

POSITIVELY

Wellington

WATERFRONT

Statement of Intent 2013-14 Wellington Waterfront Limited



Presented to the CCO
Performance Sub-Committee
pursuant to Schedule 8 of the
Local Government Act (2002)

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1. Introduction

The work of Wellington Waterfront Limited (WWL) is the integration of development and place-making with economic development and the public interest.

The key to our success is ensuring the interaction between the people and the place is one of engagement and enjoyment: We want everyone who comes onto the waterfront to ask of themselves: 'would I want to return to this place?' and for the answer to be a resounding 'yes'.

WWL's ultimate accountability is to Wellingtonians and it demonstrates this by aiming to operate with transparency and through a willingness to engage with the public and welcome their feedback.

The development of Wellington's waterfront is best undertaken by a Council controlled organisation because of the commercial expertise and focus that is needed to optimise the project outcomes while finding the right balance between the social and economic return.

Over the years a number of internal and independent reviews have been completed by the Council to test this proposition (the most recent in 2012), and have repeatedly confirmed Wellington Waterfront Limited's role as the most effective and cost-efficient delivery vehicle for this important and defining public space.

WWL throughout 2013/14 will have a particular focus on **place-making** – and it will be seeking to improve, develop and extend the incredible diversity of activities already on offer. This focus is intended to specifically deliver on the Council's strategic direction as outlined in its Events Policy, the Accessible Wellington Action Plan, the Arts & Culture Strategy, the Digital Strategy and the Living City Programme.

Our focus on **development** will continue to be on the various sites clearly identified in the Framework. We will also be developing the proposition that WWL's skills and expertise could be applied to other areas of the City, in our current constituted capacity as a public land development agency. This focus is intended to specifically assist and deliver on the Council's strategic direction as outlined in its Economic Development Strategy.

The Wellington waterfront has a huge range of activities, spaces, events and a compelling number of destinations including the markets, cafes, restaurants, shops, local museums, galleries and last but not least, Te Papa. The array of destinations is about to be further extended with the completion of the Clyde Quay Wharf development.

The waterfront not only provides numerous destinations but it is also becoming one of Wellington's busiest thoroughfares for walkers and cyclists.

The growing occupation of WWL is to not only develop more activities, spaces and buildings, and manage the infrastructure well, but also to manage the various uses so that each

remains an enjoyable experience. We need to ensure that activities and people do not compete for space, and that everyone goes home safely.

The implementation of our detailed asset management plan and maintenance programme will continue to ensure that the major assets remain in good condition, and the waterfront remains a quality experience for all who work, live and play in its environs.

The Wellington economic slow-down continues to be an issue, however, the quality of the waterfront environment means that WWL can still attract successful, quality developers into the space.

2013/14 will see the completion of the design and planning for Kumutoto Stage 2, the seismic strengthening of Shed 6, and the completion of the temporary convention centre. We will also progress with plans for other key areas including Queens Wharf and the Transition site at Barnett Street.

We are confident that Wellington's waterfront will continue to be a dynamic and engaging space with a growing reputation in the region, nationally and internationally.



Robert Gray
Chairman



2. Strategic Direction

2a) Core Purpose

The core purpose of Wellington Waterfront Ltd is to implement the Wellington Waterfront Framework that contains criteria for the **development** and **management** of each area of the waterfront.

We embrace the principles outlined in the Wellington Waterfront Framework:

- Giving expression to heritage and history, particularly Maori heritage and presence
- Providing a 'sense of place' for Wellingtonians
- Providing for a diversity of experience
- Providing a sense of collective ownership and involvement
- Providing an experience of space and openness
- Providing ease of access for all

Seven objectives have been set for the waterfront. The overall design, and the detailed area-by-area designs, will be developed to achieve these objectives when the redevelopment is completed.

The objectives are:

- The waterfront is locally and internationally recognised for its design
- The waterfront is readily accessible to all people
- The waterfront is, and is perceived to be, safe at all times
- The waterfront is seen as an attractive place that draws Wellingtonians and visitors alike
- The waterfront successfully caters for a wide range of events and activities
- Significant heritage buildings are protected on the waterfront
- Activities on the waterfront are integrated with those on the harbour

2b) Operating Environment Update

Wellington Waterfront Limited operates in an environment that is impacted to a significant extent by four external factors:

Economic/Fiscal

The global economic environment continues to be challenging, although there are early signs that we can look forward to a modest recovery in global growth throughout 2013/14. As investors/developers look back over the last 12 months, 2012 can be summed up as the year of 'crisis averted' – the euro didn't collapse, Greece remained in the Eurozone, the US did not go back into recession and China avoided a hard landing. Not only does this help to provide a backdrop of confidence, but has a direct impact on the availability of finance necessary to effect large property development projects.

New Zealand is experiencing accelerating growth with the Auckland and Canterbury economies leading the recovery. Auckland benefits from population growth and there is real evidence that the Christchurch re-build is positively impacting on the regional economy.

Wellington continues to hope for an overall improvement in economic conditions. The effects of the government's ongoing restructuring of the civil service, coupled with the burden of leaky home reparation and commitments to seismic strengthening have resulted in a sustained subdued local economy. The recent collapse of Mainzeal Construction provides unfortunate evidence of the fragility of the recovery, particularly in the construction industry.

Local development activity is limited; it is noteworthy that the largest (if not the only) commercial projects are taking place on the waterfront – Market Lane, Clyde Quay Wharf, Shed 6. Interest in the two sites within the Kumutoto precinct remains high; we expect this is as a result of the scarcity factor of land on the waterfront, the large floor plates on offer and the premium location. A prime focus of the Company in the year ahead will be to position the development of these sites in a way that maximizes both the urban design/public space and the economic return outcomes.

Social

Wellington Waterfront is increasingly viewed as the heart of the Wellington inner-city community. Its easy accessibility from the CBD, wide variety of public spaces, eateries and other attractions means the demand for spaces for other events and activities needs to be managed carefully.

The attraction is not only for those who work in the city during the week, but also the growing inner city population as the trend for inner-city apartment living continues to grow. Increasingly the waterfront is the 'front garden' for residents.

From a health and safety perspective the waterfront is at the forefront of managing the binge drinking culture prevalent among the young and not so young. This is particularly the case for large city events such as the Sevens, Home Grown, rugby tests and the overflow from Council run street parties for major events such as film premieres. Careful management of the safety of those who play at the water's edge with impaired judgment is top of mind for WWL.

Another social trend is the increasing consciousness of people regarding fitness and environmentally sustainable means of getting around the city. Wellington waterfront is a major thoroughfare for those who want to walk, run and cycle.

Walking and cycling around the waterfront will not only continue to grow as an affordable commuting option but also a low cost leisure and health promoting activity.

The management of the public spaces needs to ensure that the waterfront accommodates all these users.

The reputation of the waterfront as a good place to go is not only spreading throughout the region and nationally, internationally it is growing with the continuing growth in international cruise ships calling at Wellington and visiting delegations from overseas waterfront authorities eg Hong Kong and Shanghai.



Regulatory

The current regulatory environment and the ongoing high degree of public interest in WWL's proposed projects pose the risk of considerable delay and can result in significant costs when proposed projects are delayed or abandoned.

The more significant regulatory requirements that WWL must comply with are the Resource Management Act, Building Act, the Marine and Coastal (Takutai Moana) Act as well as health and safety legislation and local authority bylaws and regulations.

Environmental

WWL takes all possible practicable measures to minimize the effects its business activities may have on the environment and the effects that the environment may have on its business activities.

The effects of climate change, earthquake, tsunami or other potentially catastrophic events could have a devastating impact on the waterfront, physically and financially. WWL has comprehensive insurance cover that is regularly reviewed. WWL requires all development design to take into account and make allowance for the effect that climate change may have on its buildings, the waterfront generally and the wider environment. Resilience to minimize the impacts of seismic activity is paramount.

WWL has comprehensive Asset Management, Disaster Recovery & Business Continuity Plans in place.



Impacts on our capital works programme

There are five factors that have influenced our budgeted capital works programme:

- Commercial receipts expected from the development of Kumutoto have been significantly impacted by the April 2012 Environment Court decision and the subsequent development of the design brief for the area. The Court decision reducing the building envelope of site 10 and to retain site 8 as public space has resulted the need to reduce our anticipated revenues and defer their receipt.
- The decision to proceed with the conversion of Shed 6 into a temporary convention facility has provided the possibility to offer greater certainty of tenure to tenants within the northern area of the shed and a greater variety of activity within the space currently occupied by Ferg's Kayaks. The provision of activities and physical improvements to the northern end to the shed will be complementary to the programme being developed by Wellington Venues Limited.
- Following the success of the Taranaki Street Wharf jump platform we have included provision for the development of water-based adventure activities within the Shed 6 harbour basin.
- Conversion of Shed 6 into a temporary convention facility and securing the World of WearableArts for a nine year term has resulted in the renewal of the projected commercial receipts from our ten year forecast. A comprehensive redevelopment of the shed is not anticipated to occur within the next decade.
- Frank Kitts Park is proposed to be redeveloped in 2016/17. The children's playground, now some 15 years old, is in need of upgrade and repair. Subject to the receipt of income made possible by extending the lease of the Frank Kitts car park, WWL proposes to secure resource consent for the redevelopment of the park and to implement its development in sages – with a refurbishment of the playground expected to be completed in 2014/15.

2c) Strategic Framework

There are two core strategies involved in delivering the Council's vision for the waterfront, as elucidated in the Framework:

- 1. Place management & place-making**
 - providing opportunities for Wellingtonians to enjoy the waterfront's *current* offerings
- 2. Development**
 - the development of new offerings for the *future*

Place Management & Place-making:

WWL can and will be judged by how well the waterfront is operated and maintained over the short, medium and long term and how the diverse interests and needs of waterfront visitors and its business operators are catered for throughout the year.

Place-making seeks to optimise the enjoyment of the public in their use of the environment. This involves strategies of enticement (for example, events & activities), encouragement (provision of public comfort and commodity) and reinforcement (managing the waterfront's reputation).

The overall strategic objective with regard to place-making is to provide a range of amenities and features that enhance opportunities for recreational and cultural activities on the waterfront.

WWL has developed a set of skills in this area based on formal analysis and research (eg how to run successful public markets) and strong observational research that results from focus and our 'being there'.

Development:

WWL's strategic imperative is to achieve a high standard of design and implementation of open spaces, public buildings and commercial developments, taking into account robust urban design principles. These include the use and amenity value of spaces and the way users interact between and within buildings and open space developments.

The development strategy is designed to deliver new features within the place – either the redevelopment of existing sites, or the development of new buildings and open space. All development activities are designed to enhance the waterfront and meet both community needs and commercial imperatives.

Our strategic focus is to complete and implement plans for delivering the vision for the waterfront.

3. Nature and Scope of Activities

WWL has broken the delivery of these two core strategies: Place-making and Development into the following work streams:

Place-making

We will continue to develop a flexible, creative, open and interactive public realm that is inclusive and welcoming to many different kinds of people. One of our key objectives is to develop and manage a land estate that fosters participation across a broad range of creative endeavours – be they recreational, cultural, artistic, and maritime or activities based.

Place-making work streams include:

- Maintaining the Environment
- Working and playing on the Waterfront
- Telling the Waterfront’s Stories



Development

WWL works to achieve a high standard of design and implementation of open spaces, public buildings and commercial developments, taking into account robust urban design principles. These include the use and amenity value of spaces and the way users interact between and within buildings and open space developments.

Development work streams include:

- Design and Project Implementation
- Development Strategy

Place-making: Maintaining the Environment

We ensure the waterfront is a vibrant and attractive environment through the provision of spaces that are safe, clean, efficient, well maintained and support the operation of a diverse range of businesses and activities on the waterfront.

AT THE MOMENT, WE

- Have an **asset management plan (AMP)** that contains a comprehensive description of all the assets on the waterfront and detailed plans and budget provisions for the effective and efficient management of all our assets and infrastructure.
- Maintain our assets through **independent maintenance contractors** with proven ability and operate within the standards of good commercial and professional practice.
- Undertake regular independent Crime Prevention through Environmental Design (**CPTED**) and Injury Prevention through Environmental Design (**IP TED**) assessments of the waterfront and respond to any issues raised.
- Ensure that our operations, maintenance and development activities comply with health and safety **legislation** and best practice.
- Commission regular independent **health and safety audits** of our market and other public participation activities.
- Undertake regular **cleaning, and graffiti removal** of our public spaces.
- Undertake regular **rubbish removal and recycling** of restaurant and public space waste.
- Undertake regular **clean-up programmes** of the harbour, in particular around the lagoon and Taranaki Street Wharf.
- Maintain **public space lighting**.
- Maintain **trees, gardens and lawns**.

OVER THE NEXT THREE YEARS, WE WILL

- Roll out the full planned and reactive **maintenance** requirements that the AMP prescribes on time and within budget.
- Increase our **recycling activities** by introducing 'Kai to Compost' systems for our restaurant tenants.
- Introduce new technology high efficiency **LED public space lighting**.
- Undertake a review of **accessibility** provisions on established spaces and respond to any issues raised.
- Review our **maintenance** contracts to ensure cost efficiency and effectiveness.
- Review adequacy of **public seating and public toilets**.
- Work collaboratively with the Council's Living City team and external stakeholders to deliver better understanding of the **marine environment** with Lambton Harbour.

Place-making: Working and Playing on the Waterfront

The measures taken by WWL with regard to place-making and attracting events and activities to the waterfront over previous years have been effective in contributing to the survival of waterfront businesses from the impacts of the global financial crisis. However, the weight of world and local events means we will continue to face an ongoing period of restrained growth and investment.

The anticipated environment we will operate in is one where:

- Wellington Waterfront will continue to work with other organisations, notably other Council Controlled Organisations (CCOs) including: Absolutely Positively Wellington, Grow Wellington, Wellington Venues Ltd, Wellington Museums Trust, and other organisers of events and temporary installation opportunities including: Wellington City Council, the New Zealand International Festival of the Arts, and the Wellington Sculpture Trust to provide locations and support the establishment of high quality significant artworks and sculpture.
- We provide a range of infrastructure, space and facilities that allow for the operation of a diverse range of business, cultural and sporting activities on the waterfront.

AT THE MOMENT, WE

- **Manage** the operations on the waterfront, including property management (excluding Waitangi Park) inclusive of leasing, cleaning, maintenance, and security.
- **Accommodate** a wide variety of businesses including the New Zealand Stock Exchange, Z Energy, Trade Me and Meridian Energy.
- Provide **event spaces and infrastructure** for a wide variety of event operators.
- Facilitate, and in some cases run, '**market activities**' including Harbourside and Summer Markets and the Wellington Underground Market.
- Manage the **Motorhome Park**.
- **Licence operators** to provide regular sport and recreation activities on the waterfront – including:
 1. Wellington Indoor Sport
 2. Fergs Rock and Kayak
 3. Waterfront Hire and Tours
 4. Big Air Bungy
 5. Little Drivers
 6. The Enormous Crocodile Company
- **Assist external parties** to provide occasional entertainment and interest activities for waterfront patrons – such as:
 1. Gone Paddling Dragon Boat Festival
 2. Performance Arcade
 3. Circus on the Lagoon Lawn
 4. Port Nicholson Rotary Club Community Piano

5. Winter garden Ice Skating Rink Under the Sails Rink on Queens Wharf
 6. Bike to Work day
- Provide opportunities for **Product Launches or Displays** such as:
 1. Samsung Olympic Promotion
 2. Coca Cola Happiness Truck
 3. Victoria University Solar House
 4. Powerade Challenge
 - Provide opportunities to showcase **art and sculpture** such as:
 1. Nga Kina Sculpture a partnership with the Wellington Sculpture Trust
 2. The Four Plinths Project – temporary sculptures placed on the four plinths located outside Te Papa on WWL land

OVER THE NEXT THREE YEARS, WE WILL

- Increase **cost reduction** focus particularly in the area of energy efficiency and resource conservation.
- Establish an **Artist in Residence** Studio on Clyde Quay Wharf.
- Work with existing tenants and new operators to activate and **enliven currently underutilised spaces** particularly:

Queens Wharf

- We will be looking to animate the space by encouraging the use of it by the many cultural and recreational tenants that bound its space

Odlin Plaza

- We will continue to foster the use of this space for both small and large events and functions

Frank Kitts Park

- To enable funding of all of the new initiatives we plan to enter into a longer term lease over the Frank Kitts Park car park, in exchange for a single up-front payment
- Monies raised will enable us to seek resource consent for the development of Frank Kitts Park (\$200k) and the construction of phase one of the Park's redevelopment – the children's playground at the northern end (\$800k). This sum will be deducted from the total costs of the park redevelopment budgeted in 2016/17
- We will also be investigating the concept of a marine park within the environs of the boating and rowing clubs



Shed 6 basin

- A series of water-based activities are planned for this area that will be financed by the Frank Kitts Park car park

Te Papa promenade

- We will undertake research to ascertain the desirability of this space for the relocation of the Harbourside Market
- Work with Council's Economic Development team to develop the concept of a Wellington Cultural Centre which may include working in conjunction with Positively Wellington Venues on options for an external refit of the TSB Bank Arena and Shed 6.
- Work with the Council's Events team and through the Events forum, to improve the spread of Events throughout the year and to contribute to the smoother running of events on a holistic basis.

Place-making: Telling the Waterfront's Stories

We tell the stories of the waterfront – from pre-colonial history through to the present day – to ensure that Wellington's heritage is preserved now and for future generations.

AT THE MOMENT, WE ARE

- Maintaining the **Maritime Heritage Trail** – a series of lit glass totems, which are a key element in educating visitors about waterfront heritage.
- Including in **WWL's website** information about the area's history.
- Using the **WWL Information Office** for exhibitions regarding history and happenings on the waterfront.
- Installing and maintaining **commemorative plaques** along the Frank Kitts Park promenade and the Outer-T.
- Siting and maintaining a number of **historical maritime relics** across the waterfront including heritage cranes, anchors, buoys and wharf timbers.
- Working with the Wellington Writer's Walk Committee to install **Writers Walk** text sculptures. This series of concrete and stainless steel typographic works is sited at various points along the waterfront. Each sculpture contains a quote by a well-known New Zealand writer with strong Wellington connections. Four new text sculptures will be installed this year.
- Maintaining existing **historic gates and fences**.
- Securely storing unutilised **heritage assets** off site at Seaview.



OVER THE NEXT THREE YEARS, WE WILL

- Install Waterfront Renaissance **Exhibition panels** on the exterior - eastern side of Shed 6.
- Establish detailed historical information on waterfront heritage items and artworks that can be accessed through mobile phones or tablets using **QR codes** located in proximity to the item.
- Assist the Maritime Heritage Trust with restoration of **'The Big Anchor'**.
- Assist the Maritime Heritage Trust to provide theatrical **night lighting** of the 'Hikitia'.
- Install a **heritage panel** on the Maritime Police Building (the former Eastbourne Ferry Building).
- Prepare for **2015 Commemoration services**.
- Progress work with the Council's events team to investigate options for a **lights festival** for Wellington.



Development: Design and Project Implementation

AT THE MOMENT, WE ARE

- Ensuring that all waterfront development (buildings and public space) is in accordance with the vision, values and principles of The Wellington **Waterfront Framework**.
- Advising the appropriate **Council committees** on all aspects of waterfront development, including budgets, development phasing, technical information, costs, feasibility and commercial issues.
- Commissioning work on detailed designs for both public spaces and buildings based on approved **performance briefs**.
- **Selecting and appointing** designers and other consultants
- **Marketing** waterfront sites and properties as appropriate to get the best return for the Council.
- Ensuring designs for both buildings and public space utilise high **quality** detailing, materials and construction methods appropriate for the waterfront environment.
- Working closely with the **Technical Advisory Group (TAG)** in the review of development of design guidelines, design briefs and designs as they evolve.
- Ensuring that designs promote diversity on the waterfront by encouraging **flexibility** of use and allow for elements to be **adaptable** over time.
- Recognising the importance of delivering outcomes that fit within approved **budgets** without compromising quality.

OVER THE NEXT THREE YEARS WE WILL

- **Work closely with TAG** to ensure that designs are prepared in accordance with best practice and our obligations as a signatory to the Ministry of Environment's Urban Design Protocols.
- Increase our engagement and collaboration with the **Accessibility Advisory Group** to ensure Wellington's waterfront is accessible to all.
- Work with **developers** that have sufficient resources, good reputation and established track records in the successful delivery of high quality developments.
- Ensure continued commitment to achieving **design excellence** in the development of buildings and public space on the waterfront.
- Regularly **engage with stakeholders** and general public at appropriate stages through the development design process.



Development: Development Strategy

WWL's development work is focused on completing and implementing plans for delivering the vision for the waterfront.

AT THE MOMENT, WE ARE

- Making progress toward the re-development of two of the largest sites which 'book-end' Wellington's waterfront – **the Clyde Quay Wharf** (ex-Overseas Passenger Terminal) at the south end and **sites 8, 9 & 10 Kumutoto** at the north end. These projects will be realised to a different completion date than previously expected. Clyde Quay Wharf redevelopment is progressing well and is now expected to be completed at an earlier date in June 2014; Kumutoto development has been delayed as a consequence of the Environment Court findings and the development of the design brief for the area.
- Working collaboratively with Willis Bond in regard to several aspects of the Clyde Quay Wharf apartment development – particularly the proposed future use of a substantial part of the **ground floor**, and the **planning and design of public space** that will surround the development, planning and design of **Clyde Quay (boat harbour park)**.
- Completing a **revised masterplan of north Kumutoto (sites 8, 9 & 10)** following Wellington City councillors approval of the North Kumutoto Design Brief in late 2012
- Assessing responses to the call for Expressions of Interest for Sites 9&10 which was sent out in December 2012.
- Completing stage 3 of the **wharf maintenance programme** involving major refurbishment of wharf piles and sub-structure of wharf decks on the outer-T and stem at Queens Wharf.
- Undertaking the **seismic upgrading of Shed 6** ahead of the planned construction of a temporary convention centre for Wellington Venues Ltd to be completed in mid-2013.
- In the preliminary planning stages of a future development of the **Transition site** at Barnett St.
- Delivering more effectively on our two core strategies by including two additional capital works into our 2013/2014 programme. These are:
 1. Queens Wharf
 - reconfiguration of the northern end of Shed 6 and introduce new tenancies into the Ferg's Kayaks space
 - create an adventure playground within the water basin between Shed 6 and the Outer-T



2. Frank Kitts Park

- bring forward the consenting process for the park redevelopment proposal, and deliver an improved children's playground as stage one of the development

These projects are contingent upon their approval within the Waterfront Development Plan consultation process and the realisation of funding from the Frank Kitts Park car park long term lease proposal.

OVER THE NEXT THREE YEARS, WE WILL

- Continue to work with Willis Bond in regard to the possibility of WWL leasing a portion of the ground floor space of the **Clyde Quay Wharf** apartment development as well as the **planning, consenting and implementation of the public space** surrounding the development.
- Engage with developers for **sites 9 and 10** and progress through the required stages of planning, approval and implementation for the delivery of premium quality building developments on these sites and the concurrent development of high quality public space.
- Actively engage with CentrePort to ensure that there is maximum integration between Harbour Quays and the waterfront development.
- **Develop site 8** as public space as well as develop the public space adjacent to and in between sites 9 & 10.
- Continue to work collaboratively with Wellington Venues Ltd for the successful completion and delivery of the refurbished Shed 6 for use as a **temporary convention centre**.
- Continue to develop concepts for the **transition site** at Waitangi Park.
- Investigate development options for **Queens Wharf, in particular Shed 1**.
- Actively investigate the feasibility of developing further small projects and civic amenities along the waterfront as part of our commitment to enhancing the sense of place experienced by Wellingtonians and visitors alike.
- Actively investigate and implement alternative means to **funding capital works** (for example, Frank Kitts Park car park lease).
- Contribute to the Council's investigation of the need for a **public land development agency**.

An important focus for WWL will be to test the proposal that the Company's place-making and development skills and experience could serve the Council in a unique capacity by stepping out beyond the city's public waterfront to apply these understandings, skills and experience, in the city's interest, to the city-as-a-whole.

4. Performance Measurements

Action	Measure	Council Strategic Alignment					
Kumutoto Sites 9 & 10	Developer selection process completed. Council approval granted. Public consultation process completed. Resource consent application submitted						
Shed 1	Advance a long term solution for Shed 1 and seek WCC approval						
Shed 5	Complete building and public space improvements associated with the redevelopment of Shed 5: <ul style="list-style-type: none"> - Refurbish asbestos roof - Create improved southern entry 						
Shed 6	Complete seismic strengthening of wharf & building Collaborate with WVL to establish a temporary Conference Centre Reconfigure Ferg's Kayak tenancy to introduce additional attractions into the Queens Wharf precinct Work in conjunction with Wellington Venues Ltd regarding options for an external refit of Shed 6 and TSB Bank Arena						
TSB Bank Arena	Seek naming rights sponsor and negotiate a new agreement						
Queens Wharf Water Basin Activity Zone	Plan and implement the development of additional adventure and entertainment activities in the water basin between Shed 6 and the Outer-T						
Four Plinths Sculpture	Assist the Wellington Sculpture Trust with the biennial change of the works on the four plinths between Te Papa and Circa in time for the opening of the International Festival of the Arts						
Transition site, Waitangi Park	Arrive at a development go/no go decision with Te Papa						
Clyde Quay Wharf	Finalise WWL ground floor leasing arrangements for publicly accessible active edge tenancies. Complete the development of the Clyde Quay public space and the Boat Harbour Park subject to confirmation of recovering commercial revenues from the building development						
Asset Maintenance	Maintain waterfront assets and infrastructure in accordance with the AMP and within budget (\$285k)						
Asset Renewal	Renew waterfront assets as scheduled in AMP within budget (\$292k) includes: Repaint tripod crane, lagoon bridge, bascule bridge, under wharf infrastructure support						
Business Continuity and Disaster Recovery Plan	Develop a mobile phone Application that provides digital access to plans and actions						
Capital Raising	Investigate alternative means to raise development capital. Secure advance rental payment for Frank Kitts Park car park						
Frank Kitts Park Redevelopment	Subject to capital raising, apply for a resource consent for the redeveloped park and complete the installation of a new children's playground						
Festival of Lights	Collaborate with City Events to develop this major event for Wellington						
Public Land Development Agency	Contribute to a proposition regarding the formation of a public land development agency						

Action	Measure	Council Strategic Alignment					
Digital Strategy	Install QR Codes adjacent to sculpture, historic buildings and other items of interest that provide access to a wealth of digitally stored information						
Universal accessibility	Embed a protocol for the development of public spaces that requires detailed consideration of accessibility issues. Complete a survey of existing public spaces to assess accessibility issues						
Governance	Annual board self-evaluation completed. Hold a public Annual General Meeting						
Finance	<p>Manage our budget to ensure at year end we achieve our targets</p> <ul style="list-style-type: none"> ▪ Waterfront Operating Costs millions \$11.448 ▪ Public Space Development \$4.457 ▪ Proceeds from Operating Receipts & Commercial Development \$2.400 ▪ Loan Finance Balance <ul style="list-style-type: none"> ○ Public Space \$18.789 ○ Wharf Repiling \$5.720 						

	Economic Development Strategy		Accessible Wellington Action Plan
	Events Policy		Living City Programme
	Digital Strategy		Arts & Culture Strategy

5. Board's Approach to Governance

Guiding Principles

To provide:

- Strong, well-focused Board leadership for WWL
- Ethical and robust decision making at a strategic and policy level
- Input into specific operational issues when required

WWL's Board has the task of meeting its obligations of running a public company at the same time as meeting the multi-dimensional complexities arising from being a politically accountable Council Controlled Organisation.

Appointments

- Four Directors serve on the Board
- Directors are appointed by the shareholder
- Directors serve three year terms – facilitating regular turnover and succession planning
- Appropriate and complementary skill sets are sought

Current Board membership

- Robert Gray (*Chair – term ends 31 December 2015*)
- Jane Black (*term ends 31 December 2015*)
- Cr Justin Lester (*appointed 29 June 2011; term ends 13 October 2013*)
- Derek McCorkindale (*appointed 1 July 2011; term ends 31 December 2014*)



Robert Gray



Jane Black



Cr Justin Lester



Derek McCorkindale

Approach

As with any company, the board sets the tone and exemplifies the values of the organisation. Best practice examples provided by the Institute Of Directors have been embraced as guidelines.

Because of the environment in which WWL operates, the Board has always played a key role in the delivery of the company strategy.

The Board is responsible for:

- Overseeing the implementation of the Project on behalf of the Wellington City Council
- Its work and its code of conduct are governed by the Company's constitution, the Overview Agreement with Council, the Charter, and the Board of Directors' Charter
- The Board reviews and approves the three year strategic plan and an operating budget prepared by management
- These documents include approval of annual accounts, provision of information to our shareholder, major capital projects, approval of development contracts, and disposal of assets
- The Board also reviews monthly financial statements, and individual project reports to monitor management's performance against the budget and the three year plan
- The Board aims to ensure our shareholder and stakeholders are informed of all major developments affecting the projects.

Meetings and evaluation processes

- The Board meets monthly, no less than ten times a year.
- Board Committees:
 - Audit and Risk Committee - overviews management's practices; policies; financial position; the effectiveness of audit and risk management processes; and liaises with external auditors
 - People and Performance Committee - ensures appropriate remuneration; people policies; procedures and programmes are in place; and reviews the terms and conditions of the CEO's employment and is responsible for setting the objectives and performance targets of the CEO
 - The Board conducts an annual self-evaluation by surveying each member against set criteria

Shareholder communications

Wellington City Council:

WWL is appointed by the Council as its implementation manager of the Lambton Harbour Development Project (the 'project'). WWL makes recommendations and presents design outcomes and business cases to Council for approval. WCC remains responsible for all decision-making on the waterfront. WWL works closely with the Council and acknowledges the valuable contribution the Council makes towards the operation of the waterfront.

As a CCO and by virtue of an Overview Agreement with the Wellington City Council, WWL complies with the WCC's reporting structure through provision of quarterly status reports, plus half yearly and annual reports.

In our dealings with the Council:

- We operate a 'no surprises' policy where we inform Council of any significant issue
- Our key relationships are with WCC's Technical Advisory Group, the CCO Performance Sub-Committee and WCC officers, including the Urban Strategy Group and the External Communications Unit
- We are responsible for ensuring that:
 - For its part, an open and effective basis for consultation and co-operation is maintained with Council
 - The waterfront is clean, safe and well maintained
 - Council has relevant and timely advice to inform its decision-making. This will include financial advice and will involve WWL contributing to a financial model for the waterfront
 - Contracts entered into are appropriate to deliver the desired outcome and reflect Council's policy
 - Public space development projects are delivered to plan, on time and on budget

We undertake active engagement with the waterfront's various communities of interest, fostering input into the implementation of the waterfront's various projects.

The Board is responsible to shareholders for the implementation of the Waterfront Project by participation in the setting of objectives, strategy, and key policy areas, and the approval of key project phases and specific agreements.

The Board has a commitment to timely and effective communication and positive working relationships with WCC and its various committees.

In fostering good governance practices we are continually monitoring the separation of the various roles and responsibilities of management, the Board, and WCC.

Relationships are fostered with our shareholder, the WCC, so that its understanding of and

commitment to The Wellington Waterfront Framework and WWL, as its waterfront implementation manager, is strengthened, and that the value and principles enshrined in the key governance documents continue to be recognised. These documents are:

- Wellington Harbour Board and Wellington City Council Vesting and Empowering Act 1987
- Constitution of Lambton Harbour Management Limited (Wellington Waterfront Ltd)
- Overview Agreement between WCC and Lambton Harbour Management Limited (Wellington Waterfront Ltd)
- Property Trust Deed

Focus 2013/14

- Ensure that WCC is kept fully apprised of WWL's activities through regular formal meetings with WCC representatives – no surprises
- Work with WCC's CCO Performance Sub-Committee to monitor Key Performance Indicators agreed for WWL in the waterfront's development
- Review Board practices and processes to maintain the distinction between governance and management – ongoing as part of the role of WWL's People and Performance Committee
- Following last year's comprehensive Board self-assessment perform a follow-up Governance Review questionnaire

Our Other Relationships and Partnerships

Other CCOs and Council Teams:

WWL works collaboratively with other CCO's to deliver against the Council's policies and strategies:

- Grow Wellington
- Absolutely Positively Wellington
- Wellington Venues Ltd
- The Wellington Museums Trust
- WCC internal Events Team

Community:

WWL's ultimate accountability is to Wellingtonians and it demonstrates this by aiming to operate with transparency and through a willingness to engage with the public and welcomes feedback.

Feedback is encouraged through:

- The website
- Waterfront Project Information Centre
- Feedback forms
- Open days
- Formal feedback sought through public consultation processes

Focus 2013/14

- Operating a no surprises policy with WCC
- Committed to holding at least one public meeting, where our future plans are made available for discussion

Community and interest groups:

Community groups are encouraged to provide input through the above processes as well as presentations and face-to-face meetings.

We are also in regular contact with various interest groups including local immigrant groups; the media; arts; Chamber of Commerce; tenants/businesses; and our neighbours.

The objectives and our approach to relationship management for each key stakeholder are applied across all WWL work streams to ensure we are transparent and open in all our communications and that our relationships are constructive.

Regular planning and co-ordination group meetings are held with businesses, tenants and neighbours to facilitate event integration into their business plans and establish collaborative activities to promote the waterfront.

6. Organisational Health, Capability and Risk Assessment

Wellington Waterfront Limited is committed to the development and maintenance of robust systems and processes to ensure its resilience to the risks of adverse events.

Health & Safety

WWL recognises the importance of maintaining a good safety record both in the public realm and in the place of work for its staff and visitors.

AT THE MOMENT, WE

- Regularly check our internal working environment to ensure hazards or potential hazards are either eliminated or measures are taken to ensure the potential effects of hazards are mitigated as much as is reasonably practicable.
- Ensure all staff have been trained in basic first-aid and hold current certificates of competency.
- Regularly check all areas on the waterfront to ensure hazards or potential hazards are either eliminated or measures are taken to ensure the potential effects of hazards are mitigated as much as is reasonably practicable.
- Engage independent specialist consultants to periodically review WWL's health and safety processes and procedures.
- Require all contractors and public event organisers to submit documented health and safety plans prior to commencement of any work or public event on the waterfront.
- Ensure all WWL owned buildings have current building warrant of fitness certificates.
- Adhere to and implement CPTED (Crime Prevention Through Environmental Design) and IPTED (Injury Prevention Through Environmental Design) principles in the design of all buildings and public space on the waterfront.

OVER THE NEXT THREE YEARS WE WILL

- Commit to on-going continuous improvement to the identification, monitoring, elimination/mitigation of hazards or potential hazards.
- Encourage waterfront businesses to participate in an initiative to install a network of publicly accessible cardiac defibrillators across the entire waterfront.

Capital Investment & Asset Management Plans

WWL has made a major commitment to the effective and efficient management of its capital investments and infrastructural assets.

AT THE MOMENT, WE ARE

- Ensuring our Asset Management Plan (AMP) meets the requirements of the International Infrastructure Management Manual (IIMM) which is the benchmark tool for accepted best practice.

WWL's assets fall into seven broad categories being:

- Wharves, seawalls and bridges
- Infrastructural assets (e.g. reticulation systems for water, storm-water, waste, power, gas and telecoms)
- WWL owned buildings
- Public spaces
- Ground leases
- Development sites
- Artworks, historic artefacts, memorials and other structures

The AMP covers the following:

- Asset classification and description
- Levels of service
- Planning and managing future growth
- Risk assessment and management
- Life-cycle (optimised) decision-making
- Financial
- Planning assumptions and confidence levels
- Improvement planning

OVER THE NEXT THREE YEARS, WE WILL

- Annually review the AMP as part of our commitment to continuous improvement of the management of our capital investments and infrastructural assets.
- Continue to undertake capital investments within the financial resources of the company.

Staff Engagement and Training

WWL has a relatively small and stable staff complement of eight people who are all dedicated to and fully engaged in the successful operation of WWL.

AT THE MOMENT, WE

- Require all staff members to contribute to the business individually and as a member of a team. Valued attributes of individual team members include honesty, integrity and professionalism, commitment to results and focus on the relationship with stakeholders.
- Encourage staff members to commit to on-going personal and professional development through regular attendance at education forums, seminars, conferences, workshops, etc.

OVER THE NEXT THREE YEARS, WE WILL

- Encourage staff members to seek opportunities and participate in on-going personal and professional development through regular attendance at education forums, seminars, conferences, workshops, etc.
- Prepare a comprehensive transition plan in anticipation of the company transferring to Council in 2015.

Emergency Planning & Business Continuity

Emergency preparedness and a business continuity plan are pre-requisites to ensuring any business has the resilience to withstand the effects of major adverse events which occur without warning and can have devastating results.

AT THE MOMENT, WE

- Have developed a comprehensive Disaster Recovery & Business Continuity Plan to enhance WWL's resilience in the event of a major disturbance to its business from a disaster or other major adverse event.
- Have committed to development of a Business Continuity and Disaster Recovery Plan mobile phone application to provide remote and mobile access to instructions, contacts, vital records and communications during and after an emergency event.

OVER THE NEXT THREE YEARS WE WILL

- Take a lead role in heightening awareness of the need for emergency preparedness, disaster recovery and business continuity by convening a group workshop for tenants, stakeholders and businesses on the waterfront.
- Will establish a greater working relationship with WREMO (Wellington Region Emergency Management Office) to provide specialist assistance relating to the waterfront during and after an emergency event.

Environmental Impact Assessment & Practices

WWL takes all possible practicable measures to minimise the effects its business activities may have on the environment and the effects that the environment may have on its business activities.

AT THE MOMENT, WE

- Ensure that all construction and operational activities on the waterfront comply with statutory requirements and best practice to avoid unintended or adverse consequences on the environment.
- Give careful consideration to the potential effects of hazards in design, construction and on-going use of buildings and public spaces to help ensure the avoidance of hazards and adverse impacts on the environment.
- Engage specialist consultants to regularly review and monitor health and safety and hazard management practices on the waterfront.
- Require developers to participate in a notified resource consent process for all developments which require developers to undertake a comprehensive assessment of potential adverse environmental effects and advise what measures will be taken to avoid or mitigate such effects.
- Have facilitated the implementation of environmentally friendly initiatives such as the development of the Meridian building which was Wellington's first five green star commercial office building, the recycling of restaurant and business waste along the waterfront.
- Have a legacy of the Rugby World Cup 2011 which saw the introduction of public space recycling bins for recycling glass, plastic and cans. Thirty new bins have been installed on the waterfront, and the supporting infrastructure of separate collection of waste streams, compaction, and removal have been put in place.

OVER THE NEXT THREE YEARS WE WILL

- Encourage developers to incorporate environmentally sustainable design features in the delivery of buildings on the waterfront.
- Increase our recycling activities by introducing 'Kai to Compost' systems for our restaurant tenants.
- Regularly review our practices and investigate new and improved ways to encourage staff to commit to on-going education in environmentally sustainable practices relating to their areas of responsibility and business practices.



Risk Management Framework

WWL recognises ever present operating risks, particularly in the business environment and the need for development and implementation of a suitable risk management framework.

AT THE MOMENT, WE

- Manage risk through a process of identifying key risks and having effective controls to manage risks appropriately.
- Recognise that not all risks are of equal importance and the nature of risk is such that it can change over time.
- Have identified the following key risks as being particularly applicable to WWL's business.

▪ Cashflow/Income	▪ HR/Keyman
▪ Political	▪ Brand Reputation
▪ Development Delays	▪ Operational Risk
▪ Natural Disaster	▪ Public Safety

OVER THE NEXT THREE YEARS WE WILL

- Regularly review our risk management framework to ensure it remains relevant.
- Benchmark our framework against Wellington City Council's policies and procedures.

7. Additional Information

Operational Funding

WWL is a small dedicated team, pared back to eight FTE and a Board of just four. We have been actively involved in efficiencies relating to shared services within the WCC operations.

In 2012 Wellington City Council commissioned a comprehensive and independent review of all Council Controlled Organisations. As part of this review, recognition was given to the need for re-considering the basis upon which WWL receives its funding.

Council determined and agreed that, with effect from 1 July 2013, the funding of WWL's commercial development activities be de-coupled from the public space development and general Company operations. The impact of this is that the net operating cost (including depreciation) of the public space activity will be funded through general rates while the net proceeds from commercial development will be used to offset the total general rate requirement through a separate commercial activity. The funding impact of these changes and the transition to rates funding will be considered as part of the 2013/14 Annual Plan.

WWL will be working closely with the Council to effect an optimal ongoing funding arrangement.

In the meantime there will be no change to the grant funding for WWL in 2013/14, in recognition of the fact the Company has significant commercial revenue targets to achieve.

WWL is reliant on the availability of capital. The availability of capital/credit is also crucial to property developers that WWL work with. Many developers are currently experiencing difficulty securing or renewing credit facilities.

With limited funding resources available to WWL from WCC, we need to ensure we prioritise our projects, maximise financial returns from commercial developments, while at the same time complying with various prescribed Framework and operational guidelines.

Appendix: Accounting Policies

Nature of the entity

The Wellington Harbour Board and the Wellington City Council Vesting and Empowering Act 1987 ('the Empowering Act') established the Lambton Harbour Development Project (known as 'the Wellington Waterfront Project' or 'the Project') as a joint venture between the Wellington Harbour Board and the Wellington City Council. With the dissolution of the Wellington Harbour Board on 31 October 1989, its interest in the Project was transferred to the Wellington City Council under the provisions of the Local Government (Wellington Region) Reorganisation Order 1989.

Measurement base

The accounting principles recognised as appropriate for the measurement and reporting of comprehensive income and financial position on a historical cost basis are followed by the Project, with the exception of certain assets which are valued in accordance with the policies stated below.

The financial statements are presented in New Zealand dollars and are rounded to the nearest thousand.

Specific accounting policies

The following particular accounting policies that materially affect the measurement of financial performance and financial position have been applied:

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings as a current liability in the statement of financial position.

Financial instruments

The Project is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short term investments, receivables and payables. All financial instruments are recognised in the statement of financial position and all revenues and expenses in relation to financial instruments are recognised in the statement of comprehensive income.

Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Trade and Other receivables

Receivables are recorded at their face value, less any provision for impairment.

A provision for impairment of receivables is established when there is objective evidence that the Project will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

Deferred income

Lease income received that does not relate to the current accounting year has been recorded as a liability. Development margins are recognised using the percentage of completion method.

Property, plant and equipment

Land comprising the Lambton Harbour Development Area (see 'Nature of the entity' above) is held by Wellington Waterfront Project as bare trustee for Wellington City Council and is reflected in these financial statements.

“Property, plant and equipment” consists of the following asset classes:

- (a) Land, as above;
- (b) Buildings and other improvements attached to this land;
- (c) Infrastructure assets (includes utilities infrastructure, wharves, seawalls, bridges and other structures)
- (d) ‘Other assets’ comprising office equipment, computers, and plant and equipment used in the management of the Project.

Property (land, buildings & other improvements together with infrastructure assets) is further categorised as follows:

- (a) Investment property: - property leased long term for an annual rental;
- (b) Development property: - property intended for future commercial development as either investment property or for realisation (but on which no specific commitment has been made or intention to proceed declared);
- (c) Property intended for realisation: - property intended to be realised by way of commercial development and on which a specific decision has been taken;
- (d) Other land, buildings, public space improvements and Infrastructure assets: – comprising all other property and includes land and buildings held primarily or solely for recreational purposes, plus roadways, promenades, wharves, seawalls bridges and the like.

All property is re-valued annually by an independent registered valuer.

Investment properties and development properties are valued at current market value as prescribed under IAS 40 – Investment Property. Depreciation is not charged on these properties. Revaluation gains or losses are recognised in the statement of comprehensive income in the year which they occur.

Wellington Waterfront Project has entered into agreements with property developers to lease and develop various development sites around the Lambton Harbour Development Area. The term of these lease arrangements range from 35 to 999 years. On termination of the leases, the land and buildings revert to the Project or its successor.

The proceeds received from the granting of development rights at the commencement of these arrangements are credited against the investment property, with any surplus or loss taken to the statement of comprehensive income.

As these are investment properties they are re-valued annually to current market value, taking into account any future rental income and any reversionary interest in the property on termination of the lease.

Property intended for realisation is treated in a similar fashion to investment property and development property except that it is valued at the lower of cost (or carrying value at the time it was categorised as property intended for realisation) and net realisable value.

Other land is valued at fair value. Buildings and public space improvements together with infrastructure assets are valued on an optimised depreciated replacement cost (ODRC) basis. Revaluation gains or losses are credited or debited to the revaluation reserve under the asset class “other land, buildings and infrastructure assets”, except that revaluation gains which reverse previous revaluation losses that were recognised in the statement of comprehensive income are recognised as revenue in the statement of comprehensive income. If losses debited to the revaluation reserve result in a debit balance in the other property class, then this balance is

expensed in the statement of comprehensive income. On sale or disposal of a property in this category the gain or loss, calculated as the difference between the sale price and the carrying value is recognised in the statement of comprehensive income and any balance remaining for that property in the revaluation reserve is transferred to retained earnings.

Development work in progress is stated at cost.

Office equipment, architectural models, plant and equipment and fixtures and fittings are stated at cost less accumulated depreciation.

Depreciation is provided on all property, plant and equipment, with the exception of land, investment properties and development properties. Depreciation is calculated on a straight line basis to allocate the cost or value of the asset over its estimated useful life.

The estimated useful lives of the major class of property, plant and equipment are as follows:

Land.....	unlimited
Buildings and public space improvements.....	10 to 75 years
Infrastructure assets	
- Major structures	14 to 105 years
- Utilities infrastructure.....	6 to 24 years
Other assets	3 to 5 years

Capital work in progress is not depreciated. The total cost of a project is transferred to land and buildings and/or plant and equipment on its completion and then depreciated.

Intangible assets

Acquired computer software and licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred.

Software is a finite life intangible and is recorded at cost less accumulated amortisation and impairment.

Costs that are directly associated with the establishment and functional improvements of the Motorhome Park website are capitalised as incurred. Costs associated with maintaining and advertising the Motorhome Park website are recognised as an expense as incurred.

Major amortisation rates are:

Software	33% Straight line
Website	33% Straight line

Impairment

The carrying amounts of property, plant and equipment and intangible assets are reviewed at least annually to determine if there is any indication of impairment. Where an asset’s recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item’s fair value less costs to sell and value in use. Losses resulting from impairment are reported in the surplus or deficit, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease.

Revaluations

The result of any revaluation of the Project's property, plant and equipment is credited or debited to the asset revaluation reserve for that class of property, plant and equipment. Where this results in a debit balance in the reserve for a class of property, plant and equipment, the balance is expensed in the surplus or deficit. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the surplus or deficit will be recognised firstly in the statement of comprehensive income up to the amount previously expensed, and then secondly credited to the revaluation reserve for that class of property, plant and equipment.

Accumulated depreciation at revaluation date is eliminated against the gross carrying amount so that the carrying amount after revaluation equals the revalued amount.

The carrying amount of non-current assets measured at cost has been reviewed to determine whether it is in excess of the asset's recoverable amount. Where an asset's recoverable amount is lower than its carrying amount, it has been written down to that lower value.

Marina revaluation reserve

The Marina revaluation reserve comprises the unrealised development margin relating to the sale of Chaffers Marina. When Chaffers Marina was originally sold to Chaffers Marina Holdings Limited, Lambton Harbour Development Project received shares as payment for the unsold marina berths. This unrealised development margin is progressively realised as the shares are sold.

Associate companies

Wellington Waterfront Project's shares in Chaffers Marina Holdings Limited are held in a fiduciary capacity for Wellington City Council.

The interest in Chaffers Marina Holdings Limited is reflected in the financial statements on an equity accounting basis, which shows the share of surpluses/deficits in the statement of comprehensive income and the share of post-acquisition increases/decreases in net assets in the statement of financial position.

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 Inland Revenue (IRD) is included as part of the receivables or payables in the statement of financial position.

The net GST paid to, or received from IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Changes in accounting policies

All accounting policies have been applied on a consistent basis throughout the year and are aligned to those of the Wellington City Council.

The Project has adopted the following revisions to accounting standards during the financial year, which have had only a presentational or disclosure effect:

- Amendments to NZ IAS 1 Presentation of Financial Statements. The amendments introduce a requirement to present, either in the statement of changes in equity or the notes, for each

component of equity, an analysis of other comprehensive income by item. The Project has decided to present this analysis in note 16.

- FRS-44 New Zealand Additional Disclosures and Amendments to NZ IFRS to harmonise with IFRS and Australian Accounting Standards (Harmonisation Amendments) – The purpose of the new standard and amendments is to harmonise Australian and New Zealand accounting standards with source IFRS and to eliminate many of the differences between the accounting standards in each jurisdiction. The main effect of the amendments on the Project is that certain information about property valuations is no longer required to be disclosed. Notes 8-10 have been updated for these changes.
- Amendments to NZ IFRS 7 Financial Instruments: Disclosures – The amendment reduces the disclosure requirements relating to credit risk. Note 20 has been updated for the amendments.

Standards, amendments, and interpretations issued that are not yet effective and have not been early adopted and which are relevant to the Project, are:

- NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following 3 main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus/deficit. The new standard is required to be adopted for the year ended 30 June 2016. However, as a new Accounting Standards Framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, The Project is classified as a Tier 1 reporting entity and it will be required to apply full Public Benefit Entity Accounting Standards (PAS). These standards are being developed by the XRB based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means the Project expects to transition to the new standards in preparing its 30 June 2015 financial statements. As the PAS are still under development, the Project is unable to assess the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

Appendix: Forecast Financial Statements

CCO: Wellington Waterfront Project Statement of Intent 2013/14										
\$x000's										
Estimate 30-Jun-13	STATEMENT OF FINANCIAL PERFORMANCE	Qtr to 30-Sep-13	Qtr to 31-Dec-13	Qtr to 31-Mar-14	Qtr to 30-Jun-14	Total YE 30-Jun-14		Total YE 30-Jun-15		Total YE 30-Jun-16
	Revenue									
4,009	Lease Income	904	786	872	863	3,426		3,084		2,601
15	Sundry Income	2	2	2	2	10		10		10
131	Venue hire/ Sponsorship	-	-	-	129	129		125		125
429	Operating recoveries	132	103	103	103	441		421		429
24	Interest Income	6	6	6	6	24		24		24
4,608	Total Revenue	1,044	898	984	1,104	4,030		3,665		3,190
	Expenditure									
3,926	Property Costs	1,118	995	983	993	4,089		3,949		3,819
4,000	Depreciation	1,050	1,050	1,050	1,050	4,200		4,284		4,370
300	Public and Commercial Planning	137	137	137	137	550		150		-
1,048	Interest costs	-	-	-	1,104	1,104		639		649
1,420	Administration	334	334	367	384	1,420		1,425		1,453
10,694	Total Expenditure	2,640	2,517	2,538	3,668	11,362		10,448		10,291
(6,086)	Net Surplus/(Deficit) before Taxation	(1,595)	(1,619)	(1,554)	(2,564)	(7,333)		(6,783)		(7,101)

**CCO: Wellington Waterfront Project
Statement of Intent 2013/14**

\$x000's

Estimate 30-Jun-13	STATEMENT OF FINANCIAL POSITION	As at 30-Sep-13	As at 31-Dec-13	As at 31-Mar-14	As at 30-Jun-14	As at 30-Jun-15	As at 30-Jun-16
	Shareholder/Trust Funds						
133,390	Wellington City Council	132,064	130,713	129,428	127,133	121,425	115,400
79,960	Revaluation Reserves	79,960	79,960	79,960	79,960	79,960	79,960
213,350	Total Shareholder/Trust Funds	212,024	210,673	209,388	207,093	201,385	195,360
	Current Assets						
10	Cash and Bank	723	237	191	147	180	243
691	Accounts Receivable	691	330	330	330	315	300
1,700	Other Current Assets	1,275	850	425	1,700	1,900	2,100
2,401	Total Current Assets	2,689	1,417	946	2,177	2,395	2,643
	Investments						
-	Deposits on Call						
1,285	Other Investments	1,224	1,224	1,224	1,100	1,100	1,000
1,285	Total Investments	1,224	1,224	1,224	1,100	1,100	1,000
	Non-Current Assets						
221,764	Fixed Assets	220,347	220,943	221,293	222,531	211,882	207,726
10,675	Other Non-current Assets	10,675	10,675	10,675	0	0	0
232,439	Total Non-current Assets	231,022	231,618	231,968	222,531	211,882	207,726
236,125	Total Assets	234,935	234,259	234,138	225,808	215,377	211,368
	Current Liabilities						
842	Accounts Payable and Accruals	1,093	1,212	943	674	1,156	1,156
85	Other Current Liabilities	85	85	150	150	228	228
927	Total Current Liabilities	1,178	1,297	1,093	824	1,384	1,384
	Non-Current Liabilities						
14,689	Loans - WCC	13,689	13,989	15,289	8,589	3,689	6,089
5,720	Loans - Wharf	5,270	5,720	5,720	5,720	5,720	5,720
1,439	Other Non-Current Liabilities	2,774	2,710	2,646	3,582	3,199	2,816
21,848	Total Non-Current Liabilities	21,733	22,288	23,655	17,891	12,608	14,625
213,350	Net Assets	212,024	210,673	209,388	207,093	201,385	195,360
2.6	Current Ratio	2.3	1.1	0.9	2.6	1.7	1.9
90.4%	Equity Ratio	90.2%	89.9%	89.4%	91.7%	93.5%	92.4%

**CCO: Wellington Waterfront Project
Statement of Intent 2013/14**

\$x000's

STATEMENT OF MOVEMENTS IN EQUITY

	2014	2015	2016
Opening Balance	213,351	207,093	201,385
Net Profit / (Loss) after Tax	(7,333)	(6,783)	(7,101)
Total recognised revenues and expenses for the year	(7,333)	(6,783)	(7,101)
Contributions from WCC			
Equity Contributions for Management Fee	1,075	1,075	1,075
Total WCC Equity Contributions	1,075	1,075	1,075
Equity as at 30th June	207,093	201,385	195,360

**CCO: Wellington Waterfront Project
Statement of Intent 2013/14**

\$x000's

Estimate 30-Jun-13	STATEMENT OF CASH FLOWS	Qtr to 30-Sep-13	Qtr to 31-Dec-13	Qtr to 31-Mar-14	Qtr to 30-Jun-14	Total YE 30-Jun-14		Qtr to 30-Jun-15		Qtr to 30-Jun-16
	Cash flows from operating activities:									
	<i>Cash was provided from:</i>									
4,390	Receipts from customers	974	827	913	904	3,618		3,257		2,783
24	Interest received	6	6	6	6	24		24		24
	<i>Cash was disbursed to:</i>									
(5,547)	Payment to suppliers	(803)	(680)	(701)	(3,903)	(6,087)		(5,089)		(4,846)
(1,133)	Net cash flows generated (to)/from operating activities	177	153	218	(2,993)	(2,445)		(1,807)		(2,039)
	Cash flows from investing activities:									
	<i>Cash was provided from:</i>									
0	Sale of property	1,400	-	-	13,675	15,075		7,650		400
	<i>Cash was disbursed to:</i>									
(2,666)	Purchase of property, plant and equipment	(528)	(939)	(1,564)	(4,026)	(7,057)		(909)		(699)
(2,666)	Net cash flows from investing activities	872	(939)	(1,564)	9,649	8,018		6,741		(299)
	Cash flows from financing activities:									
	<i>Cash was provided from:</i>									
4,282	Wellington City Council loan contributions	-	300	1,300	-	1,600		-		2,400
	<i>Cash was disbursed to:</i>									
-	Repayment of Wellington City Council loan	(1,000)	-	-	(6,700)	(7,700)		(4,900)		-
4,282	Net cash flows from financing activities	(1,000)	300	1,300	(6,700)	(6,100)		(4,900)		2,400
483	Net increase(decrease) in cash held	49	(486)	(46)	(44)	(527)		34		62
191	Cash at beginning of the period	674	723	237	191	674		147		180
674	Cash at the end of the period	723	237	191	147	147		180		243
	Represented by:									
674	Total cash and cash equivalents	723	237	191	147	147		180		243

**CCO: Wellington Waterfront Project
Statement of Intent 2013/14**

SCHEDULE OF COMMERCIAL DEVELOPMENTS	2013/14 \$m	2014/15 \$m	2015/16 \$m	2017 and beyond \$m	Total \$m
Summary of Commercial Developments	15.075	7.650	0.400	0.800	23.925
SCHEDULE OF PUBLIC SPACE DEVELOPMENTS AND OTHER CAPITAL EXPENDITURE	2013/14 \$m	2014/15 \$m	2015/16 \$m	2017 and beyond \$m	Total \$m
Kumutoto public space Site 9 & 10				6.000	6.000
Frank Kitts Park	1.000			4.000	5.000
Shed 6 North	0.150				0.150
Queens Wharf water activities	0.150				0.150
CQW Development	5.290				5.290
Wharf maintenance				4.070	4.070
Jump platform - relocation	0.075				0.075
Minor Works	0.100	0.100	0.100	0.100	0.400
Repairs and maintenance - renewals	0.292	0.809	0.599	2.411	4.111
Total	7.057	0.909	0.699	16.581	25.246