaction recognised in other comprehensive income or directly in equity.

(j) GST

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

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

(k) Financial instruments

Financial instruments comprise trade and receivables, cash and cash equivalents, investments and trade and other payables. The Trust does not hold or issue derivative financial instruments i.e. hedging instruments.

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value plus transaction costs, except for those carried at fair value through profit or loss, which are measured at fair value. Fair value is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date for similar financial instruments of similar maturity and credit risk.

Financial assets

The subsequent measurement of financial assets depends on their classification. The Trust currently holds financial assets in one classification:

(i) Loans and receivables

Financial assets that are non-derivative with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

Financial instruments classified as loans and receivables include: trade debtors and other receivable balances, cash and cash equivalents and short-term deposits.

The classification depends on the purpose for which financial assets were acquired. Management determines the classification of financial assets at initial recognition and re-evaluates this designation at each reporting date.

Financial liabilities

All financial liabilities held by the Trust are designated as "loans and receivables", being non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest rate method.

The Trust has no off-balance sheet financial instruments.

Impairment of financial assets

All financial assets are subject to review for impairment at least once each reporting date. Accounts receivable are reviewed for impairment when accounts are past due or when other objective evidence is received that a specific counterparty will default. Impairment of trade receivables are presented in the Statement of Comprehensive Income, within expenses.

(l) Impairment

The carrying amounts of Trust assets 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 the Statement of Comprehensive Income.

The estimated recoverable value of assets 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 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.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indicators exist, the Trust estimates the asset's recoverable amount, to measure the reversal of any previous period impairment charges. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Reversals of impairment are recognised in the Statement of Comprehensive Income.

(m) Revenue

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Trust and revenue can be reliably measured. Revenue is measured at the fair value of consideration received. The Trust assesses its revenue arrangements against specific criteria to determine if it is acting as the principal or agent in a revenue transaction. In an agency relationship only the portion of revenue earned on the Trust's own account is recognised as gross revenue in the Statement of Comprehensive Income.

The following specific recognition criteria must be met before revenue is recognised:

Wellington City Council Funding

The Trust is primarily funded through the Wellington City Council. The funding is restricted in its use for the purpose of the Trust meeting its objectives as specified in the Statement of Intent. Revenue from the Wellington City Council is recognised as revenue when earned and is reported in the financial period in which it relates.

Donations and grants

Donations and grants are recognised in the Statement of Comprehensive Income when received and all obligations associated with the donations and grants have been met. Where grants have been given for specific services, income will be recognised in the same period in which the specific service is provided. At balance date any unexpended specific funding is treated as a liability (income in advance).

Sale of goods

Revenue from the sale of goods is recognised in the Statement of Comprehensive Income when the significant risk and rewards of ownership have been transferred to the buyer, usually on delivery of the

goods. No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods, or where there is continuing management involvement with the goods.

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract at the reporting date. Under this method, revenue is recognised in the accounting periods in which the services are provided.

Interest

Interest revenue is recognised as the interest accrues (using the effective interest method).

Rental income

Income from the rental of property is recognised in the Statement of Comprehensive Income on a straight line basis over the term of the lease.

(n) Operating leases as lessee

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item are classified as operating leases. Payments made under these leases are expensed in the Statement of Financial Performance in the period in which they are incurred. Payments made under operating leases are recognised in the Statement of Financial Performance on a straight line basis over the term of the lease.

FOR THE YEAR ENDED 30 JUNE 2011

1 Visitor Information Centre

	2011 \$	2010 \$
Trading income	2,927,640	3,050,382
Partner Income Interislander i-Site	12,000	15,000
Rent received	101,388	96,752
Wellington City Council funding	46,000	26,000
Total income	3,087,028	3,188,134
Less:		
Cost of sales	2,389,108	2,520,533
Gross profit	697,920	667,601
Less expenses:		
Employee expenses	477,120	480,638
Depreciation	94,707	14,070
Operating lease expense	117,064	100,371
General operating expenses	126,557	119,366
Total expenses	815,448	714,445
Net Operating Surplus/(Deficit)	(117,528)	(46,844)

2 Personnel Costs

	2011 \$	2010 \$
Salaries, wages and incentives	2,218,241	2,063,247
Recruitment and contract fees	736	2,387
Employer contributions to Kiwisaver	33,038	26,204
Training courses	21,613	15,356
Board of Trustee fees	102,083	98,000
Accident Compensation levies	14,133	10,336
Wellness reimbursements	7,160	4,471
General personnel costs	31,900	36,867
Total personnel costs	2,428,904	2,256,868

3 Operating Expenses

	2011 \$	2010 \$
Audit fees for financial statement audit	11,769	13,750
Other fees paid to audit firm	8,065	11,778
Bank Charges	21,916	26,009
Communications	76,219	79,618
Computer maintenance	105,784	110,505
Conferences	16,803	2,469
Printing and stationery	34,475	29,019
Consultancy	22,126	4,410
Membership and subscriptions	18,506	16,212

FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$	2010 \$
Vehicle expenses	20,585	20,375
Foreign exchange loss/ (gain)	-	(9)
Bad debts	676	1,135
Allowance for doubtful debts	-	-
Other general operating expenses	46,099	69,696
Total other expenses	383,023	384,967

4 Cash at Bank

	2011 \$	2010 \$
Cash and cash equivalents	778,370	367,826
Short term deposits	250,000	407,773
Total cash	1,028,370	775,599

The carrying value of cash and cash equivalents and short term deposits approximates their fair value.

Cash at bank earns interest at floating rates on daily deposit balances.

Short term deposits are made for varying periods of between six months and one year depending on the immediate cash requirements of the Trust, and earn interest at the respective short-term deposit rates.

The Board requires a minimum cash reserve of \$250,000 to be held by Partnership Wellington Trust Inc. in line with the Statement of Intent requirements.

5 Trade Debtors and Other Receivables

	2011 \$	2010 \$
Trade debtors and other receivables	254,373	94,904
Related party receivables	3,780	405
GST receivable	101,193	191,228
Gross trade debtors and other receivables	359,346	286,537
Less allowance for doubtful debts	-	-
Total debtors and other receivables	359,346	286,537

Trade debtors and other receivables are non-interest bearing and receipts are normally on 30-day terms. Therefore, the carrying value of trade debtors and other receivables approximates their fair value.

As at 30 June 2011 and 2010, all overdue receivables have been assessed for impairment and appropriate allowances applied. All trade receivables are subject to credit risk exposure.

The ageing profile of receivables at year-end is detailed below:

2011 receivable ageing analysis	Gross \$	Impairment \$	Net \$
Not past due	76,389	-	76,389
Past due 31-60 days	49,373	-	49,373
Past due 61-90 days	8,936	-	8,936
Past due > 91 days	115,895	-	115,895
Total	250,593	-	250,593

FOR THE YEAR ENDED 30 JUNE 2011

2010 receivable ageing analysis	Gross \$	Impairment \$	Net \$
Not past due	42,087	-	42,087
Past due 31-60 days	33,613	-	33,613
Past due 61-90 days	13,231	-	13,231
Past due > 91 days	6,378	-	6,378
Total	95,309	-	95,309

Allowance for doubtful debts	2011 \$	2010 \$
Opening balance	-	(480)
Doubtful debts collected	-	480
Current year allowance movement	-	-
	-	-

The provision for impairment has been based on expected losses for Partnership Wellington Trust Inc. pool of debtors.

6 Inventories	2011 \$	2010 \$
Wellington i-SITE Visitor Centre	-	-
Total	-	-

No inventories are pledged as security for liabilities (2010: Nil).

7 Trade Creditors and Other Payables	2011 \$	2010 \$
Trade creditors	390,703	244,355
Related party payables	-	1,179
Accrued expenses	595,961	287,770
Total creditors and other payables	986,664	533,304

Trade creditors and other payables are non interest bearing and are normally settled on 30- day terms. Therefore the carrying value approximates their fair value.

8 Employee Entitlements	2011 \$	2010 \$
Accrued salaries and wages	11,439	7,240
Accrued remuneration incentives	24,000	6,500
Annual leave	101,138	91,177
Sick leave	3,326	28,821
Total employee entitlements	139,903	133,738

9 Reconciliation of Surplus for the Year to Net Cash Flows from Operating Activities	2011 \$	2010 \$
Surplus/(deficit) for the year	8,362	(34,449)
Add/(deduct) non-cash items:		
Depreciation and Amortisation	199,207	164,543
Total non-cash items	199,207	164,543

FOR THE YEAR ENDED 30 JUNE 2011

Add/(deduct) items classified as investing or financing activities:		
Loss on sale of assets	(53)	49
Total items classified as investing or financing activities	(53)	49
Add/(deduct) movements in working capital items:		
Debtors and other receivables	(59,639)	(71,137)
Prepayments	50,253	(44,649)
Inventories	-	821
Creditors and other payables	438,078	(165,526)
Current tax payable	(25,387)	(17,236)
Income in advance	(29,610)	107,034
Employee entitlements	9,233	(6,281)
Net movements in working capital items	382,928	(196,974)
Net cash inflow/ (outflow) from operating activities	590,444	(66,831)

10 Income Tax Expense

	2011 \$	2010 \$
(i) Components of the income tax expense		
Current year tax expense	-	-
Prior year tax adjustment	-	-
Change in deferred tax on temporary differences	-	-
Deferred tax adjustment on change in tax rate	-	-
Total tax expense	-	-
Income tax recognised in other comprehensive income	-	-
Tax expense	-	-
	2011 \$	2010 \$
(ii) Reconciliation of effective rate tax		
Surplus before tax	8,362	(34,449)
Income tax expense	-	-
Surplus for the year	8,362	(34,449)
Income tax at domestic tax rate	2,759	(11,368)
Plus/ (less) tax affect of:		
Non-taxable income	(1,960,200)	(1,795,200)
Non-deductible expenditure	1,958,825	1,801,219
Prior year tax adjustment	-	-
Change in deferred tax on temporary differences	-	-
Deferred tax adjustment on change in tax rate	-	-
Income tax	-	-
Deferred tax asset on losses not recognised	1,384	(5,349)
Income tax recognised in other comprehensive income	-	-

FOR THE YEAR ENDED 30 JUNE 2011

(iii) Reconciliation of deferred tax asset

Deferred tax on temporary differences	-	-
Opening deferred tax asset/ (liability)	-	-
Current year deferred tax expense	-	-
Closing deferred tax asset/ (liability)	-	-

Deferred tax derives from temporary differences attributable to the following balance sheet items:

Trade debtors and other receivables	-	-
Trade creditors and other payables	-	-
Property, plant and equipment	-	-
Intangibles	-	-
Total temporary differences	-	-

Income tax @ 33%

A tax loss of \$16,209 (2009:Nil) is available to carry forward and offset against future liabilities, subject to the requirements of the Income Tax Act 2007 continuing to be met.

	2011 \$	2010 \$
(iv) Reconciliation of current tax payable		
Opening balance	-	-
Current year tax expense	-	-
Tax refunded/(paid)	-	-
Current tax payable/ (receivable)	-	-

11 Property, Plant And Equipment

Movements for each class of property, plant and equipment are as follows:	Furniture and office equipment	Leasehold Improvements	Computers	Total
Cost				
Balance at 1 July 2009	146,588	111,980	298,699	557,267
Additions	12,669	33,097	30,267	76,033
Disposals	(4,804)	-	(185,255)	(190,059)
Balance at 30 June 2010	154,453	145,077	143,711	443,241
Balance at 1 July 2010	154,453	145,077	143,711	443,241
Additions	289,508	30,000	18,165	337,673
Disposals	(35,978)	-	(69,787)	(105,765)
Balance at 30 June 2011	407,983	175,077	92,089	675,149
Accumulated depreciation and impairment losses				
Balance at 1 July 2009	127,928	68,162	276,289	472,379
Depreciation expense	14,657	14,903	14,053	43,613
Eliminate on disposal	(4,753)	-	(185,255)	(190,008)
Impairment losses	-	-	-	-
Balance at 30 June 2010	137,832	83,065	105,087	325,984

FOR THE YEAR ENDED 30 JUNE 2011

Balance at 1 July 2010	137,832	83,065	105,087	325,984
Depreciation expense	81,906	21,742	22,242	125,890
Eliminate on disposal	(35,075)	-	(69,787)	(104,862)
Impairment losses	-	-	-	-
Balance at 30 June 2011	184,663	104,807	57,542	347,012
Carrying amounts				
At 30 June 2010	16,621	62,012	38,624	117,256
At 30 June 2011	223,320	70,270	34,547	328,137

There are no restrictions over the title of the Trust's property, plant and equipment, nor are any pledged as security for liabilities.

12 Intangible Assets

Movements for each class of intangible asset are as follows:	Software	WellingtonNZ Website	Texture Website	Total
Cost				
Balance at 1 July 2009	50,313	272,978	76,635	399,926
Additions	5,382	108,518	-	113,900
Disposals	-	-	-	-
Balance at 30 June 2010	55,695	381,496	76,635	513,826
Balance at 1 July 2010	55,695	381,496	76,635	513,826
Additions	-	-	-	-
Disposals	-	-	-	-
Balance at 30 June 2011	55,695	381,496	76,635	513,826
Accumulated amortisation and impairment losses				
Balance at 1 July 2009	29,565	153,098	76,635	259,298
Amortisation expense	15,459	105,470	-	120,929
Disposals	-	-	-	-
Balance at 30 June 2010	45,024	258,568	76,635	380,227
Balance at 1 July 2010	45,024	258,568	76,635	380,227
Amortisation expense	7,421	65,896	-	73,317
Disposals	-	-	-	-
Balance at 30 June 2011	52,445	324,464	76,635	453,544
Carrying amounts				
At 30 June 2010	10,671	122,928	-	133,598
At 30 June 2011	3,250	57,032	-	60,281

There are no restrictions over the title of the Trust's intangible assets, nor are any intangible assets pledged as security for liabilities.

All software is externally acquired and not internally generated.

13 Financial Instruments

(a) Carrying value of financial instruments

The carrying amount of all material balance sheet assets and liabilities are considered to be equivalent to their fair value instruments.

Fair value is the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction.

All financial assets held by the Trust are classified as "loans and receivables" and carried at cost less accumulated impairment losses.

All financial liabilities held are measured at amortised cost using the effective interest rate method.

The Trust has no off balance sheet financial or derivative financial instruments.

(b) Risk management analysis

The Trust is exposed to various risks in relation to financial instruments. The main types of risk relevant to Trust operations are credit risk and liquidity risk. The Trust has a series of policies to manage the risk associated with financial instruments. Policies have been established which do not allow transactions that are speculative in nature to be entered into.

(i) Credit risk

Credit risk is the risk that a third party defaults on its obligation to the Trust, causing the Trust to incur losses. The Trust has no significant concentration of credit risk in relation to accounts receivable. The Trust does not expect the non-performance of any obligations at balance date. The carrying value of trade debtors, other receivables, cash and cash equivalents and short-term bank deposits represents the Trust's maximum exposure to credit risk at balance date.

The Trust at balance date has no trade debtors or other receivable balances past due, that have not been provided for (refer to note 5).

(ii) Liquidity risk

Liquidity risk represents the Trust's ability to meet its contractual obligations as they fall due. The Trust manages liquidity risk by managing cash flows and ensuring that adequate credit lines are in place to cover potential shortfalls.

The table below analyses the Trust's financial instruments into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date.

2011 Contractual cash flows of financial instruments held	Carrying amount	Contractual cash flows	Less than 1 year	1 - 2 years	2 - 6 years
Assets					
Cash and cash equivalents	1,078,370	367,826	367,826	-	-
Short term deposits	250,000	262,750	262,750	-	-
Trade debtors and other receivables	346,229	346,229	346,229	-	-
	1,674,599	976,805	976,805	-	-
Liabilities					
Trade creditors and other payables	973,547	973,547	973,547	-	-
Current tax payable	-	-	-	-	-
Operating leases	-	643,555	322,887	223,154	94,562
Capital commitments	-	-	-	-	-
	973,547	1,617,102	1,296,434	223,154	94,562
Net liquidity position	701,052	(640,297)	(319,629)	(223,154)	(94,562)

2010 Contractual cash flows of financial instruments held	Carrying amount	Contractual cash flows	Less than 1 year	1 - 2 years	2 - 6 years
Assets					
Cash and cash equivalents	367,826	367,826	367,826	-	-
Short term deposits	407,773	428,569	428,569	-	-

FOR THE YEAR ENDED 30 JUNE 2011

Trade debtors and other receivables	286,537	286,537	286,537	-	-
	1,062,136	1,082,932	1,082,932	-	-
Liabilities					
Trade creditors and other payables	533,304	533,304	533,304	-	-
Current tax payable	-	-	-	-	-
Operating leases	-	788,844	293,481	233,941	261,422
Capital commitments	-	-	-	-	-
	533,304	1,322,148	826,785	233,941	261,422
Net liquidity position	528,832	(239,216)	256,147	(233,941)	(261,422)

14 Related Party Transactions

Related parties arise when an entity or person(s) has the ability to significantly influence the financial and operating policies of the Trust.

(a) Parent and ultimate controlling party

The parent and ultimate controlling party of the Trust is the Wellington City Council.

(b) Transactions with related parties

Wellington City Council	2011 \$	2010 \$
Council Funding	5,940,000	5,440,000
Services provided by the Council	19,223	109,143
Rent paid for Council premises	117,064	100,371
Accounts payable to the Council	-	1,048
Accounts receivable from the Council	3,760	360

The Trust has identified no other related party transactions, other than transactions with key management personnel.

(c) Key management personnel

The Trust has a related party relationship with its Board Members and other key management personnel.

Key management personnel compensation	2011 \$	2010 \$
Salaries and other short-term employee benefits	353,326	308,000

Key management personnel includes the Chief Executive, Senior Management and Members of the Board (refer to note 16)

Total remuneration paid to key management personnel is made up of short-term employee benefits and no other post-employment benefits, termination benefits or long-term benefit arrangements have been expensed in the years reported.

15 Board Member Remuneration

The total value of remuneration paid or payable to each Board member during the year was:	2011 \$	2010 \$
J Milford	16,250	13,000
G Coughlan	14,168	20,000
K Wicksteed	14,333	13,000
R Pretty	14,333	13,000
J Coughlan	14,333	13,000
P Monk	14,333	13,000
M O'Donnell	14,333	13,000
Total Board member remuneration	102,083	98,000

16 Capital Management

The Trust's capital is its equity (Trust Funds), representing net assets of the Trust represented by Accumulated Funds. The Local Government Act 2002 requires the Trust to manage its revenues, expenses, assets, liabilities, and general financial dealings prudently and in a manner that promotes the current and future interests of the community.

The objective of managing the Trust's equity is to ensure the Trust effectively achieves its objectives and purpose in accordance with the Trust Deed, whilst remaining a going concern.

17 Operating Lease Commitments

The Trust leases property, plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 36 months.

The future aggregate minimum lease payments payable under non-cancellable leases are as follows:

	2011 \$	2010 \$
Payable not later than one year	322,887	293,481
Payable later than one, not later than two years	223,154	233,941
Payable later than two, not later than five years	94,562	261,422
Payable later than five years	2,952	-
Total	643,555	788,844

Minimum operating lease payments expensed in the period included premises rental of \$275,858 (2010: \$253,057)

18 Capital Commitments

The Trust has no major budgeted capital commitments for 2011/2012 financial year.

(2010/11: Refurbishment of the Wellington i-SITE Visitor Centre was completed at \$300,000).

19 Contingencies

The Trust has no contingent liabilities at balance date (2010: None) .

20 Events After the Balance Date

There are no events after the balance that impact the financial position, performance, cash flows and note disclosures provided in these financial statements..

21 Explanation of Major Variances Against Budget

Explanation for significant variances from the Trust's budgeted figures in the 2010/2011 Statement of Intent are as follows:

(a) Statement of Comprehensive Income

Wellington i-Site Visitor Centre sales were \$396,000 below budget, although only \$121,000 below the previous year sales. Expenses were accordingly reduced and net position achieved was close to budget.

(b) Statement of Changes in Equity

There is minimal difference between budget and actual.

(c) Statement of Financial Position

End of year Trade creditors and accruals are higher than budgeted due to several projects completed in June 2011, payment for which is due July 2011.

(d) Statement of Cash Flows

Increase in year end cash position is as per Financial Position explanation and will be applied to our July creditors payments.

Statement of Service Performance 2010/11

FOR THE YEAR ENDED 30 JUNE 2011

1. Objectives of the Trust

The Trust Deed outlines:

The principal object of the Trust shall be to market and add value to Wellington and to achieve sustainable economic growth for the benefit of the public of Wellington.

In carrying out the principal object, the Trust shall also have the following additional objects:

- a) Maximise the city's share of regional consumer spending through strategic campaigns promoting the city throughout New Zealand and overseas as a destination for shopping, leisure, entertainment and events.
- b) Enhance the profile of city tourism and retail businesses; promote strategic alliances and private sector partnerships.
- c) Further enhance the recognition of Wellington and give support to the Wellington region as a key and desirable visitor destination.
- d) Actively facilitate the co-ordination of marketing initiatives appropriate to the objects of the Trust.
- e) Ensure marketing initiatives are focused on increasing the sustainability of Wellington's commercial sector.
- f) Recognise and promote community focused initiatives.
- g) Enter into funding agreements and other contracts that are necessary or desirable to achieve the objects of the Trust.
- h) Generally to do all acts, matters and things that the Trustees consider necessary or conducive to further or attain the principal and additional objects of the Trust set out above.

The Trust's objects shall be carried out in or to benefit people in Wellington. The Trustees may carry out activities outside Wellington to promote the Trust or the Trust assets, but only if they believe that such activities will be for the ultimate benefit of people in Wellington.

2. The Nature and Scope of the Activities to be Undertaken

Leadership

- Leading Wellington's tourism industry growth and development in an innovative and vibrant way. Developing and defining industry strategy is central to the leadership activity.

international visitors will be attracted to buy tickets/access to those attractions in order to support the commercial performance of these attractions and assist in Council's vision of Wellington being a vibrant and internationally competitive city.

Online Tourism Distribution

- Ensuring that Wellington has a high profile and highly effective online tourism presence with maximum ability to convert consumer interest into purchasing Wellington visitor experiences.

Convention Bureau

- Marketing Wellington as a leading conference and convention destination to the New Zealand and Australian markets, maximising the opportunity provided by Council's investment in facilities and services dedicated to this purpose.

New Zealand Marketing

- Delivering targeted marketing programmes and campaigns to the New Zealand market which maintain the city's position as the premier urban destination in New Zealand, working with the Wellington City Council's Event team and the key visitor attractions in Wellington.

Downtown Marketing

- Delivering campaigns to help ensure downtown Wellington remains vibrant as a place to visit for locals and visitors
- Sharing information about new and exciting city centre activities through utilisation of our KNOW Wellington databases.

International Marketing

- Marketing Wellington as a visitor destination in target long haul markets, notably the UK, Europe, the USA and increasingly in Asia
- Ensuring better connectivity in long haul markets by working on the development of long haul air services
- Coordinating the international marketing activities of those attractions in which Wellington City Council have invested and from which a stated outcome is that

- Marketing Wellington at both consumer and trade levels in the Australian market and maximising the opportunity to leverage Wellington City Council's investment in this market through working with strategic partners such as Tourism New Zealand, neighbouring regions, WIAL, airlines and local industry partners who have shared objectives.

- Ensuring better connectivity with Australia by encouraging increased air capacity, new route development and competition.

Event Marketing and Development

- Support event development and add value to the event programme with targeted marketing and promotions support
- Working closely with Wellington City Council on event development and jointly establishing and applying criteria to further develop the city's understanding of the economic, social and other benefits of events
- Provide support and services to key event organisations (such as NZI Sevens and Montana World of WearableArt™ Awards Show, Te Papa Tongarewa and promote new events such as Wellington on a Plate).

Communications

- Leveraging marketing activity and key city messages by way of an active communications plan which reinforces the marketing activities of PWT through all types of media in New Zealand and beyond.

Research

- Ensuring Wellington's tourism dataset and information base is consistent with industry practice in order to properly inform marketing and product development decision-making both for the Trust and as an information source for other agencies and private enterprise.

Product Development

- Supporting the development of new tourism attractions and the development of new and existing tourism businesses and services through provision of information, networks and advice.

Partnership/Relationships

- Maintaining a strong private/public sector funding approach to the Trust's work and through developing i-SITE income, partnership and joint venture programmes maintain Wellington City Council's investment as being no more than 50% of PWT's income
- Maintaining strong relationships with relevant public and private sector interests, most notably Wellington City Council and its subsidiary organisations/Trusts/CCOs etc.

Rugby World Cup 2011

- Support Wellington City Council in the delivery and management of marketing, media and visitor services for the Rugby World Cup 2011 (RWC2011) taking into consideration the needs, requirements and restrictions imposed by stakeholder groups both from within the city and beyond.
- Planning activities in the international travel market and trade training in the 2010/11 year which align with and leverage the opportunities provided to Wellington through hosting teams and games during RWC2011 and capturing a legacy value beyond.

3. Key Performance Indicators

New Zealand's tourism industry this year faced a 'perfect storm' of low consumer confidence, challenging exchange rates affecting key markets and large scale natural disasters both in New Zealand and abroad; all amid a continued global economic recession. While Wellington has by no means been immune, a nimble and tactical approach to marketing and a strong presence in Australia helped buffer the city from the severity of declines experienced by some competitor destinations. Wellington saw an 8.3% increase in Australian visitor arrivals in the year to May*, without which national arrivals over that period would have declined. (Source: International Visitor Arrivals). This growth saw international guest nights increase 4% to 668,893 in the same period (Source: Commercial Accommodation Monitor). While domestic guest nights declined 2.6%, weekend rooms sold in partner hotels in the year to May grew 3.9% (Source: PWT Hotel Monitor), reflecting the success of tactical partner marketing such as the 3 Nights for Two winter campaign.

* As some June 2011 datasets were not available at the time of audit, where the term 'in the year to May' is used this refers to the 11 month period from the start of the financial year to the end of May 2011.

a. General KPIs

MEASURING PERFORMANCE

Measure	Frequency of Measure	Target 10/11	Result
Organisational		Maintain Wellington City Council funding as less than 50% of total income	Wellington City Council funding was 49.8% of our total income for the 2010/11 year.
		Maintain overhead costs as less than 13% of total activity costs	Overhead costs were \$945,395 which was 7.92% of total activity costs..

Measure	Frequency	Target 09/10 of Measure	Result
Australia Sales and Marketing		Recognition of Wellington as a visitor destination in targeted regions of Australia has risen over base line research carried out by Tourism NZ in February 2010.	The March 2011 TNS/Tourism New Zealand campaign evaluation research found 45% of Tourism New Zealand's "Active Considerer" target audience considering Wellington a priority destination to visit. This compares to 13% of all visitors considering visiting Wellington in Feb 2010. (Note: data not directly comparable due to changes in the questionnaire.).
		Increase Australian visitor arrivals at 2009/10 levels by 7%	There were 111,657 Australian visitor arrivals in the year up to May, an 8.3% increase on the same period in 09/10. (Source: <i>International Visitor Arrivals</i>).
		Airline capacity maintained at least at 2009/10 levels and negotiations advanced to grow capacity further	Airline capacity increased by 5% to 852,104. (Source: <i>Wellington International Airport</i>)
Convention Bureau Sales and Marketing	Quarterly	5% increase in leads/ referrals generated to Convention Bureau partners relative to 2009/10	Leads/referrals increased to 479, a 15.7% increase compared with 09/10.
		Maintain Wellington's C&I market share within the New Zealand market	Wellington hosted 769,031 delegate days, an increase of 1% over 2009/10. (Source: <i>Convention Activity Survey</i>)
Downtown Marketing	Quarterly	Downtown weekend visitation increased by 2% relative to 2009/10	Downtown Wellington weekend visitation for the year declined 1.8% compared with 2009/10. (Source: <i>BNZ MarketView</i>)
		Increase reach of KNOW e-news (including social media channels) to Wellington residents from 11.3% of residents to 16.7% (30,000)	The combined reach of the KNOW audience increased to 34,875, representing 19.4% of residents.
International	Monthly	Increase International visitor room nights by 2% relative to 2009/10	International guest nights increased 4% to 668,893 in year to May 2011 compared to the same period the year before. (Source: <i>Commercial Accommodation Monitor</i>)
		Maintain Wellington's market share of international visitors to NZ relative to 2009/10	Wellington's market share of international visitors to NZ was 23.8% in the year up to March 2011, a decrease of 0.3% compared with the same period in 2009/10. (Source: <i>International Visitor Survey</i>)
New Zealand and Event Marketing	Monthly	Domestic visitor nights in Wellington city increased by 2% relative to 2009/10	Domestic guest nights in the year to May 2011 declined by 2.6% to 1,191,067. (Source: <i>Commercial Accommodation Monitor</i>)

	Monthly	Weekend rooms sold in partner hotels increased by 2% relative to 2009/10	The number of weekend rooms sold in partner hotels grew 3.9% to 163,057 in the year to May. (Source: PWT Hotel Monitor).
Online and IT	Monthly	20% growth in visitors to WellingtonNZ.com relative to 2009/10	Visits to WellingtonNZ.com increased 20% to 1,638,341. (Source: Nielsen Netratings)
		Generate \$730k of bookings through WellingtonNZ.com	\$741,815 of sales were generated for Wellington tourism industry partners through WellingtonNZ.com in the year.
Product Development		Support investment groups in completing feasibility studies for product developments	Support was provided to the Wellington Marine Conservation Trust. The feasibility study for the proposed Wellington Marine Education Centre will be completed in July 2011.
i-SITE Visitor Centre	Quarterly	Increase Revenue by 3% relative to 2009/10	Trading revenue in the year decreased by 3.7% to \$3,029,028 compared to 2009/10.
		Increase proportion of sales of Wellington product by 10% relative to 2009/10	Sales of Wellington product in the year increased by 1.3% to \$830,899, compared to 2009/10.
		Visitors to the i-SITE maintained at least 2009/10 levels	365,907 people visited the i-SITE in the year, a decrease of 7.2% on 2009/10.

b. Financial KPIs

The following financial indicators were monitored and approved by the Board.

- Interest income
- Net cost of Visitor Centre
- Net cost of joint venture marketing
- Total overhead expenses
- Cashflows

- Statement of Financial Performance
- Statement of Financial Position
- Statement of Cashflows
- Statement of Movement in Trust Funds
- Forecast for Statement of Financial Performance
- Capital Expenditure
- Progress against operational KPIs as detailed in the Business Plan

4. Trust Performance

Governance related performance targets and other measures by which the Trust's performance were judged in relation to the Trust's objectives:

- Contribute to the development of Wellington city's vision 'Creative Wellington – Innovation Capital'
- Add value to Wellington
- Operate within budgeted funding levels
- Protect the asset base of the Trust
- Be a good equal opportunity employer
- Act lawfully in all matters
- Operate within the boundaries of our Trust Deed
- Develop and review strategic and business plans

Financial and operating measures were reported to Wellington City Council on a quarterly basis including the following:

The Board of Positively Wellington Tourism met 10 times in the financial year. A further planned meeting was cancelled due to the Executive's involvement in operation of the Welfare Centre for international visitors evacuated from Christchurch following the February earthquake. The Board delegates the day-to-day operations of the Trust to the CEO and the management team who report monthly to the Board.

The Board operated an Audit, Finance and Risk subcommittee, which met four times in the financial year. The Remuneration subcommittee met twice in the financial year.

5. Staff

As at year end 30 June 2011 there were 22 FTEs in the marketing office.

Staffing levels at the i-SITE will be approximately 9 - 11 FTEs, with seasonal adjustments to deal with peak demands and extended trading periods. As at year end 30 June 2011 there were 13 FTEs.

6. Any significant present or expected obligations or contingent liabilities to third parties

The Trust has no contingent liabilities as at 30 June 2011.

The Trust has a six year rental agreement for its office space in Grand Plimmer Tower which expires in October 2013. The annual rental is \$160,855 + GST with one right of renewal for three years at the Trust's discretion.

The Trust has a three year rental agreement for its Visitor Centre space in the WCC CAB Building which expires in August 2012. The annual rental is \$109,141+ GST with one right of renewal for three years.

Partnership Wellington Trust has one three-year lease on a vehicle which expires in 2012. The annual cost of the lease is \$10,415 + GST.

The Trust also has a range of employment agreements with its employees, eg: part and full time, contract and casual.

The Trust has a policy for the ratio of total Trust Assets to Total Liabilities of 1.2:1.

Total assets at 30 June 2011 were \$1,797,689

Total liabilities at 30 June 2011 were \$1,329,969

Total assets to total liabilities at 30 June 2011 were 1.3:1.

Trust assets include cash in the bank, debtors and other receivables, stock, short term investments and fixed assets.

Trust liabilities include creditors and other payables, employee entitlements, income in advance and tax payable.

7. New Zealand equivalents to International Reporting Standards

The Trust adopted New Zealand equivalents to International Financial Reporting Standards (NZIFRS) at balance date 30 June 2007. This was in line with Council's timeframe.

The Board requires a minimum cash reserve of \$250,000 to be held by the Trust.

The Trust does not distribute surplus.

8. Compensation

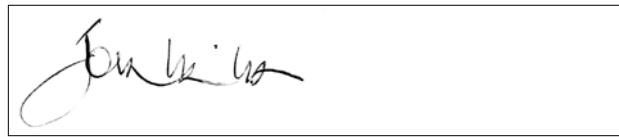
The Trust received funding/compensation from the Wellington City Council of \$5,940,000 in the financial year ended 30 June 2011.

The base funding deed is for a period of three years and is extended annually for a further year.

9. Such other matters as are agreed by Council and the trustees

Nil

Signed



John Milford, Chair

Date - 15 August 2011

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POSITIVELY
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