

POSITIVELY

Wellington

WellingtonNZ.com

TOURISM



Partnership Wellington Trust
Annual Report 2011/2012



CONTENTS

From the Chair	1
From the CEO	2
Digital Reach	3
Performance Overview	4
The Board	5
Downtown	6
New Zealand Marketing	7
Australia	8
International	9
Digital	10
i-SITE	11
Rugby World Cup	12
Conventions	13
Communications	14
Financial Statements	15
Audit Report	16
Statement of Comprehensive Income	18
Statement of Movement in Trust Funds	19
Statement of Financial Position	20
Statement of Cash Flows	21
Notes to the Financial Statements	22
Statement of Service Performance 2011/12	35



From the Chair

They say when the going gets tough, the tough get going. Off the back of a string of natural disasters and amidst a continued global financial crisis, the Wellington region's tourism industry again rallied in 2011/12. Working smart, working hard and working together proved the key to Positively Wellington Tourism (PWT) again securing growth in key performance areas.

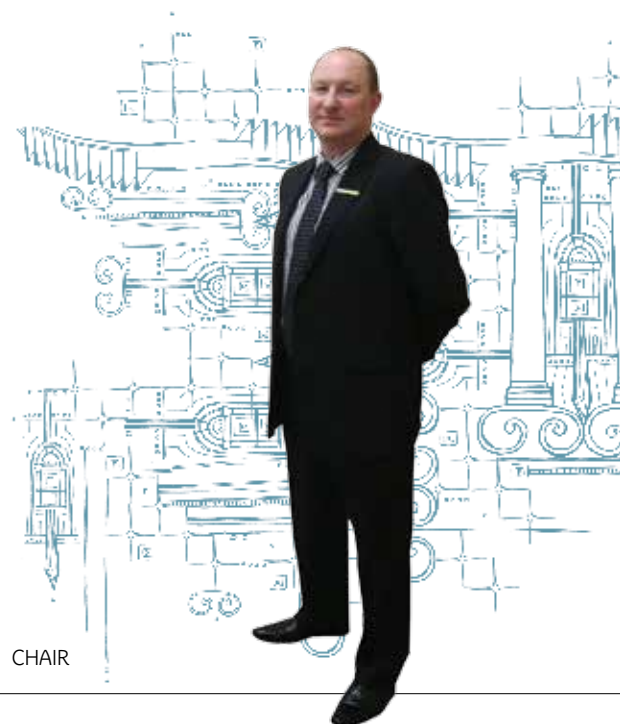
Achieving growth within this climate was at times a hard fought battle, but was a challenge to which the Wellington tourism industry and business community as a collective rose and prevailed. The base funds for Partnership Wellington Trust (trading as Positively Wellington Tourism) are sourced through the Downtown Levy commercial rate. It's tough for businesses out there and we as an industry and city must acknowledge the ongoing commitment to the bigger picture that these businesses make to maintaining success and growth for the capital. Their investment helped see tourism spend in Wellington increase 8% to \$1.4 billion in 2011.

The impact of the Christchurch and Canterbury earthquakes, economic recession in key markets and embattled local consumer confidence continued this year. Domestic guest nights held strong, while Australia again propped up international figures. Visitation to New Zealand from traditional long haul markets such as the United Kingdom, Germany and North America continued to drop, with the market mix shifting significantly towards Asia. This presents ongoing challenges to Wellington - a destination that as yet does not largely factor in the often whirlwind set itinerary holidays from these markets. Work is being carried out at a national level to extend the quality and length of stay of visitors from China, and the team is working hard to raise profile and understanding of our city and region in that part of the world.

The financial result for the year was \$2,480 profit with Partnership Wellington Trust remaining in a solid financial position; funds at year-end were \$502,283. The Trust's commitment to maximising Wellington

City Council's investment through partnership activity resulted in council funding accounting for 48% of the total marketing investment made through PWT activity. I-SITE Visitor Centre trading revenue increased 13.5% for the year.

A determined and collaborative tourism organisation has again been pivotal to the many successful results this report holds. I am proud to acknowledge and congratulate David and the PWT team's resilience and innovation, and thank the Board of Directors for their insight and direction in these tough times. Certainly these are not achievements we could do alone and thanks must, as ever, also go to Wellington City Council and all of our members and partners for their support and leadership.



John Milford CHAIR

From the CEO

Record winter guest nights and a thriving trans-Tasman market largely protected Wellington from a challenged global economy in 2011/12, with weekend rooms sold in partner hotels increasing 9.8% year-on-year. To say I am proud of our team's energy and tactical drive within what continues to be a tough climate is an understatement.

Commercial guest nights, international arrivals and cruise ship visitors all increased across the year. Wellington's brand is also stronger than ever, with the Tourism Industry Association's Mood of the Traveller survey consistently finding Wellington as New Zealand's most popular domestic destination and international media continuing to grab hold of and spread the 'coolest little capital in the world' story.

A record season of the Brancott Estate World of WearableArt™ Awards Show, the third course of Visa Wellington On a Plate and a tactical '3 for TWO' hotel campaign were all factors in increased profile and record visitation to the capital in the traditionally soft winter period. While Rugby World Cup 2011 (RWC 2011) did not have a major impact on overall visitation to Wellington during September and October, the tournament had a significant impact on international visitation and global profile. The Society of American Travel Writers week-long congress in the city followed hot on RWC 2011's boot studs in November. The event was highly praised by the 450+ delegates and early publication of articles on Wellington has been very positive, with the legacy to continue as longer lead publications publish over the coming year. Total international arrivals into Wellington increased 18.3% year-on-year.

A successful city drives a successful region, and vice versa. As the gateway to New Zealand's finest wine regions and destinations of cultural and scenic splendour, Wellington works as part of, and on behalf of, a regional collective offshore. This partnership approach has been key to the continuation of significant growth in arrivals from Australia - often counter to the national trend. The establishment of a formal marketing partnership with Air New Zealand this year saw the integration of a strong conversion mechanism to work off brand awareness activity such as the popular 'WLG' pop up restaurant in Melbourne.

The following pages highlight some of the key projects and results across our different business units, which in turn drove the organisation performance as reported in the Statement of Service Performance on page 35.

Exceptional growth across PWT's 'owned' channels this year has positioned our organisation as a media channel in our own right, now able to share news and content direct with over 200,000 of the city's fans at any one time through our digital networks (see graphic to the right). Our team can look back on this year with pride and forward with excitement, as we use these and other channels to continue sharing Wellington's stories with the world, and encouraging others to do so as well.

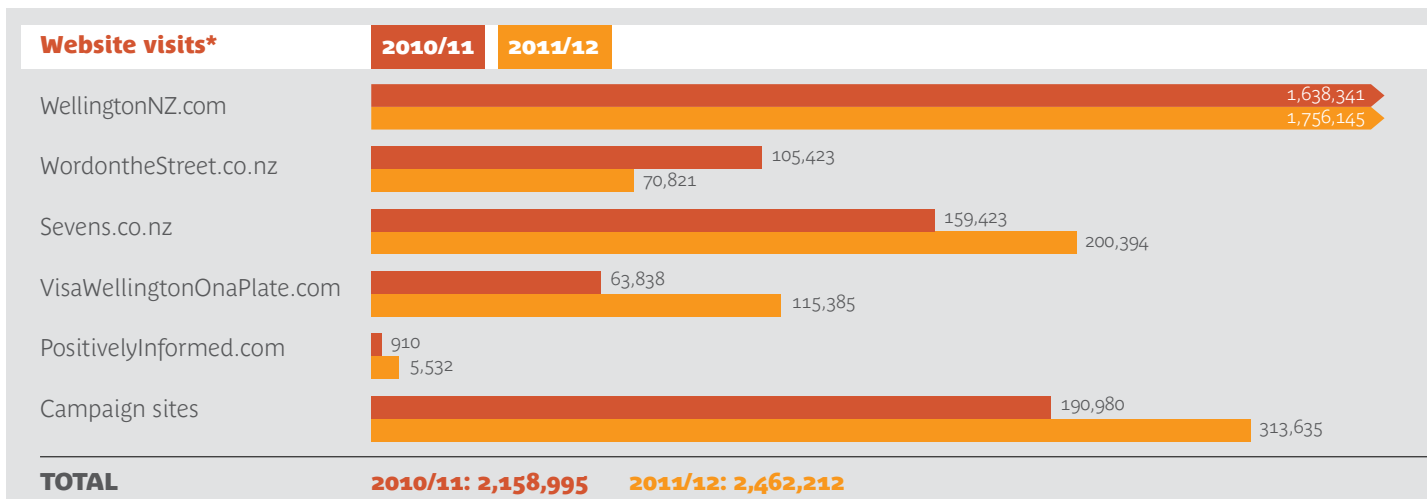
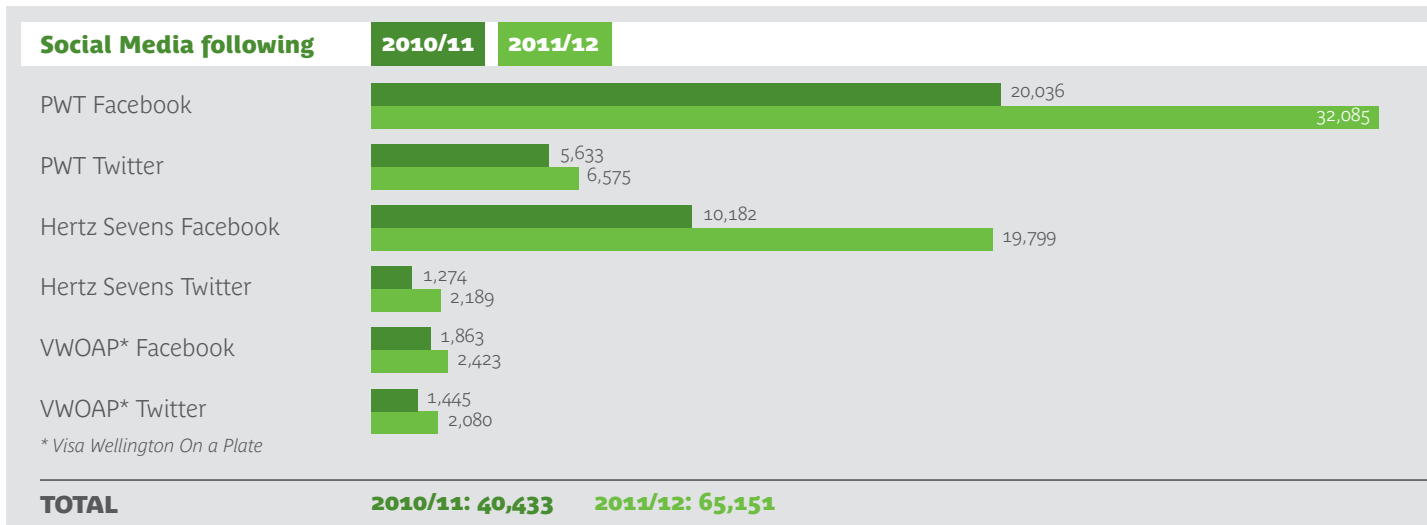
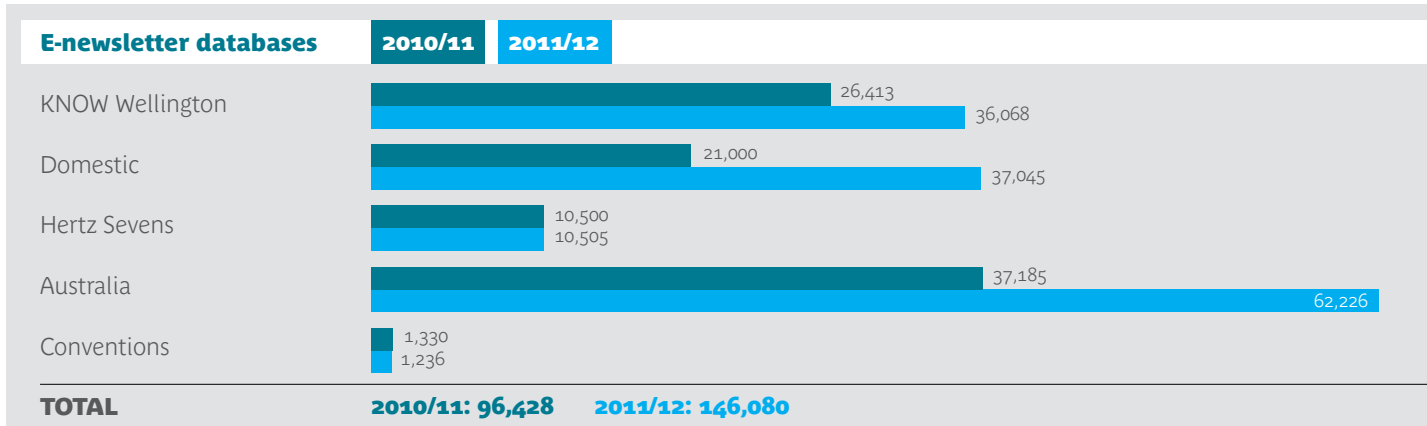


David Perks CEO

Positively Wellington Tourism Digital Reach

Positively Wellington Tourism now has the ability to talk to and with over 200,000 people at any one time through our email databases and social media following. These channels helped us drive almost 2.5 million visits to our websites in 2011/12.

PWT Digital Reach Growth from 2010/11 to 2011/12



* Source: WellingtonNZ.com figures from Nielsen; all others from Google Analytics.



Performance Overview

Full details of our performance against our key measurements can be found in the Statement of Service Performance on page 35. Below is an overview, with detail on some of the activities that helped us achieve these results in the following pages. Growth rates are in comparison to the 2010/11 financial year in all cases.

Organisational

- A commercial partner survey carried out in March 2012 revealed that 90.3% are satisfied or highly satisfied with their marketing relationship with PWT and 93.1% are satisfied or highly satisfied with the performance of the Wellington i-SITE Visitor Centre.
- Wellington City Council funding was 48% of the total marketing investment made through PWT activity. Overhead costs were 9.2% of total activity costs.

Australia Sales and Marketing

- A survey of Australian travellers found that 74% of respondents felt their recognition of Wellington and its surrounding regions as a visitor destination had increased when compared to the year before.
- Australian visitor arrivals increased 17.5% to 139,088. (Source: *International Visitor Arrivals*)
- Trans-Tasman airline capacity increased by 12% to 976,196 seats. (Source: *Wellington International Airport*)

Convention Bureau Sales and Marketing

- Wellington hosted 778,284 delegate days, an increase of 1.2%. Wellington's market share of delegate days increased by 1.5% to 23%. (Source: *Convention Activity Survey*)
- Leads and referrals made to partners remained fairly static, with a 1% decrease to 474.

Downtown Marketing

- Downtown Wellington weekend visitation increased 3.7%. (Source: *BNZ MarketView*)
- The combined reach of the KNOW audience increased to 74,728, representing 37.3% of residents.

International/Long Haul

- International guest nights increased 7.58% to 767,398. (Source: *Commercial Accommodation Monitor*)
- Cruise passenger arrivals to Wellington grew 37% to 125,000 passengers during the 2011/12 season. (Source: *CentrePort*)

New Zealand and Event Marketing

- Domestic commercial guest nights increased 0.86% to 1,307,912. (Source: *Commercial Accommodation Monitor*)
- The number of weekend rooms sold in partner hotels grew 9.8%. (Source: *PWT Hotel Monitor*)

Online and IT

- Visits to WellingtonNZ.com increased 7.1% to 1,756,145. (Source: *Nielsen Netratings*)
- \$704,000 of sales were generated for Wellington tourism industry partners through WellingtonNZ.com in the year. (Source: *Bookit*)

i-SITE Visitor Centre

- Trading revenue in the year increased by 13.5% to \$3,438,000.
- The proportion of sales of Wellington product increased by 2.8% to 32.2% of total i-SITE sales.
- 370,040 people visited the i-SITE in the year, an increase of 1.1%.



The Board



John Milford CHAIR



David Perks CEO



Mike O'Donnell



Glenys Coughlan



Howard Greive



Ruth Pretty



Jo Coughlan



Peter Monk



Downtown

Wellington's vibrant downtown and local ambassadors are two of the city's main attractions. PWT's 'KNOW Wellington' campaign connects locals with what's new and happening in the city. This in turn helps drive the capital of cool culture that is loved by visitors.

Keeping in the KNOW

The fortnightly KNOW e-news is a well-established and in-demand communications tool for Wellington events and businesses. Targeted acquisition campaigns were carried out to continue building the database, which increased 37% to 36,068 in 2011/12.

Continuous improvement is at the core of everything we do. Whilst already very successful, the KNOW e-news template was further analysed and revised to increase the click through rate and reach through increasing the number of forwards, referrals and shares.

Advent-ageous

The 2010 KNOW Wellington Advent Calendar was a huge success and the 2011 version had some pretty big shoes to fill. Hefty targets were set and well exceeded. By changing tactics to focus on data capture, 8,400 new subscribers were acquired – an eight-fold increase on 2010. Shares increased 100% year-on-year to 6,757. The 2011 Advent Calendar was visited 154,500 times (up 26% from the previous year) by 61,500 unique visitors from 106 countries.

The WOW Factor

A business version of the KNOW e-news is distributed to downtown businesses to encourage engagement with major events and let them know of relevant opportunities. An example of this downtown city excitement activity was a record 50 stores entering the retail competition, leveraging and supporting the Brancott Estate World of WearableArt™ Awards Show.

Social Media

Full social media figures are referenced in the Digital section on page 10. Wellingtonian Facebook fans increased by 310% to 12,303 across the year.

SNAPSHOT

- 37% increase in KNOW e-news subscribers
- Weekend downtown visitation increased 3.7%, with spending increasing 7% on 2010/11
- 310% increase in Wellingtonians engaged on social media

“We had an overwhelming response (to the Advent Calendar) and had to fly a makeup artist down from Phoenix in Auckland to cope with the demand.”

– Phoenix Renata,
Phoenix Cosmetics

New Zealand Marketing

The capital's position as the country's most desirable urban short break destination stood strong this year, with Wellington taking top destination billing in the Tourism Industry Association's Mood of the Traveller in each of the year's quarterly surveys. Working with the city's hoteliers, Te Papa and the Wellington City Council Events team, New Zealanders were continuously presented with reasons to visit Wellington throughout the year.

3 FOR TWO

A deal-based 3 for TWO campaign was adopted to drive visitation across the traditionally soft periods in winter and early summer, and was a key contributor to growth in these periods. Guest nights spent in the Wellington region increased 21% across the June-August quarter to 502,754. This was 18% ahead of the previously busiest winter period in 2009 and represented a 55% increase across the past decade. Weekend rooms sold in partner hotels increased 9.5% in the December 2011 quarter to 49,213 rooms.

Brancott Estate World of WearableArt™ Awards Show

PWT runs the city excitement campaign for the iconic Brancott Estate World of WearableArt™ Awards Show and assists with the TV and online ticketing campaign. Some 47,000 people attended the two-week event, with approximately 60% coming from outside of Wellington. The event ran earlier than usual to accommodate Rugby World Cup 2011 proceedings; shifting a large amount of business earlier into winter. The show's economic impact was estimated to be \$15 million in 2009, a sum which will have been much higher in 2011 due to its longer run.

Visa Wellington On a Plate

The third course of the coolest little culinary festival in the world featured 102 eateries and 80 events, attracting over 25,000 festival-goers. More than 400 bakers took part in the Wellington Bake Club and Burger Wellington had 50 participating restaurants (up from 33 in 2010). The Visa Wellington On a Plate platform continues to build swiftly, along with Wellington's culinary capital profile.

Unveiled: 200 Years of Wedding Fashion from the V&A

A television and digital marketing campaign promoting Unveiled: 200 Years of Wedding Fashion from London's Victoria & Albert Museum ran in partnership with Te Papa. A new What's Your Style? Facebook application received 13,356 visits from 12,733 unique visitors. The game attracted 13,828 plays, 970 and shares and 5,671 competition entries.

SNAPSHOT

- 9.8% increase in weekend rooms sold at partner hotels, and 7.8% increase in total rooms sold
- 0.9% increase in domestic commercial guest nights in the city
- 76% increase in database subscribers to 37,045



Above: Hylonome, Mary Wing To, United Kingdom 2011 Brancott Estate World of WearableArt™ Awards Show



“Wellington continues to be the destination New Zealanders would most like to visit in the next six months.”

– Tourism Industry Association commenting on findings of its AA Mood of the Traveller Survey

Australia



The Australian market continued to be Wellington's international hero in 2011/12, with a 17.5% increase in trans-Tasman arrivals significantly offsetting the declines experienced in longer haul markets. Wellington's creative approach in consumer marketing earned cut-through in a crowded market, while further development of partnerships in Australia served the city and its stakeholders well.

WLG Melbourne

Following the success of our inaugural pop up restaurant promotion in Sydney in September 2010, a second was run in Melbourne in November 2011. Close to 2000 people dined at WLG, including over 200 media, travel trade and industry. Over 120 pieces of Australia media coverage were generated, with media and social media reach broadcasting the culinary capital message to an estimated cumulative audience of 9 million in Australia. Air New Zealand's involvement ensured the project had a strong tactical offering, and an Air New Zealand Restaurant Safety flight giveaway generated an enormous amount of publicity, with over 45,000 views on YouTube and pick up through national broadcast media in Australia.

Everybody Needs Good Neighbours

Wellington City Council's \$1 million investment in Australia marketing was nearly tripled through a variety of cash and in-kind partnerships. Major partners this year included Destination Marlborough, Hawke's Bay Tourism, Hutt City Council, Destination Wairarapa, Interislander, Te Papa, Air New Zealand, Wellington International Airport and a variety of regional businesses. This partnership approach allows all parties to get greater presence and more effective cut-through in the crowded Australian advertising market, as seen in the results delivered.

Trading Up

Training trade product buyers and frontline staff remains a pivotal in-market activity in Australia, as do partnership campaigns leveraging their large consumer channels and trusted source relationships. Activity included joining a Kirra Holidays road show taking in seven cities in Australia, promotion of Wellington and the Classic New Zealand Wine Trail through ANZCRO's retail channels, and a number of special promotions with online travel agents such as Hotelclub, Lastminute.com and Webjet. Two major promotions were run with Wotif.com – Australasia's largest online travel agent.

Visiting Media Programme

As with all markets, media hosting plays a key part in enforcing marketing messages through trusted third party endorsement. As well as the hosting of key target publications, the year saw a number of major projects including integration with MasterChef Australia and sponsorship of the Qantas Great Crusade – a convoy of 25 campervans of media, musicians and prize winners during Rugby World Cup 2011 - in conjunction with Tourism New Zealand.

"I have just read your booklet on Wellington and I must say it is full of amazing hints and things to do that you don't get in most holiday brochures. Read from cover to cover!"

– Sydney Morning Herald reader

SNAPSHOT

- Australian arrivals into Wellington increased 17.5%
- 71 Australian media and 118 trade hosted in Wellington
- Australian visits to WellingtonNZ.com rose 15.5% to 224,537
- Trans-Tasman air capacity increased 12% to 976,196

International

This year's work with international media and trade focused on further reinforcing Wellington's position as the capital of cool, ranking alongside the most internationally recognised cities in the world. In line with Tourism New Zealand's activity, attention has turned to development and education in targeted Asian markets.



Society of American Travel Writers

Hosting the Society of American Travel Writers (SATW) Convention in Wellington in November 2011 (pictured) was equivalent to six years' worth of international media files in the space of just one week. This joint venture project between Tourism New Zealand, PWT and Air New Zealand saw 450 delegates undertake their core convention programme in Wellington. SATW included over 60 half and full days of touring to source potential story angles, showcasing tourism activities around the Wellington region, Marlborough and Wairarapa. Within the year 191 media results were delivered as a result of the convention.

On the Road

PWT represented the Wellington & Wairarapa Marketing Alliance at the International Marketing Alliance Workshop in London, Paris, Frankfurt and Munich in July 2011. Some 400 frontline agents were 'enrolled' in a School of Cool education programme, with 35 Product Managers and five PR agency staff also updated on all things Wellington and Wairarapa.

Exploring Asia

PWT attended Tourism New Zealand's Greater China Mission in Shenzhen in March, involving over 90 decision makers from China, Hong Kong and Taiwan. Over 150 frontline agents and decision makers were trained on Wellington tourism product at events in Singapore and Thailand. We also attended KiwiLink India in August, accompanied by Te Papa and Interislander. Here, we leveraged filming of Bollywood film The Players. Around 350 Senior Executives, Product Managers and frontline staff attended the four workshops.

In for the Long Haul

Work continued in partnership with Wellington International Airport to position Wellington as a long haul destination with targeted international airlines. An update of the Economic Impact Analysis of the benefits of such a service to Wellington was carried out, estimating the direct impact of the additional visitors that a long haul service to Wellington would bring to the city would be worth NZ\$43.5 million per year.

Cruise Control

A team of 58 volunteer Wellington City Ambassadors were recruited to help our team welcome a 37% increase in cruise passengers to 125,000 this season.

SNAPSHOT

- 615 international media hosted
- 264 trade appointments held with product managers
- 930 frontline travel agents trained in the Wellington 'School of Cool'

"...universal thumbs-ups."

– Time Out UK

Digital



A high profile and highly effective digital presence is key to both the Wellington brand and business conversion. Our online channels are designed to increase our reach, drive consumer interest and help visitors make bookings and find the information they need to make the most of their time here.

WellingtonNZ.com

WellingtonNZ.com is the digital shop front for Wellington, showcasing the city's experiences, products and businesses to past, present and future visitors. The site remains the most visited regional tourism website in New Zealand, attracting 1,756,145 visits in 2011/12 – an increase of 7.2% year-on-year.

Social Media

The change to Facebook Timeline for brands offered an opportunity to launch a new Welcome page, with the design focused to increasing the visit to 'like' conversion rate. Facebook fans grew by 60%, bringing total 'likes' to 32,085. Twitter fans grew by 17%, bringing the total following to 6,575.

Online revenue

WellingtonNZ.com offers visitors the opportunity to book accommodation and activities both prior to their arrival and while in the city. Online revenue for the year was \$704,326, 12% above target. Testing and analysis has been carried out on the effects of booking tool placement on conversion, with positive results expected to result from application of recent findings.

Game On Wellington

Part of what makes Wellington the coolest little capital in the world is its sense of fun. A range of online games and Facebook applications were developed in 2011/12 as an entertaining way to connect users with Wellington's variety of experiences. These are also in turn designed to drive data capture and social media sharing. The Welly Cable Chase game was particularly popular, attracting 66,936 plays and 1,453 new database sign ups.

System Upgrade

During October and November the content management system running WellingtonNZ.com was upgraded from Drupal 5 to Drupal 7. While this project did not affect the front end of the website, it was a significant upgrade that in turn allowed further development. This included the A/B homepage testing to increase booking rates, increased functionality and usability of site-wide tools, and a social media sharing project.

SNAPSHOT

- WellingtonNZ.com visits grew by 7.2%
- Facebook fans grew by 60% to 32,085
- Twitter followers grew by 17% to 6,575
- Visits to the mobile site m.WellingtonNZ.com increased 52% to 29,783

“The (Welly Cable Chase) game was just general awesomeness; we got a whole lot of new customers to boot.”

– Nick Clark, Flight Coffee

i-SITE

Delivery of an on-the-ground visitor information service that reflects the story we tell the world about Wellington is a core function of PWT. Efficient operation of the city-based i-SITE Visitor Centre in Civic Square and onboard the Interlander's Kaitaki vessel saw a surge in revenue this year, which in turn freed up funds for strategic marketing.



Revenue Rising

The amount spent by visitors to the two i-SITE visitor centres increased by 14.4% to \$3,349,064. This can be attributed to a range of factors, including higher foot traffic through Rugby World Cup 2011 and the Brancott Estate World of WearableArt™ Awards Show, and the continued increase in Australian and cruise visitor numbers. We are also seeing the benefits of the 2010/11 revamp of the Wellington i-SITE, which was designed to convert visitors through the use of an electronic queuing system, information presentations and replacing the counter with seated service tables.

A Foot in the Door

Visitor numbers through the i-SITE Visitor Centre in Civic Square increased 1.1% to 370,040.

Influencing the Influencers

Wellington hosted the New Zealand i-SITE Managers Annual Conference in July at the Amora Hotel. Managers from 90 national i-SITEs attended, participating in a pre and post familiarisation programme.

Volunteer Programmes

A team of volunteers (some pictured) were recruited, trained and uniformed for the Wellington City Ambassador Programme. This programme was pivotal to the successful hosting of a near 50% increase in cruise passengers, assisting our team in providing visitor information at major touch points throughout the city on days when cruise ships were in town.

Service with a Capital of Cool Smile

The Wellington i-SITE Visitor Centre achieved a record high score of 93% in their Qualmark annual assessment, and also obtained a gold rating for a 'BeAccessible' programme.

SNAPSHOT

- Visitors to the i-SITE increased 1.1% to 370,040
- Trading revenue in the year increased by 13.5% to \$3,438,000



“A must do if you need any help while in this lovely city.”

– TripAdvisor visitor comment

Rugby World Cup 2011



Wellington was at the heart of the Rugby World Cup 2011 action. The proud host of six pool matches and two quarter-finals, the city's vision was to build a legacy, memories and relationships that lasted well beyond the final whistle. PWT supported Wellington City Council in the delivery and management of marketing, media and visitor services for the tournament.

An Economic Injection

RWC 2011 injected an estimated \$94 million into the Wellington region's economy. The analysis by Angus & Associates included direct spending by domestic and international visitors who attended RWC 2011 matches in Wellington, along with spending by teams, officials, staff and media. Their research also showed that people who visited Wellington but didn't attend games may have spent a further \$13 million. Total international arrivals to Wellington for July-October 2011 increased 41% compared with 2010. This compared to an 11% increase in the total arrivals to New Zealand over the same period. International RWC 2011 visitors stayed an average of five nights in Wellington, while domestic visitors stayed three nights.

Enhancing the Experience

Provision of useful, relevant, timely and inspiring visitor information is at the heart of what we do. To ensure locals and visitors were able to make the most of RWC 2011 in the city, PWT produced and distributed a special edition of the official visitor guide and city maps, developed and maintained WellingtonNZ2011.com, and promoted the Festival of Carnivale through all available channels. According to Angus & Associates' research, Wellington scored highly in the satisfaction stakes, earning an average 8.2 out of 10 from local residents and other New Zealanders who attended matches.

Media Programme

Leveraging visiting media was a major opportunity that – according to visiting journalists – Wellington excelled at. In preparation, PWT developed a rugby-related 'story bank' that armed our media team with relevant anecdotes, story pitches and imagery. During the tournament we hosted the official International Media Welcome function at Te Papa with Tourism New Zealand, 'Media Scrums' at St Johns Heineken Hotel around match days, staffed the Stadium Media Centre and contributed content and activity invitations to the official Virtual Media Centre. Around 130 journalists took part in a range of 20 media activities, including quad and mountain biking, *The Lord of the Rings* and beer tours, and a regional wine tasting.

Part of the Trade

Buoyed by their success selling RWC 2011 packages, sports travel specialist Groupe Couleur is seeking other events to sell through their global website. They were hosted at the Hertz Rugby Sevens in February 2012.

“The Wellington tourism people have been quite superb to us during the three weeks we have spent in their fair city, but, to be fair, it has not been a hard sell for them. Wellington is a quite exquisite place.”

- Kevin McCallum,
IOL.com, South Africa.

Conventions

Delegates at conventions and conferences spent an estimated \$110 million in Wellington across the year. The market still has a lot of opportunity for growth and focused investment to drive the trans-Tasman market saw prompt results in 2011/12 and set a strong platform for the future.

Market Overview

Wellington increased its market share of delegate days by 1.5% in 2011/12. In total delegates spent an estimated \$110 million in the Wellington region across the year. Some 300 sales calls were made to domestic conferencing contacts and the latest industry 'bible' – the Wellington Meeting & Incentive Guide 2012/13 – was launched at the MEETINGS industry trade show in June 2012.

Trans-Tasman Conferencing

Trans-Tasman business currently makes up a relatively small part of the conventions sector in Wellington. To turn this around, a new Business Development Manager contract role was established in Sydney in September 2011 in partnership with Positively Wellington Venues and Te Papa. Having an in-market presence promptly proved fruitful, with five pieces of business worth an estimated \$1.41 million and 4,500 room guest nights attributed to the new position. The Convention Bureau team hosted seven Australian professional conference organisers in December 2011, attracting comments such as “unique”, “huge surprise”, “so much to offer” and “I will be back”.

Wellington In the Spotlight

A group of 17 conference industry professionals with the potential to bring \$3.71 million worth of new business to the capital of cool experienced the city's services and venues firsthand on a 3-day Wellington In the Spotlight 'mega-famil' in March 2012. The contingent included 15 Australian professional conference organisers.

Trading Up

The Wellington Convention Bureau represented the region at the national MEETINGS trade show alongside 15 partners in June 2011. The Bureau also showcased its services and members at the Australian Professional Conference Organiser Association conference, the Wellington Conference & Events Expo and the Asia-Pacific Incentives and Meetings Expo.

SNAPSHOT

- 474 leads and referrals to partners
- 105 conference bookers hosted
- Total delegate days increased 1.2%



“I knew Wellington would be a great place for our conference, but it exceeded all expectations. SATW has never had a convention with so many outstanding venues and restaurants within easy walking distance of the hotels.”

- Dale Leatherman,
SATW President



Communications

Our New Zealand media programme and storytelling activity drives third party endorsement of the coolest little capital in the world. Major events and marketing campaigns are leveraged to ensure Wellington's story is kept fresh and consumers are inspired to action.

Creative Capital

The biennial NZ International Arts Festival, along with the annual Brancott Estate World of WearableArt™ Awards Show, is a key pillar for showcasing the cultural capital. PWT hosted six domestic media for the NZ International Arts Festival, resulting in coverage that reached a cumulative audience of over 450,000 and had an advertising value of just under \$60,000. The inaugural Wellington Fashion Week also provided an opportunity to showcase the capital's fashion, design and retail industries. Coverage was secured in Sunday, NZ Herald and on TVNZ's Close Up.

20 Years of Absolutely Positively Wellington

Two decades of 'Absolutely Positively Wellington' were marked in September 2011 with a video celebrating the developments of the last 20 years in the capital. NZ Marketing Magazine ran a three page spread on 20 years of marketing Wellington, entitled 'The Rise of Capitalism'.

Industry Profile

Awareness of Wellington's tourism success, activities and results are vital to the continued satisfaction of stakeholders, and reinforcement of the absolutely positive Wellington brand. Positive tourism stories were a regular feature in local and national media throughout the year, including coverage of Wellington's record winter, strong i-SITE revenue growth, record cruise season and continuous growth and activities in the Australian market, in particular the WLG pop up restaurant in Melbourne.

Capital of Absolutely Positively Everything

While unashamedly and unapologetically positive about Wellington and its tourism industry, PWT also feels the odd self-effacing nudge doesn't go astray to ensure our confidence isn't mistaken for arrogance. So in a nod to April Fools, we distributed a spoof news report revealing Wellington being named as the 'Capital of Absolutely Positively Everything' (CAPE) on April 1, 2012. The report drew over 5,000 views and 36 likes on YouTube, over 5,200 web page views, and 76 mentions and re-tweets on Twitter, including by two digital influencers with a combined following of almost 38,500. The campaign also had a Facebook reach of almost 22,000.

Visa Wellington On a Plate

New Zealand's largest culinary festival continues to reinforce Wellington's position as the country's culinary capital. Media coverage of the third course of the festival reached a cumulative audience of 9.7 million in 2011 and had an advertising value of over \$800,000. Major coverage featured in Kia Ora, Sunday Star Times, The Press, NZ Listener, The Dominion Post, TV1 and NZ Herald Viva.

“One of the best things about not living in Wellington is that it's such a good place to visit.”

– Simon Wilson, editor, Metro magazine

SNAPSHOT

- 28 media hosted
- 56 media releases distributed
- 40% increase in cumulative audience of Visa Wellington On a Plate media coverage

Financial Statements

CONTENTS

Auditor's Report	16 - 17
Statement of Comprehensive Income	18
Statement of Movement in Trust Funds	19
Statement of Financial Position	20
Statement of Cash Flows	21
Notes to the Financial Statements	22 - 34
Statement of Service Performance	35 - 40

Independent Auditor's Report

To the Readers of Partnership Wellington Trust Incorporated
Financial Statements for the Year Ended 30 June 2012

Audit
Grant Thornton New Zealand Audit
Partnership
L13, AXA Centre
80 The Terrace
PO Box 10712
Wellington 6143

T +64 (0)4 474 8500
F +64 (0)4 474 8509
www.grantthornton.co.nz

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, 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 18 to 34, that comprise the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity 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 35 to 40.

Opinion

In our opinion:

- The financial statements of the Trust on pages 18 to 21:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the Trust's:
 - financial position as at 30 June 2012; and
 - financial performance and cash flows for the year ended on that date.
- the statement of service performance of the Trust on pages 35 to 40:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the Trust's service performance for the year ended 30 June 2012.

Our audit was completed on 13 August 2012. 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 our 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 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. 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. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Trust's preparation of financial statements 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 Trust'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 within the framework for reporting performance;
- the adequacy of all disclosures in the financial statements; and
- the overall presentation of the financial statements.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements. We have obtained all the information and explanations we have 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 that:

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

The Board of Trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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. This responsibility arises from section 15 of the Public Audit Act 2001 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 assignments, 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

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2012	NOTE	Actual	Budget	Actual
		2012	2012	2011
		\$	\$	\$
INCOME				
Wellington City Council funding	21	5,940,000	5,940,000	5,940,000
Interest income		82,205	90,000	92,943
Visitor Centre income	1,21	3,349,064	2,819,000	2,927,640
Rental income	1	89,355	89,352	101,388
Partner income		1,620,897	3,111,040	2,736,000
Cruise shuttle operations		126,655	53,600	53,602
WLG Pop-up Restaurant Melbourne		99,332	-	
Other income		69,433	132,922	57,080
TOTAL INCOME		11,376,941	12,235,914	11,908,653
EXPENDITURE				
Personnel costs	2	2,578,025	2,582,389	2,428,904
Depreciation & amortisation expenses		205,182	225,172	199,207
Visitor Centre cost of sales	1	2,783,191	2,319,425	2,389,108
Marketing, publications and cruise shuttle operations		4,961,884	6,382,587	6,120,081
Premises expenses		432,194	406,005	379,968
Operating expenses	3	413,985	357,996	383,023
TOTAL EXPENDITURE		11,374,461	12,273,574	11,900,291
SURPLUS/(LOSS) FOR THE YEAR BEFORE TAX		2,480	(37,660)	8,362
Income tax expense	10	-	-	-
SURPLUS/(LOSS) FOR THE YEAR		2,480	(37,660)	8,362
Other comprehensive income		-	-	-
TOTAL COMPREHENSIVE INCOME		2,480	(37,660)	8,362

Statement of Movement in Trust Funds

FOR THE YEAR ENDED 30 JUNE 2012	NOTE	Actual	Budget	Actual
		2012	2012	2011
		\$	\$	\$
ACCUMULATED FUNDS				
Funds at beginning of year		499,803	474,612	491,441
TOTAL COMPREHENSIVE INCOME				
Surplus/(loss) for the year		2,480	(37,660)	8,362
Other comprehensive income		-	-	-
TOTAL COMPREHENSIVE INCOME		2,480	(37,660)	8,362
Total accumulated funds				
		502,283	436,952	499,803
TOTAL TRUST FUNDS				
		502,283	436,952	499,803

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 2012	NOTE	Actual	Budget	Actual
		2012 \$	2012 \$	2011 \$
ASSETS				
Current Assets				
Cash and cash equivalents	4	621,424	402,822	778,370
Short term deposits	4	400,000	-	250,000
Trade debtors and other receivables	5	355,831	275,000	359,346
Prepayments		9,208	-	9,285
Resident Withholding Tax paid		25,793	-	25,387
Inventories	6	-	-	-
Total current assets		1,412,256	677,822	1,422,388
Non Current Assets				
Intangible assets	12	22,021	18,752	60,281
Property plant & equipment	11	249,603	276,348	328,137
Total non current assets		271,624	295,100	388,418
Total assets		1,683,880	972,922	1,810,806
LIABILITIES				
Current Liabilities				
Trade creditors and other payables	7	862,350	313,970	986,664
Income in advance		159,870	130,000	184,436
Current tax payable	10	-	-	-
Employment entitlements	8	159,377	92,000	139,903
Total current liabilities		1,181,597	535,970	1,311,003
Total liabilities		1,181,597	535,970	1,311,003
NET ASSETS		502,283	436,952	499,803
TRUST FUNDS				
Accumulated funds				
Total trust funds		502,283	436,952	499,803

These financial statements are approved by the Board on 13 August 2012.

CHAIR: John Milford

TRUSTEE: Peter Monk




DATE: 13 AUGUST 2012

DATE: 13 AUGUST 2012

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 2012	NOTE	Actual 2012 \$	Budget 2012 \$	Actual 2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Wellington City Council funding		5,940,000	5,940,000	5,940,000
Interest income		82,205	93,000	92,943
Visitor Centre income		3,349,064	2,819,000	2,927,640
Rental income		89,355	96,744	101,388
Partner income		1,620,897	2,845,256	2,736,000
Other income		295,420	130,000	110,682
Payments to suppliers		(8,925,210)	(9,145,091)	(9,133,468)
Payments to employees		(2,370,002)	(2,596,000)	(2,184,741)
Income taxes paid		-	-	-
Net cash inflow/(outflow) from operating activities	9	81,729	182,909	590,444
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts from sale of property, plant & equipment		-	-	-
Purchase of intangible assets		-	-	-
Purchase of property plant and equipment		88,675	90,500	337,673
Net cash inflow/(outflow) from investing activities		88,675	90,500	337,673
Net increase/(decrease) in cash		(6,946)	92,409	252,771
Cash balance at the start of the year		1,028,370	310,413	775,599
Total cash at the end of the year		1,021,424	402,822	1,028,370
Total cash is represented by:				
Cash and cash equivalents		1,021,424	402,822	778,370
Short term investments		-	-	250,000
Total cash at the end of the year		1,021,424	402,822	1,028,370

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 2012.

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 13 August 2012.

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 reporting requirements for certain entities frozen

The XRB issued a 'position statement' that all NZ IFRSs with a mandatory effective date for annual periods beginning on or after 1 January 2012 will be applicable only to profit-oriented entities, which are not in a position to apply differential reporting exemptions.

The result is that the financial reporting requirements for public benefit entities and non-large for-profit entities are effectively frozen from 2012 year-ends onwards. This exemption from new pronouncements is provided in light of pending changes to the Statutory Financial Reporting Framework in New Zealand.

(ii) Alternative disclosure where standards issued but not yet effective have no impact on recognition or measurement accounting policies

A number of new standards and interpretations have been issued but are not yet effective for the current year-end. The reported results and financial position of the Parent and Group is not expected to change on adoption of these pronouncements as they do not result in any changes to the Parent and Group's existing accounting policies. Adoption will, however, result in changes to information currently disclosed in the financial statements.

The Parent and Group do not intend to adopt any of the new pronouncements before their effective dates.

(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 recognised 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.

1 Visitor Information Centre		
	2012 \$	2011 \$
Trading income	3,349,064	2,927,640
Partner Income Interislander i-Site	12,000	12,000
Rent received	89,356	101,388
Wellington City Council funding	46,000	46,000
Total income	3,496,420	3,087,028
Less:		
Cost of sales	2,783,191	2,389,108
Gross profit	713,229	697,920
Less expenses:		
Employee expenses	506,472	477,120
Depreciation	130,088	94,707
Operating lease expense	109,142	117,064
General operating expenses	123,174	126,557
Total expenses	868,876	815,448
Net Operating Surplus/(Deficit)	(155,647)	(117,528)

2 Personnel Costs		
	2012 \$	2011 \$
Salaries, wages and incentives	2,370,002	2,218,241
Recruitment and contract fees	3,587	736
Employer contributions to Kiwisaver	35,919	33,038
Training courses	22,254	21,613
Board of Trustee fees	95,000	102,083
Accident Compensation levies	12,718	14,133
Wellness reimbursements	7,170	7,160
General personnel costs	31,375	31,900
Total personnel costs	2,578,025	2,428,904

3 Operating Expenses		
	2012 \$	2011 \$
Audit fees for financial statement audit	13,431	11,769
Other fees paid to audit firm	-	8,065
Bank charges	28,858	21,916
Communications	68,834	76,219
Computer maintenance and software licences	147,011	105,784
Conferences	4,651	16,803
Printing and stationery	36,163	34,475
Consultancy	22,031	22,126
Membership and subscriptions	28,639	18,506

PARTNERSHIP WELLINGTON TRUST INC

FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
Vehicle expenses	21,137	20,585
Foreign exchange loss/ (gain)	-	-
Bad debts	(17)	676
Allowance for doubtful debts	-	-
Other general operating expenses	43,247	46,099
Total other expenses	413,985	383,023

4 Cash at Bank

	2012 \$	2011 \$
Cash and cash equivalents	621,424	778,370
Short term deposits	400,000	250,000
Total cash	1,021,424	1,028,370

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

	2012 \$	2011 \$
Trade debtors and other receivables	254,214	254,373
Related party receivables	-	3,780
GST receivable	101,617	101,193
Gross trade debtors and other receivables	355,831	359,346
Less allowance for doubtful debts	-	-
Total debtors and other receivables	355,831	359,346

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 2012 and 2011, 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:

2012 receivable ageing analysis	Gross \$	Impairment \$	Net \$
Not past due	227,693	-	227,693
Past due 31-60 days	12,463	-	12,463
Past due 61-90 days	12,850	-	12,850
Past due > 91 days	1,208	-	1,208
Total	254,214	-	254,214

FOR THE YEAR ENDED 30 JUNE 2012

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

Allowance for doubtful debts	2012 \$	2011 \$
Opening balance	-	-
Doubtful debts collected	-	-
Current year allowance movement	-	-
	-	-

6 Inventories

	2012 \$	2011 \$
Wellington i-SITE Visitor Centre	-	-
Total	-	-

No inventories are pledged as security for liabilities (2011: Nil).

7 Trade Creditors and Other Payables

	2012 \$	2011 \$
Trade creditors	370,199	390,703
Related party payables	-	-
Accrued expenses	492,151	595,961
Total creditors and other payables	862,350	986,664

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

	2012 \$	2011 \$
Accrued salaries and wages	20,616	11,439
Accrued remuneration incentives	24,697	24,000
Annual leave	114,064	101,138
Sick leave	-	3,326
Total employee entitlements	159,377	139,903

9 Reconciliation of Surplus for the Year to Net Cash Flows from Operating Activities

	2012 \$	2011 \$
Surplus/(deficit) for the year	2,480	8,362
Add/(deduct) non-cash items:		
Depreciation and Amortisation	205,182	199,207
Total non-cash items	205,182	199,207

FOR THE YEAR ENDED 30 JUNE 2012

Add/(deduct) items classified as investing or financing activities:		
Loss on sale of assets	235	(53)
Total items classified as investing or financing activities	235	(53)
Add/(deduct) movements in working capital items:		
Debtors and other receivables	3,515	(59,639)
Prepayments	77	50,253
Inventories	-	-
Creditors and other payables	(124,262)	438,078
Current tax payable	(406)	(25,387)
Income in advance	(24,566)	(29,610)
Employee entitlements	19,474	9,233
Net movements in working capital items	(126,168)	382,928
Net cash inflow/ (outflow) from operating activities	81,729	590,444

10 Income Tax Expense

	2012 \$	2011 \$
(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	-	-
	2012 \$	2011 \$
(ii) Reconciliation of effective rate tax		
Surplus before tax	2,480	8,362
Income tax expense	-	-
Surplus for the year	2,480	8,362
Income tax at domestic tax rate	818	2,759
Plus/ (less) tax effect of:		
Non-taxable income	(1,960,200)	(1,960,200)
Non-deductible expenditure	1,959,773	1,958,825
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	391	1,384
Income tax recognised in other comprehensive income	-	-

FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	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 is available to carry forward and offset against future liabilities, subject to the requirements of the Income Tax Act 2007 continuing to be met.

	2012 \$	2011 \$
(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 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
Balance at 1 July 2011	407,983	175,077	92,089	675,149
Additions	63,235	7,898	13,512	84,645
Disposals	-	-	(2,589)	(2,589)
Balance at 30 June 2012	471,218	182,975	103,012	757,205
Accumulated depreciation and impairment losses				
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

PARTNERSHIP WELLINGTON TRUST INC

FOR THE YEAR ENDED 30 JUNE 2012

Balance at 1 July 2011	184,663	104,807	57,542	347,012
Depreciation expense	117,308	23,597	21,986	162,891
Eliminate on disposal		-	(2,301)	(2,301)
Impairment losses	-	-	-	-
Balance at 30 June 2012	301,971	128,404	77,227	507,602
Carrying amounts				
At 30 June 2011	223,320	70,270	34,547	328,136
At 30 June 2012	169,247	54,571	25,785	249,603

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 2010	55,695	381,496	76,635	513,826
Additions	-	-	-	-
Disposals	-	-	-	-
Balance at 30 June 2011	55,695	381,496	76,635	513,826
Balance at 1 July 2011	55,695	381,496	76,635	513,826
Additions	4,030	-	-	4,030
Disposals	-	-	-	-
Balance at 30 June 2012	59,725	381,496	76,635	517,856
Accumulated amortisation and impairment losses				
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
Balance at 1 July 2011	52,445	324,464	76,635	453,544
Amortisation expense	2,787	39,503	-	42,290
Disposals	-	-	-	-
Balance at 30 June 2012	55,232	363,967	76,635	495,834
Carrying amounts				
At 30 June 2011	3,250	57,032	-	60,281
At 30 June 2012	4,493	17,529	-	22,021

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 trade debtors and other receivable balances past due at the reporting date, however management have determined no provision (i.e. impairment) is required. All receivable amounts are reported to be received in due course (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.

2012 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	621,424	621,424	621,424	-	-
Short term deposits	400,000	417,600	417,600	-	-
Trade debtors and other receivables	355,831	355,831	355,831	-	-
	1,377,255	1,394,855	1,394,855	-	-
Liabilities					
Trade creditors and other payables	862,350	862,350	862,350	-	-
Current tax payable	-	-	-	-	-
Operating leases	-	793,564	372,230	223,572	197,762
Capital commitments	-	-	-	-	-
	862,350	1,655,914	1,234,580	223,572	197,762
Net liquidity position	514,905	(261,059)	160,275	(223,572)	(197,762)
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	778,370	778,370	778,370	-	-
Short term deposits	250,000	263,375	263,375	-	-
Trade debtors and other receivables	359,346	359,346	359,346	-	-
	1,387,716	1,401,091	1,401,091	-	-

FOR THE YEAR ENDED 30 JUNE 2012

Liabilities					
Trade creditors and other payables	986,664	986,664	986,664	-	-
Current tax payable	-	-	-	-	-
Operating leases	-	643,555	322,887	223,154	94,562
Capital commitments	-	-	-	-	-
	986,664	1,630,219	1,309,551	223,154	94,562
Net liquidity position	401,052	(229,128)	91,540	(223,154)	(94,562)

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	2012 \$	2011 \$
Council Funding	5,940,000	5,940,000
Services provided by the Council	50,488	19,223
Rent paid for Council premises	109,142	117,064
Accounts payable to the Council	-	-
Accounts receivable from the Council	-	3,760

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	2012 \$	2011 \$
Salaries and other short-term employee benefits	371,500	353,326

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:	2012 \$	2011 \$
J Milford	20,000	16,250
G Coughlan	-	14,168
H Greive	7,500	-
R Pretty	15,000	14,333
J Coughlan	15,000	14,333
P Monk	15,000	14,333
M O'Donnell	15,000	14,333
K Wicksteed	7,500	14,333
Total Board member remuneration	95,000	102,083

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:	2012 \$	2011 \$
Payable not later than one year	372,230	322,887
Payable later than one, not later than two years	223,572	223,154
Payable later than two, not later than five years	197,762	94,562
Payable later than five years	-	2,952
Total	793,564	643,555

Minimum operating lease payments expensed in the period included premises rental of \$300,824 (2011: \$275,858)

18 Capital Commitments

The Trust has no major budgeted capital commitments for the 2012/2013 financial year.

19 Contingencies

The Trust has no contingent liabilities at balance date (2011: 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 2011/2012 Statement of Intent are as follows:

(a) Statement of Comprehensive Income

Wellington i-SITE Visitor Centre sales were \$530,000 above budget and \$409,000 above the previous year sales due to a variety of factors including physical changes at the i-SITE which have influenced the sales process, the Rugby World Cup, and increased Cruise ship visitation in the early summer period.

Partner income was budgeted to reflect the income expected from a dollar for dollar scheme for marketing in Australia previously available through the government's tourism marketing agency, Tourism New Zealand. This scheme was stopped at the time of the May 2011 budget.

As a result of the reduction in partner income for Australia marketing, direct expenditure in this area also reduced. An alternative scheme was entered into with Air New Zealand whereby coordinated and co-funded marketing activity took place in Australia.

(b) Statement of Changes in Equity

There is minimal difference between actual and last year.

(c) Statement of Financial Position

End of year Financial Position closed at a similar position to last year.

(d) Statement of Cash Flows

Increase in year end cash position will be applied to July creditors payments.

Statement of Service Performance 2011/12

FOR THE YEAR ENDED 30 JUNE 2012

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) Improve recognition of Wellington and give support to the Wellington region as a key and desirable visitor destination.
- d) Drive 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 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.

Online/Digital Tourism Distribution

- Ensuring that Wellington has a high profile and highly effective online tourism presence, both to New Zealanders and international travellers, with maximum ability to convert consumer interest into purchasing Wellington visitor experiences, both as they plan their Wellington experience and when they arrive in our city.

i-SITE Visitor Centre

- Operating an i-SITE Visitor Centre in the city is a core function and this function is extended to providing an i-SITE service onboard the Interislander vessel Kaitaki. The purpose of providing these services is to motivate visitors to stay longer and do more whilst in Wellington, leaving our city with the greatest of experiences.
- Provide i-SITE visitor services in other parts of Wellington city, particularly in respect of information provision for the growing number of cruise ship visitors.

International Marketing

- Coordinating the international marketing activities of those attractions in which Wellington City Council have invested and from which a stated outcome is that international visitors will be attracted to buy tickets/ access to those attractions, at the same time supporting the commercial performance of these attractions and assisting in Council's vision of Wellington being a vibrant and internationally competitive city.

- Partner with Tourism New Zealand, Regional Tourism Organisation associates and tourism industry businesses in trade show, international media programme and international familiarisation activities.

Long Haul Airline Attraction

- Market Wellington as a compelling visitor destination in target long haul markets such as China and South East Asia for holiday, convention and business visitors through partnering with Tourism New Zealand, tourism industry businesses and Wellington International Airport in trade show, international media programme and international familiarisation activities.
- Work with WIAL and airlines to ensure better connectivity to long haul markets by working on the development of long haul air services from Asia, either via Australia or direct to Wellington through development of business cases, working with potential airline partners and utilising broader inter-sectoral relationships to lobby and advocate for improving Wellington's international airline connectivity.

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

- PWT will deliver 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.

Australia Marketing

- 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 New Zealand Rugby Sevens and Brancott Estate World of WearableArt™ Awards Show, Te Papa Tongarewa and promote events such as Wellington on a Plate).
- In 2011-12 work with the WCC Rugby World Cup office to ensure the commitments made to RWC Ltd are met and that the investment made in this tournament by WCC is highly leveraged to maximise tourism outcomes for the city.

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.
- To work with the New Zealand Tourism sector to improve the quality of information available to inform our marketing investment decisions.

Product Development

- PWT works with both existing tourism businesses and new propositions providing information, networks and advice. This work particularly extends to activity regarding attractions/developments in which the City Council has invested.

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.
- Provide both marketing and communications services targeting visitors and residents to maximise the ability of the city to leverage the investment made to build on its reputation as New Zealand's leading urban destination, thus creating legacy and value outcomes for the city's tourism sector and reputation beyond the period of the tournament.

3. Key Performance Indicators

The 2011 calendar year was unlike any other experienced by the tourism sector in New Zealand. The impact of earthquakes in Christchurch, Chilean Ash clouds over the Tasman Sea and New Zealand's hosting of the Rugby World Cup all had significant impact on the travel patterns of New Zealanders and international visitors during the 2011-12 year we report on here.

Wellington has not been immune from the impacts of these events or indeed the ongoing fall in visitor arrivals to New Zealand from western markets. However by being nimble, pursuing a tactical approach to marketing and maintaining our focus on a long term strategy Wellington's tourism sector succeeded delivering an increase of 3.25% in total visitor nights spent in the city.

Our continued investment in marketing Wellington to Australian consumers delivered a 17.5% increase in direct Australian arrivals to Wellington offsetting the decline experienced in long haul tourist arrivals and highlighting Wellington's ideal position as an urban short break destination for our Trans Tasman neighbours.

a. General KPIs**MEASURING PERFORMANCE**

Measure	Frequency of Measure	Target 11/12	Result
Organisational		Implement a stakeholder satisfaction programme to monitor the ongoing satisfaction of commercial partners and the programmes of the Trust in which they participate.	A commercial partner stakeholder survey was carried out in March 2012. 78 partners completed the survey; 90.3% are satisfied or highly satisfied with their marketing relationship with PWT and 93.1% are satisfied or highly satisfied with the performance of the Wellington i-SITE Visitor Centre.
		Maintain Wellington City Council funding at 50% or less of total income.	Wellington City Council funding was 48% of our total marketing investment made through PWT activity in the 2011/12 year.
		Maintain overhead costs as less than 12% of total activity costs.	Overhead costs were \$1,046,710 which was 9.2% of total activity costs.
		Undertake review of shared services under the umbrella being led by Wellington City Council.	Shared service options have been discussed with Wellington City Council and options are now being considered.
Australia Sales and Marketing		Recognition of Wellington as a visitor destination in targeted regions of Australia has risen over levels measured (after one full year of activity) in March 2011.	In March/April 2012 PWT conducted a travel survey which evaluated Australian perceptions of Wellington as a holiday destination. The research found that 74% of respondents said their recognition of Wellington, and its surrounding regions, as a visitor destination, had increased as compared to the year before. <i>(Note: data not directly comparable due to the introduction of a new survey. Comparative results will be available in 2013)</i>
		Increase Australian visitor arrivals through Wellington International Airport over 2010/11 levels by 7%.	There were 139,088 Australian visitor arrivals in the year to June, a 17.5% increase on the same period in 10/11. <i>(Source: International Visitor Arrivals)</i>
		Airline capacity maintained at least at 2010/11 levels and negotiations advanced to grow capacity further.	Trans-Tasman airline capacity increased by 12% to 976,196 seats. <i>(Source: Wellington International Airport)</i>
Convention Bureau Sales and Marketing	Quarterly	5% increase in leads/referrals generated to Convention Bureau partners relative to 2010/11.	Leads/referrals decreased by 5 to 474, a decrease of 1% compared with 10/11.
		Grow Wellington's C&I market share within the New Zealand market by 5%.	Wellington hosted 778,284 delegate days in the 12 months to June 2012, an increase of 1.2% over 2010/11. Wellington's market share of delegate days increased by 1.5% to 23%. <i>(Source: Convention Activity Survey)</i>

Downtown Marketing	Quarterly	Downtown weekend visitation increased by 2% relative to 2010/11 levels.	Downtown Wellington weekend visitation increased 3.7% compared with 2010/11. (Source: BNZ MarketView)
		Increase the audience of KNOW Wellington content (including social media channels) to 50,000.	The combined reach of the KNOW audience increased to 74,728, representing 37.3% of residents.
International/Long Haul	Monthly	Maintain international visitor nights in commercial accommodation relative to 2010/11.	International guest nights increased 7.58% to 767,398 in the year to June 2012 compared to 2010/11. (Source: Commercial Accommodation Monitor)
		Generate 250 Editorial placements as a result of hosting the Society of American Travel Writers Conference within 18 months (June 30, 2013) of hosting the conference.	By June 2012, 191 editorial placements have been published as a result of the conference held in Wellington during November 2011.
		Create a platform through carrying out the actions described in the Trust's Statement of Intent and Business Plan that allows Wellington the opportunity to provide credible business propositions to potential Long Haul airline partners.	In partnership with Wellington International Airport Ltd, PWT was engaged in a number of activities aimed to raise the profile of the business case of bringing a long haul air route to Wellington with potential airline partners. These activities included bespoke route development presentations to targeted airlines, attendance at the annual Routes Asia Conference and the completion of a review of the Long Haul Airline Service Economic Impact Assessment.
		Grow Wellington's Cruise passenger visitors in 2011-12 by 48% relative to 2010-11.	Cruise passenger arrivals to Wellington grew by 37% to 125,000 passengers during the 2011/12 season. (Source: Centreport)
New Zealand and Event Marketing	Monthly	Domestic visitor nights in Wellington city maintained relative to 2010/11.	Domestic guest nights in the year to June 2012 increased by 0.86% to 1,307,912 compared to 2010/11. (Source: Commercial Accommodation Monitor)
	Monthly	Weekend rooms sold in partner hotels maintained relative to 2010/11.	The number of weekend rooms sold in partner hotels grew 9.8% in 2011/12 compared to the same period in 2010/11. (Source: PWT Hotel Monitor)
Online and IT	Monthly	10% growth in visitors to WellingtonNZ.com relative to 2010/11.	Visits to WellingtonNZ.com increased 7.2% to 1,756,145. (Source: Nielsen Netratings)
		Generate \$630k of bookings through WellingtonNZ.com	\$704k of sales were generated for Wellington tourism industry partners through WellingtonNZ.com in the year. (Source: Bookit)

i-SITE Visitor Centre	Quarterly	Maintain i-SITE revenue relative to 2010/11.	Trading revenue in the year increased by 13.5% to \$3,438k compared to 2010/11.
		Increase proportion of sales of Wellington product by 5% relative to 2010/11	Proportion of sales of Wellington product increased by 2.8% to 32.2% of total i-SITE sales.
		Visitors to the i-SITE maintained at 2010/11 levels.	370,040 people visited the i-SITE in the year, an increase of 1.1% on 2010/11.

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

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:

- 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

The Board of Positively Wellington Tourism met 10 times in the financial year. 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 three times in the financial year. The Remuneration subcommittee met once in the financial year.

5. Staff

As at year end 30 June 2012 there were 23 FTEs in the marketing office.

Staffing levels at the i-SITE will be approximately 9 - 11 FTEs, with seasonal adjustments to between 15 and 20 individual staff employed to cover high consumer demand periods and extended trading hours. As at year end 30 June 2012 there were 10 FTEs.

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

The Trust has no contingent liabilities as at 30 June 2012.

The Trust has a six year rental agreement for its office space in Plimmer Towers which expires in October 2013. The annual rental is \$215,682 + 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 2015. The annual cost of the lease is \$8,472 + 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 2012 were \$1,683,880

Total liabilities at 30 June 2012 were \$1,181,597

Total assets to total liabilities at 30 June 2012 were 1.4:1.

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

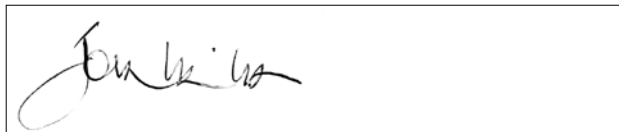
The Trust received funding/compensation from the Wellington City Council of \$5,940,000 in the financial year ended 30 June 2012.

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: 13 August 2012



