

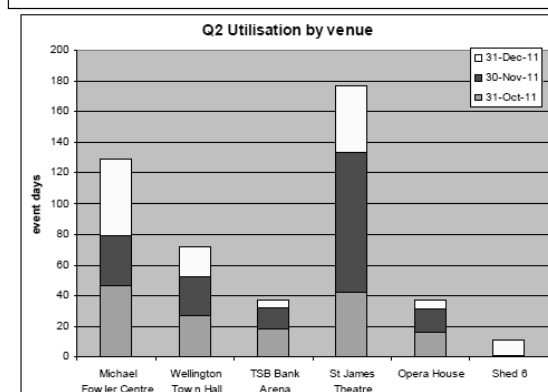
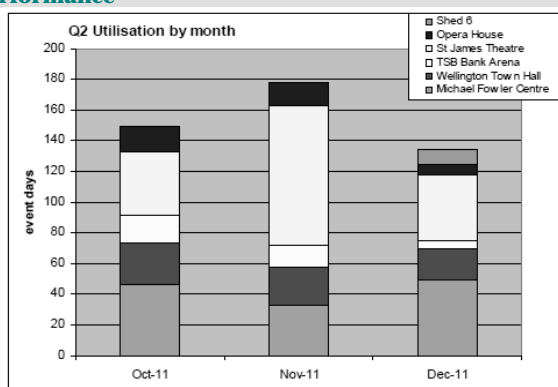
## Quarterly Review – Positively Wellington Venues Ltd

Positively Wellington Venues Limited has presented its report for the quarter ended 31 December 2011 for review. A summary of key findings is presented below and the full report is attached.

### Highlights: achievements

- This quarter saw the completion of the recruitment process for the new management structure with 5 new director-level staff appointed.
- Options were considered to mitigate the impact of the loss of the Wellington Town Hall for seismic strengthening. An independent assessment has identified the potential financial impact of the closure on the organisation as \$4.5m per annum, with an estimated \$12.1m per annum impact in wider economic benefit to Wellington.
- As part of the LTP process, PWV has submitted a proposal for \$5m funding to upgrade the TSB Arena and Shed 6 on the Waterfront to accommodate Town Hall events and conference business and preserve economic value to the city
- The Heads of Agreement was signed in February 2012.

### Performance



### Macro Key Performance Indicators

The following KPIs have been reported by the company:

Venue Utilisation: Event hires per venue	2011/12 Q2 event hires
Michael Fowler Centre	129
Town Hall	72
TSB Arena/Shed 6	48
St James Theatre	176
Opera House	37
<b>Total</b>	<b>462</b>

- Conventions and event business accounted for 65% of revenue (68% of utilisation), with show business being 35% (32% of utilisation). Of this, community events accounted for 6% of utilisation.
- Show highlights included Royal New Zealand Ballet's *Sleeping Beauty*, the NZSO *Brahmissimo* series, RWC2011 screenings, comedians Eddie Izzard and Pam Ayres, and musical acts Cold Chisel and Meatloaf (sold out).
- We are starting to see the first signs of advanced bookings being affected by uncertainty over the loss of the Town Hall space in 2012.

Contact officer: **Richard Hardie**

### Activities during the quarter

- The rebranded and re-skinned website covering all 6 venues was launched in December.
- Work continues on the SLA for Shared Services between WCC and PWV with sign-off expected in Q3.
- A business case has been prepared to support the application for LTP funding to fit out the TSB Arena and Shed 6 during the earthquake strengthening work on the Town Hall.
- A pan-venue asset management plan for PWV equipment and chattels is under preparation and expected to be completed by June 2012.
- On the invitation of Council officers, PWV is participating in the Energy Efficiency and Conservation Authority's programme to identify possible energy efficiencies which could be implemented.
- Work continues on the wind up of the St James Theatre Trust with sign-off expected in Q3.
- The new Performing Arts Foundation Trust (PAF) has been established and is awaiting Charitable Board registration.

### Financial Commentary

- PWV reports a quieter than usual October as a result of business displacement during RWC2011.
- The Q2 operating deficit was (\$371k) against a budgeted deficit of (\$194k). This included transition costs for consolidating and optimising the office set up and HR costs associated with the merger.
- The favourable cash position reflects revenue in advance from bookings for future events.
- For clarity, transition and legacy costs resulting from the merger have been disclosed separately in the financial reporting.

### Statement of Financial Performance

For the quarter ended 31 December 2011

\$'000	Q2 Actual	Q2 Budget	YTD Actual	YTD Budget	FY Budget
Income	4,204	4,103	8,444	8,369	15,849
Expenditure	4,574	4,296	8,999	8,517	16,356
Operating surplus	(371)	(194)	(566)	(148)	(507)
Operating Margin	(8.8)	(4.7)	(6.7)	(1.7)	(3.2)

### Statement of Financial Position

For the year ended 31 December 2011

\$'000	YTD Actual	FY Budget
Current assets	2,659	2,751
Non-current assets	939	1,028
Current liabilities	2,773	2,513
Non-current liabilities	-	-
Equity	824	1,266
Current ratio	1.1	1.1
Equity ratio	23%	34%

### Statement of Cash Flows

For the year ended 31 December 2011

\$'000	Q2 Actual	Q1 Actual
Operating	140	696
Investing	(88)	-
Financing	-	-
Net	52	696
Closing balance	1,136	1,084

## Profile – Positively Wellington Venues Ltd

Positively Wellington Venues Ltd is a Council Controlled Trading Organisation (CCTO) that has been established as a result of the merger of the Wellington Convention Centre – a former business unit of the Wellington City Council – and the St James Theatre Charitable Trust. The decision to establish PWV was based on the potential to realise efficiency gains and savings across the two organisations, opportunities to capitalise on WCC's shared services capabilities, and the desire to see greater integration and cooperation of Wellington's venue spaces with other CCTOs and external organisations.



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PWV started trading on 1 February 2011, taking over the operations of the Convention Centre which managed the Michael Fowler Centre, Wellington Town Hall, TSB Bank Arena and Shed 6. The operations of the St James Theatre Charitable Trust, which managed the St James Theatre and Opera House, were assigned to PWV from 1 July 2011.

Acting as an agent of WCC, the new entity is responsible for the management of Wellington's premiere venue spaces, including: the Michael Fowler Centre; the Wellington Town Hall; the St James Theatre; the Opera House; and the TSB Arena and Shed 6.

### Entity Data

Established	February 2011	<i>Term expires:</i>
Board	Chris Parkin	31 December 2014
	Sam Knowles	31 December 2012
	Linda Rieper	31 December 2014
	Samantha Sharif	31 December 2014
	Mike Egan	31 December 2014
	Lorraine Witten	31 December 2014
	Ngairi Best (councillor)	31 December 2013
	Paul Eagle (councillor)	31 December 2013
CEO	Glenys Coughlan	
Balance date	30 June	
Number of FTE staff	80	
Website	<a href="http://www.pwv.co.nz/">http://www.pwv.co.nz/</a>	
Type of entity	Company	
LGA designation	CCTO	
By reason of	Council appointees	
Council interest	100% shareholding	
Type of interest	Shares	