

WELLINGTON VENUES LIMITED

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POSITIVELY  
WELLINGTON  
VENUES



2011/2012

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**ANNUAL REPORT**

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**Positively Wellington Venues  
is proud to manage six of  
Wellington's most significant  
performance, sport and  
conference venues  
located in the heart of the  
City's waterfront, arts, culture,  
and entertainment precinct.**

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## From the chair



On behalf of the Board of Positively Wellington Venues (PWV) I am pleased to present our annual report for the 2011/12 financial year.

2011/12 was PWV's first year of trading as a new Council Controlled Trading Organisation and as I outlined in the foreword to our 2011/12 Statement of Intent, we were heading into a demanding phase in the development of the new business.

Keeping the existing business stable and trading while developing a new strategy and building a new structure was challenging - especially in a climate of economic uncertainty. The Board is more than satisfied with how the new leadership team rose to meet those challenges while also establishing a platform for the further growth and development of PWV's business.

Our 2011/12 trading result was better than budget. This arose from a combination of revenue growth of almost 5% and disciplined cost management across the business.

However, our overall financial result reflects a number of significant unbudgeted non-trading expenses. These costs were unavoidable and mainly related to staff restructuring; to legacy arrangements that we were unaware of but required to honour; and finally to identifying replacement options for the seismic closure of the Wellington Town Hall.

My Board considered approaching Council for additional funding to cover these expenses, however in the final analysis have absorbed these into our 2011/12 result and we plan to recover these over time from future trading surpluses.

Looking ahead, we remain of the view that Wellington City Council's decision to bring some of Wellington's most significant cultural, conference and sporting venues under one management umbrella was the correct move, and provides the best platform from which Wellington can attract more show and grow business events.

In the past year, the successes with hosting some internationally significant and high profile business events as well as sell-out local and international live performances have set the stage for even bigger ambitions in the year ahead.

Realising those ambitions will take a concerted effort from the new team at PWV, the continuation of applying robust commercial disciplines, closer coordination with other businesses and organisations that are responsible for the promotion of Wellington and the development of Wellington's event calendar, and a commitment to providing world class venues that enable us to compete locally and internationally for conferences and performances.

I am grateful for the commitment of the members of the transition Board who oversaw the establishment of PWV and to the members of the current Board for their support and dedication.

Our commitment to the success of PWV is based not only on the opportunity to see its establishment as a self-sustaining commercial business but also on the ability of the business to deliver on broader City and community outcomes and the cultural vibrancy and economic vitality of this great little capital city.

**Chris Parkin**

**Chair**

## From the CEO



Our first full year of trading as Positively Wellington Venues (PWV) was significant in all regards. Reviewing and restructuring the business required significant effort with the new leadership team only coming on board half way through the financial year.

With the new team in place we were able to commence the re-engineering of different parts of the business to better reflect an integrated operating structure and we began the rebuild of some of our basic business processes including overhauling our health and safety procedures. We also commenced revamping our core business offerings and began taking them to market near the end of the financial year.

The merger and restructuring process was undertaken against the backdrop of meeting some significant business challenges and some exceptional trading conditions. These included fronting up to the realities (including loss of business) of the announcement that the Town Hall would be decommissioned earlier than planned for seismic strengthening, making the most of the opportunities presented by the Rugby World Cup while having to roll with substantial changes in traditional booking patterns and dealing with an economy that saw businesses and consumers continuing to tighten their belts and their wallets.

In spite of the challenges, we hosted some high profile and highly successful business events and helped to stage a string of sell out live performances. These highlights are presented on pages 14-17 of this report. Show and grow business events are essential to the economic and cultural vibrancy of the City and we were proud to play a part in delivering a wide range of commercial and community events to an exceptionally high standard.

On behalf of the management team, we are pleased to highlight the following achievements in the 2011/12 financial year:

Trading result \$49,000 better than budget	99% conference delegates said we met or exceeded expectations for service	284,427 delegates at grow business events	60% of first pencil enquiries converted to business
Ratio of grow to show business revenue 60 vs 40%	ISO certification for environment and quality being extended across all venues	71 permanent and 307 casual staff sign new PWV employment agreement	New health and safety policy and emergency management procedures launched
25 sell-out shows, 340,688 tickets sold - 11.8% growth over 2010/11	Over 6,475 three course meals cooked and served	New business lead value of \$13.3m from our shared Australian Business Development Executive	PAF funds new \$60,000 mobile wheelchair lift for stage access in all venues
63 community events held over 72 hire days	10% growth in venue utilisation (hired days)	Introduced "Venue GPS" hosts for conferences	Over 35 sports fixtures in 2011/12

## Financial performance

Our trading result was better than budgeted – with a loss of \$458,000 vs. \$507,000.

This was particularly pleasing because being the establishment year and having to establish the 2011/12 budget very early in my tenure by integrating two quite different business models was not without some challenges.

In the first half of the establishment year we were well served by a number of people who willingly stepped-up to provide additional support and cover for some vacant positions. When the new leadership team came on board in the second half of the year they were able to add new drive and discipline to make sure that we delivered the goods.

We achieved almost 5% growth in revenue which was short of budget, but through careful cost containment we were able to protect our bottom line.

The mix of business – 60% grow business and 40% show business - complemented each other throughout the year and created a more resilient business. We managed both streams of business to achieve 10% growth in venue utilisation (hired days). We were able to realise some savings during the year and with a new management team now in place we will put all operational areas under the spotlight to drive further savings and productivity gains.

There were some unanticipated and therefore unbudgeted costs that arose during the year and that we had to meet. The unbudgeted transition year costs totalled \$811,000 and together with the budgeted loss, the loss totals \$1.269m for the 2011/12 financial year.

The unbudgeted costs included human resources and legal advice around the restructuring of the business (PWV did not have an internal human resources function and some personnel files were incomplete - we were required to meet the costs associated with some grandfathered employment agreements that we were unaware of), some legacy sponsorship arrangements had not been transitioned into the new entity and there were significant costs associated with the decision to advance the seismic strengthening of the Town Hall. The seismic strengthening costs, which do not include cancellation of some business, included investigating and building the business case for a replacement venue as well as preliminary design work and engineering assessments on alternative venue options.

As noted in the Chair's report, while there had been an agreement that WCC would fund some of these costs, the Board of PWV subsequently resolved that the business would carry them. I am pleased that the business is in a position to do this without calling on any additional funding from WCC.

We do not anticipate any further "unknowns" to surface in the new financial year and management have now prepared a detailed schedule of legacy transactions. Having one full year of trading under our belt is also helpful in terms of understanding seasonal trading patterns and the impact of our business mix on financial performance.



## Further details ...

Further details of our 2011/12 operating performance relative to our KPIs can be found in our statement of service performance on pages 36-38. And, our statements of financial performance and position are presented in pages 26-35.

## Operational highlights

Our business plan for the 2011/12 financial year was based on the following statement of intent:

“PWV will win and grow more business, community and show business events for Wellington, improving the commercial performance of the business and delivering a better return to the City”.

To achieve that, we said we would excel in seven core areas:

### 1. Improving business health and viability

2011/12 was all about merging the pre-existing businesses and creating a platform for growth.

We began the financial year with an audit of our human resources to identify skills (and any skill gaps) and we undertook a remuneration benchmarking exercise to inform remuneration bands and pay scales in the new organisation.

We successfully migrated all employees (71 permanent and 307 casuals) onto new PWV Individual Employment Agreements and we developed a new HR policies and procedures manual. Both of these initiatives reflected the change to a more commercial culture.

A new organisation design was developed based on integrating the functions of the previous businesses and we went to market for six key roles – reducing the number of tier two positions from nine to five.

The new leadership team was in place by November 2011 and by March 2012 we had completed the next phase of organisation design and employee consultation – rolling out a new structure and commencing tier three and four recruitment.

The new structure formally took effect in May 2012 and as a result of the change process, 13 new positions were filled by internal appointments and four were appointed externally as at 31 June 2012.

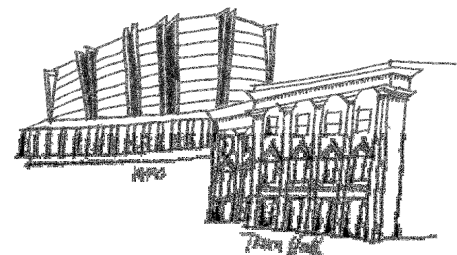
Work also commenced on reviewing the use of our part time and casual teams. With improved supervision and rostering we will be seeking some significant productivity gains in 2012/13.

If structure was the focus in 2011/12, then culture will be the focus in 2012/13 as we take the performance of the business to the next level.

To secure the health and viability of the business in the year ahead (and given increases in utility, minimum wage and insurance costs) we have completed a comprehensive pricing review and we have benchmarked and streamlined our contracts and terms of trade.

“My vision for PWV is to see us come together as a big team. I want us to be known as the top conference and concert venues in NZ”

*Chris Perkins, PWV*



## 2. Driving growth in the utilisation of our venues

**“How refreshing to have someone wanting to fix things instead of making it harder than it needs to be”**

*Nick Mills, Saints*

Venue utilisation (number of days hired) is a very raw measure of performance and we initiated a project to enable more sophisticated measurement and management of utilisation and yield. We are rolling this new tool out in the 2012/13 financial year.

In the interim, we exceeded number of days hired by 10% across all of our venues. We are pleased to report that attendance at/ticket sales also increased by 11.8 %

Commercial hires accounted for 2000 hire days and community/not for profits 72 hire days.

To support improvements in venue utilisation, we are working on faster venue turnarounds with our operations and support teams. Recently, the Royal New Zealand Ballet was packed out of the St James Theatre and on the road by 4:30am after a 10:00pm curtain, and our next hirer started packing in at 5:00am for a same day 10:00am service. We have delivered similar turnarounds between sports games and business events at TSB Bank Arena.

Our technical services partner Multi-Media Systems Limited (Multi-Media) has recently installed floor to ceiling motorised black drapes at TSB Bank Arena. This \$250,000 project was financed by Multi-Media and it makes installation and turnaround times faster and also significantly enhances the look and feel of the venue when it is being used for gala dinners and exhibitions.

Finally, although delivered just after the close of the financial year, a mobile wheelchair lift was donated to PWV by the Performing Arts Foundation which will see stage access enhanced across all of our venues for wheelchair dependent patrons and guests.

## 3. Exercising our duty of care

**“The demeanour and attitude of your staff was the stand out. It showed me you have someone working that takes an interest in helping people”**

*Brian Gardner*

While our building assets are owned and maintained by the City, PWV is responsible for the day-to-day upkeep of the venues which includes cleaning and security, and the maintenance of our operating assets.

In addition, we are responsible for the health and safety of people in our venues and a significant amount of resource has been dedicated to overhauling our health and safety policies and procedures – standardising them across our venues.

A new Health & Safety Executive Committee was formed during the year.

A particular focus of our work in 2011/12 has been on revising our emergency management and evacuation planning procedures as a consequence of the seismic ratings of two of our venues and heightened public awareness of venue and building safety post the Christchurch earthquakes.

In addition to delivering best practice Health & Safety procedures we are committed to giving far greater visibility (and audibility) to our communications in this critical area and we are rolling out comprehensive and customised evacuation management plans for each of our venues.

The ground work for pan-venue certification in ISO Environmental and Quality standards was completed during the year and we are due for an external audit in November 2012.

**“PWV is poised to bring structures and systems into today’s era. This is a credit to the leadership of the new CEO and the newly appointed senior management team”**

*ISO Auditor*



## 4. Creating a marketing edge

An interim name – Wellington Venues - and logo were developed for the new business.

Rather than spend any further money on creating a totally new brand, we added “Positively” to our trading name and adopted the interim logo which as luck would have it, reflected (among other things ) the new hub and spoke structure of our business.

The addition of “Positively” to our name created a clear link to both the City’s branding (the destination brand is as important to the choice of Wellington as a host city for conferences or a market for shows, exhibitions and performances as the venue brand) and our partner CCO, Positively Wellington Tourism.

“I just wanted to say a belated thank you for the hospitality you extended to us to attend Rock the Ballet last week. We found the networking prior to the show was invaluable”

*Beverley Main, HRINZ*

“Wow! An excellent evening – the food was superb, the wine excellent & the setting first class – many thanks for a wonderful experience – the interactive approach was a great icebreaker”

During the year we brought our six venues under the Positively Wellington Venues brand, re-skinning our website and incorporating the St James Theatre and Opera House landing pages, refreshing external signage and print collateral and upping our presence in social media.

We have strengthened our sales and marketing teams to drive growth in our core “venue rental” business and we revamped the old Wellington and Convention and Events expo to provide a much more compelling offering to the business events market. The revamped expo “Show Me Wellington” was delivered in July.

We have introduced new initiatives to help our show business hirers improve ticket sales and we continue to work on upgrading our patron database and online and print communications channels to further support audience growth and development. Expect to see a lot more happening in this area in 2012/13.

The new “LIVE in Wellington” publication that replaces the old season brochure will be launched in September 2012.



The impressive stage of the stunning St James Theatre

## 5. Delivering outstanding experiences

In addition to re-engineering the facilities and operations side of the business, we have put significant energy into improving the overall hirer and guest experiences.

**“Based on the lovely people we met, and the amazing food & service we were offered, I would have no hesitation in recommending PWV for your events”**

**Joanna McLeod**

From improved backstage catering, to our friendly “Venue GPS” team, we have received some great customer feedback about our people and our service and where things haven’t gone quite according to plan we have been responsive to resolving customer and hirer complaints.

New recruits to the business bring with them some strong customer service training and experiences and we are committed to further raising the bar in this area. We are working on improvements to our food and beverage offerings – including the successful experimentation with pop-up bars to support selected performances.

At a recent Ticketek marketing summit, a guest presenter talked about venue managers being “experience engineers”. We share that philosophy.

**“The FOTC Bar was a pleasure & so much fun. I do look forward to more opportunities to bring something a little different to upcoming events”**

**Justin McKenzie,  
Liquid Winks Ltd**

## 6. Growing performance partnerships

Our success relies on managing a number of key business partnerships and we are fortunate to work with some of the best in the business. We have recently extended the coverage of our contract with Multi-Media Systems to include the provision of technical services at the St James Theatre and Opera House.

As part of a review of our Food and Beverage offering we are working with Restaurant Associates to refresh our offering and we continue to work with a number of other leading Wellington caterers and chefs to make the most of our home in New Zealand’s culinary capital.

Our relationship with Ticketek, and their parent Nine Entertainment, goes from strength to strength and we look forward to delivering more acts like the sell-out performance by One Direction with them.

Closer to home, and in conjunction with Te Papa and Positively Wellington Tourism (PWT), we appointed a business development executive in Sydney to increase Wellington’s success rate with winning business events from the Australian market.

Our broader partnerships with PWT, Wellington Waterfront and City Events remain vital to our performance as do our relationships with the city’s hotels and other venues including Te Papa and Te Wharewaka o Poneke that add a distinctive cultural flavour to our offering. We are also fortunate to work with a range of first class event suppliers. As we secure more, larger conferences and live shows and performances the flow-on to our other event partners increases.

**“Great food... I would also like to thank you for your hard work and cheery attitude to working with us. It makes a difference and is noticed”**

**Mike Peters,  
Brent Eccles Entertainment**



## 7. Leading the development of venues and services

Our major focus in this area has been the work that we have undertaken to ensure that we can replace the functionality and capacity of the Wellington Town Hall when it is closed for seismic strengthening in mid-2013.

**“To the GPS team - with your visible presence, assistance and humour – the delegates’ experience onsite was stress free”**

*Delegate, SATW*

The Wellington Town Hall is both a significant performance venue and an integral part of the City’s MICE (Meetings, Incentives, Conventions and Events) infrastructure offering.

During the year management has deployed significant resource in identifying possible solutions, building the business case for the preferred solution and maintaining hirer confidence in Wellington as a conference and performance destination.

WCC has approved funding for an alternative venue as part of the Long-Term Plan. Release of the funds is dependent on seismic checks and confirmation of construction costs.

Looking to the future, WCC is taking the lead in reviewing the City’s entertainment and convention infrastructure and amenities as a project within the City’s economic development strategy. Positively Wellington Venues will do all that it can to contribute to and support that project.

## The big picture

### 1. Seismic strengthening

Most people appreciate the Council’s decision to bring forward the strengthening of the Wellington Town Hall to mid- 2013. However, the level of disruption associated with the Town Hall closure is something that both hirers and management have to come to grips with.

Identifying a replacement for the Town Hall initially focused on replacing the infrastructure required by the conferences and meetings side of the business and our attention then turned to addressing the quite diverse needs of our performing arts clients.

In simple terms our plans are to use TSB Bank Arena and Shed 6 as a temporary “convention centre” thereby freeing up the Michael Fowler Centre for more use by the performing arts.

Of course that doesn’t suit everyone’s needs and while we are fortunate to have the St James Theatre and Opera House in our stable to provide additional performance spaces, there are acoustic and capacity challenges that restrict on-stage orchestral performances at both of those venues.

We have undertaken to work with the performing arts groups to find best available solutions and wherever possible we will honour venue rates so that, for example, a group that uses the Illot Theatre for performance is not then required to pay full rates at the Michael Fowler Centre if that is the only available alternative.

We are trying to make all hirers aware that we will all need to bend a little while the Town Hall is out of action. TSB Bank Arena and a refitted Shed 6 will experience a significant increase in utilisation and that will impact on venue availabilities and hire periods. We are encouraging all hirers – including sports teams with which we have longstanding commitments and positive working relationships - to advise us of their booking requirements as early as possible so that we can hold dates for them for the coming seasons.

**“Thanks for the great update. The conversation around Shed 6 and Town Hall gave everyone a good indication of the challenges that PWV and the City are facing. We all recognise the need to increase synergy between all key partners”**

*Olivier Lacoua, CQ Comfort and Quality Hotels*

## 2. PWV in the community

PWV was set up as a CCTO with the goal of removing the need for a Council operating subsidy (we are required to break even in 2012/13) and ultimately returning a dividend to the City.

Balancing the need to operate within strict commercial disciplines while also supporting the many and varied wants of different community groups has not been easy.

Community groups are very fortunate that the WCC has ring-fenced a \$245,000 fund for venue rental subsidy at any of PWV's venues. That fund, as its name implies, can be used to contribute towards the costs of hiring our venues.

During the past year, we have also chosen to support some events that we believe add to the vibrancy and/or wellbeing of Wellington and the wider good of New Zealanders. We were proud to support the "Hands Up Wellington for Christchurch" business expo and Sir Ian McKellen's fundraiser for the Isaac Theatre Royal. We were moved by the thanks we received for supporting a Charity Gala Dinner for Dean Gifford and by the money raised at the annual Diplomatic Charity Ball for the Wellington Cancer Society. We made smaller contributions towards everything from The Big Sing to Senior Net, the Gold Awards to Black Grace and a number of youth and special interest performances.

## 3. Alignment with council objectives

During the year PWV made submissions on a number of new initiatives – the Wellington City Council's (WCC) Economic Development Strategy, the 2040 strategy, the City Events Policy and the Long-Term Plan.

Conferences, events and live shows and performances attract out of town audiences who in turn spend money on other goods and services while in the City. This out of town visitor spend makes a significant contribution to the City's economy and WCC's decision to investigate whether our current venue infrastructure is adequate to support further economic growth and development as well as improving the City's ability to attract and retain talent is a vitally important project.

Equally, the reviews of the City's Arts and Events strategies and policies have been important building blocks in securing Wellington's position as an events and cultural capital. For our part we are keen to support attracting more touring shows and events to Wellington as well as supporting the success of home-grown events.

We see very close alignment between what PWV delivers and the City's 2040 vision. From contributing to a dynamic central city to the vibrancy of our people centred city, from connecting people, places and ideas to leading the way in addressing environmental challenges we have embraced this thinking in our day-to-day business programmes as well as built new initiatives into our forward plans.



Primary session in the Michael Fowler Centre Auditorium

## Looking back, looking forward

In a year that delivered more than its fair share of action, I am more than satisfied that as we worked to merge the pre-existing businesses and establish a platform for growth, we did not compromise the delivery of some outstanding grow and show business events and the performance of the business.

It is a credit to all of the permanent and casual teams of people that work at PWV that we were able to keep the show on the road during a period of significant upheaval and change.

And, I am indebted to the Chairman of the Board and both the transition and new Board of directors for their guidance and support throughout the change process. It has not been easy – but I am confident that the spadework that we have undertaken in 2011/12 will pay off in the years ahead.

We have started the new financial year with a great team and a range of new initiatives that are designed to deliver further gains in our performance. We are enthusiastic about the possibilities and absolutely positively committed to doing our best for Wellington.

***Glenys Coughlan***  
***Chief Executive Officer***



Stick service at the Wellington Town Hall

# SHOW/GROW HIGHLIGHTS FROM 2011/12



**JUL** **Hands Up Wellington**  
**2011** **Expo for Christchurch**

8,000 people attended this trade-expo for Christchurch retailers at TSB Bank Arena over the weekend. \$10 entry fee went towards fundraising for Christchurch

**AUG** **SOAP**  
**2011**

Eight acrobats performed in, on and around a series of bathtubs in the New Zealand premiere held at the St James Theatre. Enjoyed by over 8,000 patrons throughout the season

**VISA Wellington on a Plate**  
**Asian Night Market**

The smell and excitement of Asia came to life in Opera House Lane with delicious food and flavours! A real highlight of the WVOAP programme in a very under-utilised, unique space

**Dylan Moran (2 shows)**

**SOLD OUT**

**SEP** **Rugby World Cup 2011**  
**2011**

Dance groups, cultural performances, food fairs, artists in residence and of course the screening of the games filled Wellington Town Hall for over a month of dedicated RWC community activity. Great to work with City Events and to be part of this international event

**Brancott Estate WOW® Awards Show**

**OCT** **Meatloaf**  
**2011**

**SOLD OUT**

**Ford Motor Company of NZ Ltd**  
**(Ford Focus Launch)**

A 3 day event to launch the new Ford Focus, highlighting the flexibility of the TSB Bank Arena for corporate events

**Chris Cornell**

**SOLD OUT**





**NOV 2011** **Charity Gala Dinner for Dean Gifford**  
**SOLD OUT**

The dinner held in the Wellington Town Hall raised over \$250k towards supporting Dean and his family through his terminal illness

**The Society of American Travel Writers**

Over 470 North American travel writers, PR professionals and associates experienced the very best of PWV and Wellington at their annual conference. A real highlight in the calendar

**JAN 2012** **Surveying & Spatial Sciences Institute 2011 Conference**

Attracted 470 delegates for four days and was one of the largest and most important spatial events in Australasia. "Wellington, a compact, creative and innovative city, is the perfect host."

**GPS Venue Team**

We created red t-shirt-wearing human GPS guides to assist and interact with visitors to our venues

**Eddie Izzard (three shows)**

**SOLD OUT**

**Fly My Pretties**

**SOLD OUT**

**DEC 2011** **PWV supported the Cystic Fibrosis Christmas Tree Festival**

**Cold Chisel**

**SOLD OUT**

**JAN 2012** **Inaugural AMP/AXA Conference**

500 delegates over three days in the Michael Fowler Centre and Wellington Town Hall. This was the first time the merged organisations have got together for a joint conference – hugely successful and looking to come back in two years' time





**JAN** Fleet Foxes  
2012 **SOLD OUT**

**FEB** Incubus and Ronan Keating  
2012

Back-to-back concerts with a total crowd of over 6,800. Our operations team successfully altered the TSB Bank Arena setup from a general admission standing concert to fully seated concert for the second night... a busy 48 hours

#### **The Shed**

PWV's very own 'pop-up' bar debuted in Shed 6

#### **Webstock 2012**

850 delegates attended this three day iconic conference held in the Wellington Town Hall

**MAR** New Zealand International Arts Festival  
2012

A highlight in the Wellington performance calendar that included all of PWV's venues in the programme

FIVE SOLD OUT ARTS FESTIVAL EVENTS

Cubano Be! Cubano Bop! Peter & the Wolf, Bon Iver, The Sixteen with Choir, Music of the Spheres

#### **Famil Dinner**

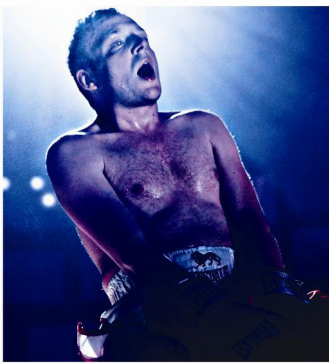
Held on stage at the St James Theatre for 17 Professional Conference Organisers (including 15 from Australia) and left lasting memories of Wellington. "WOW, another highlight, what a great night!!! To think that I had a beautiful dinner and learnt to play a musical instrument, this night was unique to say the least .....fantastic."

#### **G3 Concert**

**SOLD OUT**

**APR** Armageddon  
2012

This event has built to its iconic status over the past 10 years, with this year attracting a record number of 7,400 attendees at the TSB Bank Arena







**APR 2012** **One Direction**

**SOLD OUT**

One Direction mania reached new heights when the teenage heartthrobs played to a full house of screaming fans at the St James Theatre. PWV banded together with WCC teams and community police to ensure safety and enjoyment for these “first time” patrons.

**MAY 2012** **Diplomatic Charity Ball**

Raised over \$250,000 for the Cancer Society of Wellington.

**PULSE vs Thunderbirds**

**SOLD OUT**

**PWV Cargo Bike Launch**

These eco-friendly cargo bikes were launched on the streets of Wellington as a green way of transporting goods and people between the PWV venues. The Mayor, an avid cyclist, came to show her support.



**JUN 2012** **NZSO Leaps N Sounds**

**SOLD OUT**

**Flight of the Conchords (4 shows)**

**SOLD OUT**

Tickets sold out within 24 hours of going on sale. PWV got into the FOTC spirit by setting up a FOTC Cocktail Bar with themed cocktails made by Brett's brother Justin McKenzie



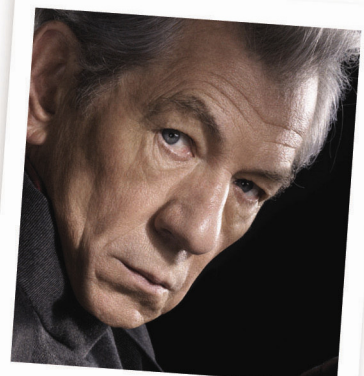
**Gyong Myoung**

Sounds of Friendship Concert at the Opera House organised by the Korean Embassy. 1,900 patrons

**Sir Ian McKellen**

**SOLD OUT**

The last in a series of eleven concerts NZ-wide to raise funds for the earthquake damaged Isaac Theatre Royal in Christchurch. PWV hosted Sir Ian and a range of key stakeholders to a post show soiree



## Governance Report

The directors of Wellington Venues Limited are appointed by Wellington City Council as sole shareholder and they are responsible for setting the strategic direction of the company. They also approve the annual Statement of Intent and the Annual Report.

A transition Board was established at 10 January upon the incorporation of the company and all directors' appointments concluded on 31 December 2011. Accordingly Derek Fry, Stephen Whittington and Kim Wicksteed retired from the Board at this date.

Director's appointment terms thereafter have been staggered to ensure continuity of knowledge, skills and experience and the Board welcomed Mike Egan, Samantha Sharif and Lorraine Witten as new directors on 1 January 2012.

The Board meets 12 times per year and has established an Audit & Risk sub-committee which reviews relevant matters prior to consideration by the full Board.

	Appointed	Expiry of Term	Meetings Attended	Meetings Eligible to Attend
Christopher Parkin (Chair)	10 January 2011	31 December 2014	10	12
Cr. Ngaire Best	10 January 2011	31 October 2013	12	12
Mike Egan	1 January 2012	31 December 2014	6	6
Cr. Paul Eagle	1 July 2011	31 December 2013	12	12
Derek Fry	10 January 2011	31 December 2011	4	6
Sam Knowles	10 January 2011	31 December 2012	8	12
Linda Rieper	10 January 2011	31 December 2014	12	12
Samantha Sharif	1 January 2012	31 December 2014	5	6
Stephen Whittington	10 January 2011	31 December 2011	5	6
Kim Wicksteed	10 January 2011	31 December 2011	6	6
Lorraine Witten	1 January 2012	31 December 2014	5	6



## 1. PWV Financials

The way in which WCC structured Positively Wellington Venues is a combination of Wellington Venues Limited (the venue manager) and Wellington Venues Project (a business unit of Wellington City Council).

As the venue manager Wellington Venues Limited is the employer of the staff who manage events at the Michael Fowler Centre, the Wellington Town Hall, TSB Bank Arena, St James Theatre, Opera House and Shed 6. This is done on behalf of the Wellington Venues Project. The income and expenditure arising from events in our venues is to the account of Wellington Venues Project.

The audited financial statements on pages 26-29 of this annual report only apply to Wellington Venues Limited as the financial outcome for Wellington Venues Project is contained within the results of Wellington City Council.

Positively Wellington Venues prepares an annual Statement of Intent which includes a budget and our performance against that budget is explained below.

	<b>2011/12 Actual (\$000)</b>	<b>2011/12 Budget* (\$000)</b>
<b>INCOME</b>	<b>14,811</b>	<b>15,834</b>
Direct costs	6,653	7,772
Personnel costs	5,350	5,257
Marketing & travel	454	430
Other operating costs	2,559	2,659
Depreciation	253	223
<b>TOTAL EXPENDITURE</b>	<b>15,269</b>	<b>16,341</b>
<b>NET TRADING PROFIT/(LOSS)</b>	<b>(458)</b>	<b>(507)</b>
<b>UNBUDGETED TRANSITION COSTS</b>	<b>811</b>	<b>-</b>
<b>NET TRADING RESULT AFTER UNBUDGETED TRANSITION COSTS</b>	<b>(1,269)</b>	<b>(507)</b>

Minor allocation changes were made to the draft budget noted in the 2011/12 Statement of Intent, however the net trading loss of \$507,000 was unchanged

Positively Wellington Venues traded to a full year business as usual loss of \$458,000 against the budgeted loss of \$507,000 as noted in our Statement of Intent. Achieving a better than budget result was very pleasing in this transition year and provides a level of confidence for the coming year's breakeven budgeted outcome.

Major events such as RWC2011 and the NZ International Arts Festival influenced the business mix and the financial outcome for the year and affected both event revenue and direct event costs, which were both under budget, with an offsetting impact. Revenue growth above the levels of the predecessor businesses was built into the 2011/12 budget and while we achieved some top line growth, the level of growth we budgeted for may have been too optimistic in the current

environment and did not anticipate the loss of business as a result of the announcement that the Town Hall was to be closed for seismic strengthening.

Overall, a 4.7% increase in revenue above that of the predecessor businesses was achieved which was considered a satisfactory outcome in the current environment.

Personnel costs were 1.7% over budget in this transition year as a higher than anticipated level of staff turnover drove up costs due to the short-term use of contract temporary staff for some roles and duplicated staffing for handover periods for other roles.

Minor savings were achieved in other overheads as the new management team joined the business and this resulting in savings of \$46,000 against budget.

Unbudgeted transition costs of \$811,000, as detailed below, include human resources and legal restructuring advice, costs associated with grandfathered employment agreements, legacy sponsorship arrangements, and costs associated with developing an alternative venue to the Town Hall. A number of the unbudgeted transition costs are bound by commercial or legal confidentiality however employee related payments have been audited by Audit New Zealand to their satisfaction.

### Unbudgeted Transactions

Payment to satisfy legacy employment, sponsorship obligations and transactions relating to prior years	\$395,000
Restructuring costs –human resources assistance, legal advice and recruitment costs	\$178,000
Alternative venue costs – evaluation of alternative venues, economic impact analysis and concept design and planning costs	\$189,000
Subventions payment to Wellington City Council arising from non-deductible annual leave entitlements	\$49,000
<b>TOTAL UNBUDGETED TRANSITION COSTS</b>	<b>\$811,000</b>



The Shed - a pop-up bar in Shed 6

# Wellington Venues Ltd Financial Statements

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**Independent Auditor's Report****To the readers of  
Wellington Venues Limited's  
financial statements and statement of service performance  
for the year ended 30 June 2012**

The Auditor-General is the auditor of Wellington Venues Limited (the company). The Auditor-General has appointed me, Andy Burns, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of service performance of the company on her behalf.

We have audited:

- the financial statements of the company on pages 26 to 35, that comprise the balance sheet as at 30 June 2012, the statement of comprehensive income and statement of changes in equity 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 company on pages 36 to 38.

**Opinion****Financial statements and statement of service performance**

In our opinion:

- the financial statements of the company on pages 26 to 35:
  - comply with generally accepted accounting practice in New Zealand; and
  - give a true and fair view of the company's:

- financial position as at 30 June 2012; and
  - financial performance for the year ended on that date; and
- the statement of service performance of the company on pages 36 to 38:
  - complies with generally accepted accounting practice in New Zealand; and
  - gives a true and fair view of the company's service performance achievements measured against the performance targets adopted for the year ended 30 June 2012.

### Other legal requirements

In accordance with the Financial Reporting Act 1993 we report that, in our opinion, proper accounting records have been kept by the company as far as appears from an examination of those records.

Our audit was completed on [date]. 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 Directors and our responsibilities, and 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 and statement of service performance are free from material misstatement.

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

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and statement of service performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of service performance whether due to fraud or error. In making those risk assessments; we consider internal control relevant to the preparation of the company's financial statements and statement of service performance that give a true and fair view of 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 company'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 Directors;
- the adequacy of all disclosures in the financial statements and statement of service performance; and
- the overall presentation of the financial statements and statement of service performance.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance. In accordance with the Financial Reporting Act 1993, we report that we have obtained all the information and explanations we have required. We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

### **Responsibilities of the Board of Directors**

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

- comply with generally accepted accounting practice in New Zealand;



- give a true and fair view of the company's financial position and financial performance; and
- give a true and fair view of its service performance.

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

The Board of Directors' responsibilities arise from the Local Government Act 2002 and the Financial Reporting Act 1993.

### **Responsibilities of the Auditor**

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

Other than the audit, we have no relationship with or interests in the company.

A P Burns  
Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand

## Statement of Comprehensive Income for the year ended 30 June 2012

	Notes	2012 (\$)	2011 (\$)
<b>Income</b>			
Management fee income	1	5,444,776	1,143,581
<b>Total revenue from operating activities</b>		<b>16,498</b>	<b>16,815</b>
<b>Expenditure</b>			
Personnel costs		5,207,854	1,118,985
Directors' fees		127,500	20,605
Other expenses		60,019	3,991
<b>TOTAL OPERATING EXPENDITURE</b>		<b>5,395,373</b>	<b>1,143,581</b>
<b>NET PROFIT/(LOSS) BEFORE TAX &amp; SUBVENTION</b>		<b>49,403</b>	-
Subvention Payment		49,403	-
<b>NET PROFIT/(LOSS) BEFORE TAX</b>		<b>0</b>	<b>0</b>
Income tax expense	7	-	-
<b>NET PROFIT/(LOSS) AFTER TAX</b>		<b>0</b>	<b>0</b>
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE PROFIT/(LOSS)</b>		<b>0</b>	<b>0</b>

The statement of accounting policies and notes to these statements form part of, and should be read in conjunction with, these financial statements.

## Statement of Changes in Equity for the year ended 30 June 2012

	Notes	2012 (\$)	2011 (\$)
Balance upon incorporation		-	100
Balance brought forward		100	-
Net profit/(loss) for the period		-	-
Other comprehensive income		-	-
Total comprehensive income		-	-
<b>BALANCE AS AT 30 JUNE 2012</b>		<b>100</b>	<b>100</b>

The statement of accounting policies and notes to these statements form part of, and should be read in conjunction with, these financial statements.

## Balance Sheet

as at 30 June 2012

	Notes	2012 (\$)	2011 (\$)
<b>Current Assests</b>			
Cash and cash equivalents	3	174,213	101,252
Trade and other receivables	4	362,211	237,064
<b>TOTAL ASSETS</b>		<b>536,424</b>	<b>338,316</b>
<b>Current Liabilities</b>			
Trade and other payables	5	260,633	154,534
Employee entitlements	6	275,691	183,862
<b>TOTAL LIABILITIES</b>		<b>536,324</b>	<b>338,216</b>
<b>Equity</b>			
Share capital		100	100
Retained losses		-	-
<b>TOTAL EQUITY</b>		<b>100</b>	<b>100</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>536,424</b>	<b>338,316</b>

The statement of accounting policies and notes to these statements form part of, and should be read in conjunction with, these financial statements.

*The Board of Directors authorised these financial statements for issue on 26 September 2012*

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Director

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Director

## Statement of Accounting Policies

### **Reporting Entity**

The financial statements are those of Wellington Venues Limited ("the Company"). The Company was incorporated on 10 January 2011 and is registered under the Companies Act 1993. The financial statements are prepared in accordance with the Financial Reporting Act 1993 and the Companies Act 1993. The Company is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office is 111 Wakefield St, Wellington.

The primary objective of the Company is to provide venue management services.

The financial statements of the Company are for the year ended 30 June 2012. The financial statements were authorised for issue by the Board of Directors on 22 August 2012.

### **Basis of Preparation**

#### **Statement of Compliance**

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other relevant applicable Financial Reporting Standards as appropriate for public benefit entities.

The Company is a qualifying entity within the Framework for Differential Reporting. The Company qualifies on the basis that it is not publicly accountable and is not a large entity. The Company has taken advantage of all differential reporting concessions available to it.

#### **Measurement Base**

The financial statements have been prepared on a historical cost basis.

#### **Functional and Presentation Currency**

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional and presentation currency of the Company is New Zealand dollars.

#### **Comparative Information**

The comparatives shown in these financial statements are for the five months ended 30 June 2011.

#### **Changes in Accounting Policies**

There have been no changes in accounting policies.

#### **Standards Issued**

The following standard which has been issued but is not yet effective has not been adopted early:

- NZ IFRS 9 *Financial Instruments* will eventually replace NZ IAS 39 *Financial Instruments: Recognition and Measurement* and is expected to be adopted by the Company in the year ended 30 June 2014 when it becomes effective. The standard is not expected to materially affect the Company's financial statements.

## **Significant Accounting Policies**

The particular accounting policies, which materially affect the recognition, measurement and disclosure of items in these financial statements are set out below.

### **Revenue**

Management fee income is recognised in the accounting period in which the services are rendered.

### **Cash and cash equivalents**

Cash and cash equivalents includes deposits held at call with banks.

### **Trade and other receivables**

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for doubtful debts. A provision for impairment of trade receivables is established where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

### **Trade and Other Payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

### **Personnel Costs**

Short-term employee entitlements are those that the Company expects to be settled within 12 months of balance date and are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, and annual leave earned, but not yet taken at balance date.

### **Goods and Services Tax (GST)**

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

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 Balance Sheet.

Commitments and contingencies are disclosed exclusive of GST.

### **Taxation**

The income tax expense recognised for the year is calculated using the taxes payable method and is determined using tax rules. Under the taxes payable method, income tax expense in respect of the current period is equal to the income tax payable for the same period.

### **Equity and Share Capital**

Ordinary shares are classified as equity.

## Notes to the Financial Statements

### 1. Revenue and Other Income

	2012 (\$)	2011 (\$)
Management fees	5,444,776	1,143,581
<b>MANAGEMENT FEES TOTAL</b>	<b>5,444,776</b>	<b>1,143,581</b>

Management fees are earned for managing venues owned by Wellington City Council. Fees are chargeable at a value equivalent to the aggregate of employee and directors' costs.

### 2. Audit Fee

The Company's auditors are Audit New Zealand.

Amount paid or payable to Audit New Zealand	2012 (\$)	2011 (\$)
Audit fee	16,770	-
Other services	-	-
<b>TOTAL PAYABLE TO AUDIT NEW ZEALAND</b>	<b>16,770</b>	<b>-</b>

### 3. Cash and Cash Equivalents

The Company operates one non-interest bearing bank account.

	Interest Rate	Maturity	2012 (\$)	2011 (\$)
Cash at bank and in hand	0%	Current	174,213	101,252
<b>TOTAL CASH &amp; CASH EQUIVALENTS</b>			<b>174,213</b>	<b>101,252</b>

#### 4. Trade and Other Receivables

	Notes	2012 (\$)	2011 (\$)
Trade receivables		-	87,256
Related parties	7	362,211	149,808
Less provision for doubtful less		-	-
<b>TOTAL TRADE AND OTHER RECEIVABLES</b>		<b>362,111</b>	<b>237,064</b>

#### 5. Trade and Other Payables

	2012 (\$)	2011 (\$)
Trade payables	88,361	58,878
GST payables	70,502	58,156
Accruals – related parties	101,770	37,500
<b>TOTAL TRADE AND OTHER PAYABLES</b>	<b>260,633</b>	<b>154,534</b>

#### 6. Employee Entitlements

	2012 (\$)	2011 (\$)
Salaries payable	32,752	16,394
Accrued annual leave	242,939	167,291
<b>TOTAL EMPLOYEE ENTITLEMENTS</b>	<b>275,691</b>	<b>183,682</b>

No accrual has been made for sick pay, as an analysis of payments made for sick pay has identified that the potential cost is not material.



The number of employees whose remuneration and benefits exceeded \$100,000 is shown below:

	<b>2012</b>	<b>2011</b>
\$260,000 to \$269,999	1	-
\$150,000 to \$159,999	2	-
\$130,000 to \$139,999	1	-
\$100,000 to \$109,999	2	1

## 7. Income Tax

	<b>2012 (\$)</b>	<b>2011 (\$)</b>
<b>Tax expense</b>		
Current year	-	-
Prior period adjustment	-	-
	-	-
<b>Reconciliation of effective tax rate</b>		
Profit for the period before tax	-	-
Prima facie income tax at the domestic tax rate	-	-
Change in unrecognised temporary differences	43,568	50,187
<b>INCOME TAX</b>	-	-

There are no imputation credits at year end.

## 8. Related party information

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operational decisions. The Company's sole shareholder is Wellington City Council (WCC) which is therefore a related party by virtue of this ownership. The St James Theatre Charitable Trust and St James Theatre Limited are also related parties as they are considered entities controlled by WCC.

The Company had the following material transactions with related parties during the year.

The Company charges WCC a management fee for venue management which is equivalent in value to the aggregate of the Company's personnel costs, directors' fees, audit fee and directors' liability insurance. The charge for the year ended 30 June 2012 was \$5,444,776 (2011: \$1,143,581). At balance date, fees of \$362,211 (2011: \$149,808) were due to the Company.

A subvention payment of \$49,403 (2011: nil) was paid to WCC during the year to offset Wellington Venues Limited's taxable income from 2011.

On 1 July 2011, the employment contracts for 171 employees of St James Theatre Limited were assigned to the Company. The value of the accrued annual leave liability associated with these employees totalling \$79,525 was paid by St James Theatre Limited to the Company as part of this assignment.

No provision has been required, nor any expense incurred, for impairment of receivables from related parties (2011: nil)

<b>Key management personnel compensation</b>	<b>2012 (\$)</b>	<b>2011 (\$)</b>
Salaries and other short-term employee benefits	880,590	228,997
Termination benefits	0	0
Directors' Fees	127,500	20,605
<b>TOTAL KEY MANAGEMENT PERSONNEL COMPENSATION</b>	<b>1,008,090</b>	<b>249,602</b>

Key management personnel includes the Chief Executive and the 7 other members of the Company's leadership team.

<b>Directors' Fees</b>	<b>2012 (\$)</b>	<b>2011 (\$)</b>
Christopher Parkin (Chair)	30,000	5,880
Cr. Ngaire Best	15,000	2,945
Cr. Paul Eagle (appointed 1 July 2011)	15,000	-
Mike Egan (appointed 1 January 2012)	7,500	-
Sam Knowles	15,000	2,945
Linda Rieper	15,000	2,945
Samantha Sharif (appointed 1 January 2012)	7,500	-
Stephen Whittington (retired 31 December 2011)	7,500	2,945
Kim Wicksteed (retired 31 December 2011)	7,500	2,945
Lorraine Witten (appointed 1 January 2012)	7,500	-
<b>TOTAL EMPLOYEE ENTITLEMENTS</b>	<b>127,500</b>	<b>20,605</b>

A portion of the 2011 Directors' fees were charged to the St James Theatre Limited for governance services.

## 9. Commitments

The Company has no commitments at 30 June 2012 (2011: nil).

## 10. Contingent Liabilities and Liabilities

There are no contingent liabilities or contingent assets at 30 June 2012 (2011: nil).

## 11. Events Occurring After Balance Date

There were no significant events after the balance date.

## Statement of Service Performance

TARGETS	RESULTS
<p><b>Business Viability</b></p> <ul style="list-style-type: none"> <li>◆ On budget (or better) financial performance – with both top-line revenue growth and cost savings</li> <li>◆ New management and organisation structure in place by end of the second quarter of the year</li> <li>◆ Service level agreements in place for WCC shared services (accounting and payroll, HR &amp; IT)</li> </ul>	<p>The 2011/12 financial results for Positively Wellington Venues were encouraging and the business as usual result was better than budget. A new management team was recruited during this first year of business and an organisation restructure was also completed. Service level agreements have been drafted and agreed upon in principle.</p> <p>The financial result for (PWV) is the aggregate of the results for Wellington Venues Limited and Wellington Venues Project. The latter is a business unit of Wellington City Council and its results are consolidated into that entity's financial statements.</p> <p>PWV prepares an annual Statement of Intent and the budgeted result for 2011/12 was a loss of \$507,000. PWV traded to a loss of \$458,000 (for its business as usual operations) for the 2011/12 financial year and the \$49,000 favourable variance to budget is considered a very good result in the first full year of trading. A number of unbudgeted one-off or transition costs totalling \$811,000 were also incurred by the company.</p> <p>PWV's total financial outcome, including unbudgeted one-off and transition items, was a loss of \$1,269,000. Details of PWV's financial performance for the year are attached at page 19.</p> <p>The new management structure was put in place during the second quarter of the year and the final organisational structure was implemented in the third quarter, although some recruitment to new positions continued into the final quarter.</p> <p>Agreement in principle for shared services by WCC was reached during the year and formal acknowledgement of these services is expected early in the next year.</p>
<p><b>Venue Utilisation</b></p> <ul style="list-style-type: none"> <li>◆ Achieve or exceed 5% increase in hired days (aggregate measure) over 2010/11 actual</li> <li>◆ Achieve or exceed budgeted number of performances and performance revenue</li> <li>◆ Achieve or exceed budgeted convention and event hires and revenue</li> <li>◆ Maintain appropriate mix of commercial and community hires</li> <li>◆ Community hires by days utilised, organisation and event type and audience (to be reflective of the diversity of Wellington's communities)</li> <li>◆ Uptake/use of venue subsidy</li> <li>◆ New Wellington Performing Arts Foundation (PAF) trust and fund established to support community access</li> </ul>	<p>Venue utilisation showed a pleasing level of increase for the year with a more balanced booking calendar than the prior year, and the bookings from the 2012 New Zealand International Arts Festival also assisted. The 2012 Wellington Venues Subsidy fund was fully subscribed and a new Performing Arts Foundation was set-up to support venue facilities, community access and local productions.</p> <p>Overall utilisation for 2011/12 represents a 10%* increase on the prior year, partly at least due to the current year including the biennial New Zealand International Arts Festival. Monthly analysis showed that the extreme variability in bookings experienced in 2010/11, especially in the performance venues, did not recur, although the period following the Christmas break continues to be a period of very low utilisation. Filling the event calendar and the conventions/events calendar requires a well connected and strong sales force which has been a focus of the new management.</p> <p>63 community hires were held in 2011/12 including charity exhibitions, lunches and meetings, cultural festivals, memorial services, student visits, blood service days and complimentary screenings of Rugby World Cup 2011 games.</p> <p>The Wellington Venues Subsidy fund which is controlled by WCC was fully subscribed for 2011/12. Going forward we will work more closely with the WCC grants team to refine criteria/eligibility for this subsidy particularly and to optimise the benefits for the City.</p> <p>A Performing Arts Foundation trust has been established and a pan-venue funding model is being currently being developed.</p> <p>* It should be noted that the current measure of utilisation is a very broadbrush measure of days booked and the comparison to the prior year is subject to some measurement difference as bookings were recorded differently by the two predecessor businesses.</p>

TARGETS	RESULTS
<p><b>Duty of Care</b></p> <ul style="list-style-type: none"> <li>◆ Pan-venue asset management plans for all operating assets in place</li> <li>◆ All health &amp; safety requirements met</li> <li>◆ Leadership in development of safety programmes</li> <li>◆ Safety and security of patrons, visitors and staff managed</li> <li>◆ New initiatives to give greater visibility to reducing environmental foot print introduced</li> </ul>	<p>PWV regards the safety of patrons, delegates, staff and contractors to be of paramount importance whilst within our operating environments. A significant amount of preparation work has been completed during the year to ensure robustness of the strategy, policies, procedures and measurement systems which underlie this regard for safety.</p> <p>Work on a pan-venue asset management plan for PWV equipment and chattels has commenced and is expected to be operational by mid 2012/13.</p> <p>ISO certification for four venues has been renewed. This certification attests to the quality of processes which underpin our business, operational, health &amp; safety and environmental procedures. Pan venue processes are being implemented which will enable the St James Theatre and the Opera House, which have not previously had certification, to meet the ISO standard. A new Health &amp; Safety policy and strategy was completed during the year, and a safety management plan was developed to ensure and generic pan-venue standard operating procedures and all processes are achieved in a timely manner.</p> <p>New emergency procedures and delivery communication modes for different audiences/stakeholders were developed during the year and these were first used by hirers in August 2012.</p> <p>Discussions with ECCA and WCC to engage in energy reduction initiatives through corporate/ECCA/WCC sponsored quantity surveys and efficiency installations are ongoing.</p>
<p><b>Marketing Edge</b></p> <ul style="list-style-type: none"> <li>◆ Successful launch of new “Positively Wellington Venues” brand and marketing positioning</li> <li>◆ New business pipeline shows strong forward bookings</li> <li>◆ New business wins and value of relationship business</li> </ul>	<p>Some major changes were effected in Marketing with a new brand and logo launched, new Sales and Marketing staff hired, a rebranding of the Wellington Conventions and Events Expo and major changes to the website platform.</p> <p>The Positively Wellington Venues name and logo were launched early in the year with to positive industry/hirer feedback. A re-invigorated sales and marketing team and an increased presence in Australia was put in place during the year.</p> <p>PWV rebuilt and re-skinned its website under a new content management system which brought the content from the two predecessor businesses websites together and also provided greater user and administrator functionality.</p> <p>PWV's convention and events expo was re-branded and re-launched to the market in April 2012 as 'Show Me Wellington'. The expo ran successfully in July 2012 with 87 stalls (including 15 new exhibitors) and over 700 buyers and stakeholders attending.</p>

TARGETS	RESULTS
<p><b>Outstanding Experiences</b></p> <ul style="list-style-type: none"> <li>◆ Audience and hirer satisfaction (maintain/increase relative to past trends)</li> <li>◆ Achieve or exceed budgeted number of performances and performance revenue</li> <li>◆ Achieve or exceed budgeted convention and event hires and revenue</li> <li>◆ Maintain appropriate mix of commercial and community hires</li> </ul>	<p>Patron and hirer satisfaction have been measured during the year and good results have been achieved in both areas.</p> <p>Patron feedback measured during the year continued to be very positive with an average rating of 8.4 /10 for overall experience.</p> <p>A new online event feedback survey for hirers was developed to better gauge hirer satisfaction from individual events. Initial results are very encouraging with 100% of respondents indicating that they were satisfied with the performance and services of PWV and 75% of respondents indicating that they would recommend PWV to a friend.</p>
<p><b>Performance Partnerships</b></p> <ul style="list-style-type: none"> <li>◆ At least three successful joint marketing ventures with PWT and other partners</li> <li>◆ JV/own shows are successfully promoted and make a positive contribution to bottom line</li> </ul>	<p>A joint venture partnership with Positively Wellington Tourism and Te Papa to fund a new business development manager in Sydney was initiated in 2011/12.</p> <p>A range of other JV projects and new marketing partnerships to grow events (e.g. VISA Wellington on a Plate, Handmade) were also completed.</p> <p>PWV promoted 3 significant own shows (Soap, MacHomer, and In Flagrante) and a joint venture with Pam Ayres in 2011/12. The first two own-shows filled a dark period in the performance calendar and the third was developed as an offering to complement RWC2011. Financial success for these events was mixed but overall a profit was achieved which in the light of trading conditions is considered pleasing.</p>
<p><b>Venue Development</b></p> <ul style="list-style-type: none"> <li>◆ Contingency plan for seismic strengthening of Wellington Town Hall</li> </ul>	<p>Wellington City Council decided in 2011 to bring forward the seismic re-strengthening of the Wellington Town Hall. This will commence mid-2013 and the Town Hall will be closed for two years. COVEC, (economic analysts), have estimated that this closure, without a replacement venue being established, would cause the loss of \$32m to \$42m of benefits to the Wellington economy which otherwise accrue from convention business anchored in the Town Hall.</p> <p>PWV developed a business case for a \$5m capital expenditure bid to refit Shed6 and TSB Bank Arena as a replacement venue for the Town Hall and WCC Councillors approved \$4m of capital expenditure for this project in the long-term plan subject to the seismic capacity of Shed 6 being confirmed.</p>

# The Positively Wellington Venues Precinct

in the Coolest little capital in the World



5 6

Queen's Wharf



Willis St.

Victoria St.

Jervois Quay

2 1

Manners St.



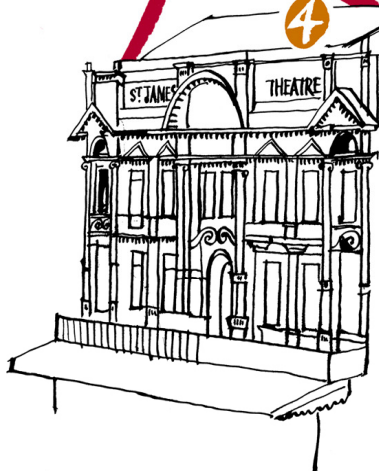
Dixon St.

3

Wakefield St.



4



Courtenay Place

Six very cool little venues within five very easy minutes walk.