# ORDINARY MEETING

**OF** 

# **COUNCIL CONTROLLED ORGANISATIONS**

# **AGENDA**

Time: 1:00 pm

Date: Wednesday, 22 February 2017

Venue: Committee Room 1

**Ground Floor, Council Offices** 

101 Wakefield Street

Wellington

# **MEMBERSHIP**

Mayor Lester Councillor Eagle Councillor Lee Councillor Marsh Councillor Woolf (Chair)

### Have your say!

You can make a short presentation to the Councillors at this meeting. Please let us know by noon the working day before the meeting. You can do this either by phoning 803-8334, emailing <a href="mailto:public.participation@wcc.govt.nz">public.participation@wcc.govt.nz</a> or writing to Democratic Services, Wellington City Council, PO Box 2199, Wellington, giving your name, phone number and the issue you would like to talk about.

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# **AREA OF FOCUS**

The Council-Controlled Organisations Subcommittee is responsible for communicating the Council's priorities and strategic outcomes to CCOs and ensuring delivery by CCOs through the development of Statements of Intent and integration of CCO outcomes with the Council's Long-term Plan and Annual Plan funding processes and decisions. The Subcommittee is also responsible for monitoring the financial performance and delivery on strategic outcomes of the Council's CCOs.

**Quorum:** 3 members

# **TABLE OF CONTENTS**22 FEBRUARY 2017

Bus	iness	Pa	age No.
1.	Mee	ting Conduct	5
	1. 1	Apologies	5
	1. 2	Conflict of Interest Declarations	5
	1. 3	Confirmation of Minutes	5
	1. 4	Public Participation	5
	1. 5	Items not on the Agenda	5
2.	Gen	eral Business	7
	2.1	Review of Quarter Two Reports for Council Controlled Organisations for the Period Ending 31 December 2016	7
	2.2	Review of the quarter two report for Wellington Regional Development Agency Ltd for the period ending 31 December 2016	al 77
3.	Pub	lic Excluded	107
	3.1	Review of the Quarter Three Report for Wellington	107

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# 1 Meeting Conduct

# 1.1 Apologies

The Chairperson invites notice from members of apologies, including apologies for lateness and early departure from the meeting, where leave of absence has not previously been granted.

# 1. 2 Conflict of Interest Declarations

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

### 1.3 Confirmation of Minutes

The minutes of the meeting held on 25 December 2016 will be put to the Council Controlled Organisations for confirmation.

# 1.4 Public Participation

A maximum of 60 minutes is set aside for public participation at the commencement of any meeting of the Council or committee that is open to the public. Under Standing Order 3.23.3 a written, oral or electronic application to address the meeting setting forth the subject, is required to be lodged with the Chief Executive by 12.00 noon of the working day prior to the meeting concerned, and subsequently approved by the Chairperson.

# 1. 5 Items not on the Agenda

The Chairperson will give notice of items not on the agenda as follows:

# Matters Requiring Urgent Attention as Determined by Resolution of the Council Controlled Organisations.

- 1. The reason why the item is not on the agenda; and
- 2. The reason why discussion of the item cannot be delayed until a subsequent meeting.

# Minor Matters relating to the General Business of the Council Controlled Organisations.

No resolution, decision, or recommendation may be made in respect of the item except to refer it to a subsequent meeting of the Council Controlled Organisations for further discussion.

# 2. General Business

# REVIEW OF QUARTER TWO REPORTS FOR COUNCIL CONTROLLED ORGANISATIONS FOR THE PERIOD ENDING 31 DECEMBER 2016

# **Purpose**

1. This report provides the sub-committee with a review of the second quarter reports submitted by Council Controlled Organisations for consideration in accordance with the requirements of the Local Government Act 2002.

# **Recommendations**

That the Council Controlled Organisations Sub-committee:

- 1. Receive the information.
- 2. Note any issues for the Chair to raise with the entities covered by this report.

# **Background**

- 2. The sub-committee is tasked with monitoring the performance of the following entities:
  - Basin Reserve Trust
  - Karori Sanctuary Trust
  - Wellington Cable Car Limited
  - Wellington Museums Trust
  - Wellington Regional Economic Development Agency Limited
  - Wellington Regional Stadium Trust
  - Wellington Zoo Trust
- 3. Wellington Regional Economic Development Agency Ltd is jointly owned (80/20) by the Wellington City Council and the Greater Wellington Regional Council respectively. In addition to the monitoring by this sub-committee, the shareholders jointly monitor the company via the Wellington Regional Strategy Committee. The second quarter report for the company is presented under the cover of a separate sub-committee report.
- 4. Wellington Water Limited is owned in equal (20%) shares with Greater Wellington Regional Council, Lower Hutt City Council, Porirua City Council and Upper Hutt City Council. The shareholders jointly monitor the company via the Wellington Water Committee.
- 5. Wellington International Airport Limited is 34% owned by the Council and majority owned by Infratil Limited, a publicly listed company. The reporting from Wellington International Airport Limited is considered by this sub-committee under the cover of a separate sub-committee report.

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# **Discussion**

- 6. Quarterly reports have been received from the following entities for consideration by the sub-committee and are attached as appendices:
  - Basin Reserve Trust
  - Karori Sanctuary Trust
  - Wellington Cable Car Limited
  - Wellington Museums Trust
  - Wellington Regional Economic Development Agency Limited (second quarter report is presented under separate sub-committee covering report)
  - Wellington Regional Stadium Trust (the Trust will report to the sub-committee meeting on 22 March 2017)
  - Welllington Zoo Trust
- 7. The second quarter reports have been reviewed by officers to assess any risks or issues. No significant issues or risks were identified.
- 8. Ordinarily representatives of the entities covered in this report will attend the sub-committee meeting to present the quarterly report and answer any questions from the sub-committee. However, given the short lapse of time since the entities last presented to this sub-committee (on 14 December 2016) coupled with the expectation that they will present to the sub-committee again at its meeting on 12 April 2017, the expectation for attendance and presentation to the sub-committee has been waived for this meeting.

# 9. BASIN RESERVE TRUST

### **ACTIVITY SUMMARY**

Quarter two is generally a period of implementing the first half of the summer cricket season and preparing for international matches in the following quarter. This year, the bulk of the domestic Twenty20 cricket programme took place in Q2, with the notable addition of a match between the Wellington Firebirds and Melbourne Stars. It is intended that this fixture becomes an annual event, and the two organisations develop closer ties.

Work on the Basin Reserve Master Plan continued with the ongoing refurbishment of the RA Vance Stand. The Trust and Cricket Wellington have noted that the lead contractors, Naylor-Love, have been excellent to deal with and very accommodating in terms of making the facility available for use where possible. The refurbishment project is on track and there has been little adverse effect upon cricket events at the Basin Reserve.

The following is an activity summary for the quarter.

# **Events**

- One Plunket Shield (four day) cricket match
- Five Wellington Firebirds Twenty20 matches
- Three Wellington Blaze matches
- \*One Plunket Shield match cancelled due to November Earthquake

# **Training**

- 30 Wellington Firebirds training sessions
- 22 Wellington Blaze training sessions

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# **Other Activity**

- Engagement of Holmes Fire to review and update Basin Reserve emergency procedures and evacuation plans
- Survey of major buildings following November earthquake. No significant damage sustained.
- Exterior maintenance works to the RA Vance continued through quarter two
- Picket fence painting completed
- Installation of CCTV system
- Completion of improved (safer) on-field practice nets
- Repair to NZC Museum floor
- Repairs to RA Vance Stand boiler

SUMMARY FINANCIALS							
Variance (Actual minus Budget).	Favourable v	variance to b	oudget 🗡 Un	nfavourable va	ariance to bu	ıdget	
FINANCIAL PERFORMANCE	Budget	Actual	Variance	Budget	Actual	Variance	Budget
(\$000)	Q2	Q2	Q2	YTD	YTD	YTD	FYE
Total Revenue	86	124	38 🏏	357	422	65 🏏	823
Total Expenses	192	224	32 🗙	375	440	65 🗡	814
Net Surplus (Loss)	(106)	(100)	6 🏏	(18)	(18)	-	9
FINANCIAL POSITION							
Total Assets	882	990	108 🏏				908
Total Liabilities	143	348	205 🔀				142
Equity	739	642	97 🔀				766
CASH FLOWS							
Total Net Cash Flows	(110)	16	126 🏏	(36)	125	161 🏏	11
Opening Cash	139	218	79	65	109	44	65
Closing Cash	29	234	205	29	234	205	76

A review of the financial statements of the Basin Reserve Trust highlights the following points:

- The Trust had an operating loss for the quarter of \$100k, \$6k better than budget.
- While the Trust's income was \$38k ahead of budget expenditure was \$32k above budget.
- The Trust's financial position remains sound with equity of \$642k and cash on hand of \$234k.

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KPI DASHBOARD (The table contains a selection of KPIs and is not a complete list)

 $\checkmark$  Achieved  $\overset{\checkmark}{\sim}$  Not Achieved. The 3 Year Trend = year on year performance  $\overset{\rightarrow}{\rightarrow}$  Steady  $\overset{\nearrow}{\sim}$  Improving  $\overset{\searrow}{\rightarrow}$  Declining

		Q2	Q2	3 Year	
MEASURE		31 Dec 15	31 Dec 16	Trend	Comments on trend
Cricket events	Actual	13 🗸	9 🏏	$\rightarrow$	Movement of some community cricket games from Q2 in 2015/16 to Q3 in 2016/17 will even
	Target	3	9		out in Full Year figures
Other sports events	Actual	0	0	$\rightarrow$	
	Target	0	0		
Community events	Actual	1 🗸	0	$\rightarrow$	
	Target	0	0		
Function bookings	Actual	n/a	0 🔀	n/a	RA Vance stand refurbishment works have limited caterers ability to take function
	Target	n/a	5		bookings in Q2
Practice facility usage days	Actual	55 🗸	52 🗸	$\rightarrow$	
acago dayo	Target	30	40		
Numbers attending events	Actual	15,014 🗸	4,400 🗸	$\rightarrow$	Spike in 15/16 due to Robbie Williams concert, longer term trend is steady/improving
	Target	3,800	4,000		g

Operational targets have been met for quarter two, which reflects the resumed use of the RA Vance Stand. While some KPI's are lower than the comparable period in 2015/16, this is largely due to the Robbie Williams Concert. Looking further back, the general trend is steady, if not improving slightly.

Limited access to the RA Vance stand lounges and kitchen due to the refurbishment project has caused the caterers, Black and Gold, to elect not to take function bookings at the ground while the works are ongoing.

# **ISSUES & OUTLOOK**

No issues to note.

The RA Vance stand project is tracking according to plan.

The new year will see the international programme begin with tests against Bangladesh and South Africa.

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### KARORI SANCTUARY TRUST

### **ACTIVITY SUMMARY**

Visits to ZEALANDIA in quarter two were 33,926, up 12% on target. Total year to date visits are 56,825 and 30% above the YTD target.

ZEALANDIA hosted 4,359 education visits, the highest ever in a quarter and memberships have reached a record 11,110 at end of December 2016.

In December, the Trust launched its new strategy document for 2016-2035, Living with Nature: Tiaki Taiao, Tiaki Tangata. A new tour experience "ZEALANDIA by Day" was also launched in December.

ZEALANDIA is working closely with Wellington City Council on a number of conservation initiatives, one of these is BioblitzGo! in February. The bioblitz is a public event aimed at finding as many species as possible within a two-day time frame.

Since the signing of the MOU between the Trust and Victoria University in May 2016, the joint Steering Committee has met four times to discuss and agree details of the next steps towards a long-term, multi-disciplinary research programme. The Committee has now completed this work and recommendations have been considered and agreed by the Board. In early 2017 a research advisory group will be formed to inform a multi-year strategy for the research programme which has a significant and growing number of research projects underway or being planned.

Profitability is tracking favourably to budget by \$218,000 mainly due to better than expected trading and admission revenues of \$21,000 and \$70,000 respectively.

# SUMMARY FINANCIALS

\* Variance (Actual minus Budget). 🏏 Favourable variance to budget 🗡 Unfavourable variance to budget

		-			-	
Budget	Actual	Variance	Budget	Actual	Variance	Budget
Q2	Q2	Q2	YTD	YTD	YTD	FYE
1,212	1,190	23 🔀	1,949	1,992	43 🗸	3,782
1,017	947	70 🏏	1,924	1,745	179 🏏	3,470
191	229	38 🗸	16	233	218 🗹	312
65	96	31 🏏	(245)	(43)	202 🏏	942
					<u> </u>	
14,046	6,415	7,631 🔀				13,739
11,264	2,386	8,878 🧹				11,222
2,782	4,028	1,246 🏏				2,517
		·				
(89)	1,564	1,653 🧹	(89)	1,564	1,653 🗹	12
567	940	373	567	940	373	609
479	2,504	2,025	479	2,504	2,025	621
	Q2 1,212 1,017 191 65  14,046 11,264 2,782  (89) 567	Q2 Q2  1,212 1,190 1,017 947 191 229 65 96  14,046 6,415 11,264 2,386 2,782 4,028  (89) 1,564 567 940	Q2     Q2     Q2       1,212     1,190     23 ★       1,017     947     70 ♥       191     229     38 ♥       65     96     31 ♥       14,046     6,415     7,631 ★       11,264     2,386     8,878 ♥       2,782     4,028     1,246 ♥       (89)     1,564     1,653 ♥       567     940     373	Q2     Q2     Q2     YTD       1,212     1,190     23 ★     1,949       1,017     947     70 ✔     1,924       191     229     38 ✔     16       65     96     31 ✔     (245)       14,046     6,415     7,631 ★       11,264     2,386     8,878 ✔       2,782     4,028     1,246 ✔       (89)     1,564     1,653 ✔     (89)       567     940     373     567	Q2       Q2       Q2       YTD       YTD         1,212       1,190       23 ★       1,949       1,992         1,017       947       70 ✔       1,924       1,745         191       229       38 ✔       16       233         65       96       31 ✔       (245)       (43)         14,046       6,415       7,631 ★       11,264       2,386       8,878 ✔         2,782       4,028       1,246 ✔       (89)       1,564         567       940       373       567       940	Q2       Q2       Q2       YTD       YTD       YTD         1,212       1,190       23 ★       1,949       1,992       43 ♥         1,017       947       70 ♥       1,924       1,745       179 ♥         191       229       38 ♥       16       233       218 ♥         65       96       31 ♥       (245)       (43)       202 ♥         14,046       6,415       7,631 ★       11,264       2,386       8,878 ♥         2,782       4,028       1,246 ♥    (89) 1,564 1,653 ♥ (89) 1,564 1,653 ♥ 567 940 373

The positive variances to budget reflect the Trust's control of operating expenditure, improvements in the efficiency of the trading activities and the higher than forecast visits to ZEALANDIA. This is a very good performance despite the impact of the earthquake and storms in November. Higher than expected admissions revenue and better than expected retail sales have underpinned this Q2 result.

The increase in the balance sheet equity at quarter two is due to the impact of the ZEALANDIA

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### **SUMMARY FINANCIALS**

visitor centre asset transfer to WCC and the related GST balance.

In terms of trading revenues, retail sales totaled \$115,000 for quarter two, up 28% on last year and café and functions sales totalled \$525,000 YTD to 31 December 2016, up 6% on the first six months of last year.

Overall, the Trust's YTD revenue performance (excluding Councils operating grant) is \$1,555,047 against a budget of \$1,511,349. The WCC grant contributed 22% of the Trust's total YTD revenue. Overall, total revenue YTD (at the end of guarter two) is \$23,299 higher than last year.

# KPI DASHBOARD (The table contains a selection of KPIs and is not a complete list)

✓ Achieved ➤ Not Achieved. The 3 Year Trend = year on year performance → Steady 

✓ Improving 

□ Declining

		Q2	Q2	3 Year	
MEASURE		31 Dec 15	31 Dec 16	Trend	Comments on trend
Visitors	Actual	34,237 🗸	33,926 🗸	7	Strongly improving trend.
	Target	26,346	30,355		
Students & education visits	Actual	3,554 🗸	4,359 🗸	7	Improving trend.
	Target	2,088	3,350		
Full costs to Council*	Actual	\$359k	\$347k 🏏	n/a*	Council's costs not controlled by the Trust.
	Target	n/a	\$383k		the ridge.
Full costs to Council per visitor*	Actual	\$10.49	\$10.22	n/a*	Council's costs not controlled by the Trust.
No.co.	Target	n/a	\$12.61		the rides.
	Ann	ual measures to	30 Jun 17	<u>'</u>	
	Th	e Trust reports	quarterly.		
Council subsidy (\$/visit)	Actual	\$6.38	\$7.70 🗸	7	Trends improving and will meet target by year end.
	Target	\$9.12	\$9.35		
Average revenue** (\$/visit)	Actual	\$26.82	\$26.73	$\rightarrow$	Trend stable but beginning to improve.
	Target	\$25.90	\$25.96		improve.
Non-Council funding	Actual	\$154,502	\$159,732	n/a*	New target with insufficient trend data.
	Target	\$250,000	\$250,000		data.
Individual members	Actual	9,926	11,110 🗸	7	Above target and on an improving trend.
	Target	10,200	10,400		improving trong.

<sup>\*</sup> This measure is owned by Council and includes costs which the Trust does not control. \*\* Revenue per visit excludes interest, Council and government grants.

In the second quarter of 2016/17 ZEALANDIA continued to build on the visitor success achieved in the first quarter, with 33,936 visitors to the sanctuary, up 12% on the SOI target. ZEALANDIA experienced strong growth in paid visitor admissions (16,298, up 9% on 2015) and education visits

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### KPI DASHBOARD (The table contains a selection of KPIs and is not a complete list)

(4,359, up 23% on 2015). For the first six months of the financial year we are 30% ahead of our visitor target (43,851) having welcomed 56,825 visitors to ZEALANADIA despite the earthquake and storms in November, and a year where we have not hosted Sirrocco, the VIP Kakapo.

In December 2016, ZEALANDIA began operating a second free shuttle between ZEALANDIA and the top of the Cable Car. The second shuttle has improved ZEALANDIA's accessibility for international and domestic tourists, helping to grow paid visitor admissions by 14% in December 2016 (from 6,627 in December 2015 to 7,562 in December 2016).

### **ISSUES & OUTLOOK**

No issues to note.

ZEALANDIA plan to bring New Zealand's smallest bush bird, the tītipounamu (rifleman), from Wainuiomata Mainland Island to ZEALANDIA in March 2017. ZEALANDIA is also working closely with Wellington City Council with the goal of carrying out a second translocation into Otari-Wilton's Bush in 2018. If successful, this would be the first species transfer outside the fence. This project relies on many partners, particularly Greater Wellington Regional Council who look after the Wainuiomata source site.

Discussions are in progress between Zealandia and Victoria University of Wellington with regard to plans for the establishment of a research centre and a long-term research strategy.

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# 11. WELLINGTON CABLE CAR LIMITED

### **ACITIVITY SUMMARY**

During the quarter the company undertook minor remedial work arising from the replacement of the electric drive system and associated components and the Cable Cars are now working as expected.

The company is continuing its work on the proposal to have the Cable Car incorporated with the Metlink public transport network. It is also in the closing stages of the tender evaluations with respect to the Trolley Bus decommissioning work.

Q2 revenue is ahead of target due largely to the timing of Council's contribution toward the electric drive replacement – which was budgeted for the 2015/16 year. This item compensated for reduced Cable Car revenue that resulted from the service closure for the electric drive replacement plus lower passenger numbers after to the November earthquake and the redevelopment of Cable Car Lane. Overall, the YTD position is tracking ahead of budget to 31 December 2016. The Company has undertaken a detailed re-forecast for the 2016/17 year and this will be re-assessed at each quarter given the activities currently underway.

### SUMMARY FINANCIALS

\* Variance (Actual minus Budget). 🇹 Favourable variance to budget 🗡 Unfavourable variance to budget

FINANCIAL PERFORMANCE	Budget	Actual	Variance	Budget	Actual	Variance	Budget
(\$000)	Q2	Q2	Q2	YTD	YTD	YTD	FYE
Total Revenue	1,962	2,104	141 🏏	3,473	3,181	292 🗡	7,279
Total Expenditure	1,806	1,711	95 🏏	3,486	3,105	381 🏏	7,057
Net Surplus (Loss) after tax	156	393	236 🏏	(13)	76	89 🏏	223
FINANCIAL POSITION							
Total Assets		11,543			11,543		10,430
Total Liabilities		2,117			2,117		2,255
Equity		9,426			9,426		8,175
CASH FLOWS							
Total Net Cash Flows		(132)			(132)		1,152
Opening Cash		1,662			1,662		1,222
Closing Cash		1,530			1,530		2,374

The second quarter ended 31 December 2016 recorded a pre-tax, net surplus of \$393k compared to a budgeted surplus of \$156k, a positive variance of \$236k.

The year to date result shows an overall surplus of \$76k compared to a budgeted deficit of \$13k (a positive variance of \$89k). The variance results from two compensating factors.

- Cable Car revenue is below budget due to the November 2016 earthquake and delays completing the Cable Car Lane upgrade.
- 2. Unbudgeted income of \$443k in respect of the Council's contribution towards the electric drive replacement (as this was all budgeted for in the 2015/16 year).

In view of the pending decommissioning of the Overhead Network with its associated costs, additional reserves are being maintained as a matter of financial prudence. More will be known about the full financial implications to the company by the end of Q3 when the successful tenderer for the decommissioning has been selected.

Cash reserves were utilised as part of the electric drive system replacement project. However, the Company continues to be in a strong position with cash reserves of \$1,530k.

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# KPI DASHBOARD (The table contains a selection of KPIs and is not a complete list)

✓ Achieved ➤ Not Achieved. The 3 Year Trend = year on year performance → Steady → Improving → Declining The table contains a selection of KPIs and measures and is not a complete list.

				0.1/	
		Q2	Q2	3 Year	
MEASURE		31 Dec 15	31 Dec 16	Trend	Comments
Passenger trips	Actual	291,942	266,165	$\rightarrow$	It is estimated that the 2nd quarter patronage was reduced by 15,000 –
	Target	268,971	293,325		20,000 due to the November earthquake.
Fare income	Actual	753,868	636,218	7	The November earthquake referred above impacted fare revenue also.
	Target	698,396	796,147		

Cable Car revenue was impacted by the earthquake in November and the company believes its patronage continues to be impacted with the ongoing work in Cable Car lane, which is taking longer than originally planned. That said, when the Cable Car Lane upgrade is completed it will provide a much needed improvement to the city end of the Cable Car experience.

# **ISSUES & OUTLOOK**

No issues to note.

It is estimated that Cable Car passenger traffic was reduced by between 34,000 and 50,000 as a result of the service shut down to complete the electric drive project during Q1. The earthquake in November 2016 is estimated to have reduced patronage by a further 15,000 to 20,000 passenger trips. As a result, the full year revenue for the Cable Car is reforecast downward by \$117k for the year to 30 June 2017. However, the reforecasting has identified additional sundry external income (from Council in relation to the electric drive project) and the company now forecasts an improved surplus after tax of \$448k, a positive variance of \$225k on the original SOI forecasts.

# 12. WELLINGTON MUSEUMS TRUST

### **ACTIVITY SUMMARY**

# Highlights from Q2:

- Ngā Heke, Wellington Museum's newest exhibition, opened on Level 2 on 26 November 2016. Mana Whenua stories of Wellington have been updated with visual and sound experiences in the form of new artworks by contemporary Māori artists, writers and poets.
- Space Place (with support from MetService), and a group of 23 Year 10 students from 6 secondary schools across the Wellington Region launched a high-altitude balloon into near space. Funding for this activity came from the MBIE Unlocking Curious Minds fund. This contestable fund supports innovative projects that will excite and engage New Zealanders, particularly young people, who have fewer opportunities to be involved with science and technology.
- An estimated 4,000 people attended The Big Halloween on 29 October at Queens Wharf, Capital E and the Wellington Museum.
- The Roxy 5 Short Film Competition delivered in association with the Miramar Events Trust culminated in a 'Before and After' screening at the Roxy Cinema of the student's winning films which had been re-made by the students in association with industry mentors and using the facilities at Park Road Post Production at the Roxy Cinema. Feedback was good and this project will return in 2017 with an additional partner, with the Ministry for Social Development contributing funds.
- The Cindy Sherman exhibition at City Gallery opened during the week of the 14 November earthquake.
- The November earthquake resulted in 58 school group cancelations and the loss of \$13,000 revenue to Capital E.
- Active public programme events at City Gallery, including hosting the Sir Ron Scott remembrance service and Art Crime Symposium in October and a variety of events associated with the Cindy Sherman exhibition from the time of its opening, have been well attended.

SUMMARY FINANCIALS							
Variance (Actual minus Budget).	✓ Favourabl	e variance to	o budget 🗡 l	Infavourable v	ariance to l	budget	_
FINANCIAL PERFORMANCE	Budget	Actual	Variance	Budget	Actual	Variance	Budget
(\$000)	Q2	Q2	Q2	YTD	YTD	YTD	FYE
WE	ELLINGTON M	USEUMS T	RUST (EXCL	. SPACE PLA	ACE)^		
Total Revenue	2,942	3106	164 🏏	5,884	5,725	159 🗡	11,765
Opex before Depreciation	2,861	3069	208 🔀	5,666	5,553	113 🗹	11,447
Depreciation	106	129	23 🔀	212	264	52 🔀	425
Net Surplus (Loss)	(27)	(92)	65 ×	6	(91)	97 🗡	(108)
		SPACE	PLACE^				
Total Revenue	234	214	(20) 🗡	468	431	37 🔀	935
Opex before Depreciation	270	256	10 🗹	534	512	22 🏏	1,074
Net Surplus (Loss)	(37)	(46)	(9) 🔀	(72)	(87)	15 🗡	(149)
FINANCIAL POSITION	Both Activitie	es	,			,	
Total Assets	5,245	6171	926 🏏				5,105
Total Liabilities	1.275	1608	333 🔀				1.300

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SUMMARY FINANCIALS							
Equity	3,970	4563	593 🧹				3,804
CASH FLOWS	Both Activitie	s					
Total Net Cash Flows	(1,674)	(1982)	308 🔀	(1,226)	(472)	754 🏏	(115)
Opening Cash	2,544	3223	679	837	1,714	877	837
Closing Cash	870	1241	371	(389)	1,242	1,631	722

<sup>^</sup> The Trust's SOI reports the Financial Performance for both Space Place and Wellington Museums Trust (excluding Space Place) separately.

Overall, the Trust's performance has been impacted by the November earthquake which caused reduced attendance across the Trust's institutions and in particular, 57 school trips were cancelled. The YTD position shows the Trust (excluding Space Place) traded \$97k below its SOI target to 31 December despite tight control of operating expenditure.

Operating expenditure at Space Place in Q2 was contained \$10k below budget and YTD is \$22k below the SOI target. This helps to balance the lower than forecast revenue so that, year-to-date Space Place is trading \$15k below its budgeted loss of \$72k.

Despite the trading challenges in quarter two, the Trust's overall cash position is sound. It has recorded a positive variance in net cash flow of \$754k and closing cash on hand exceeds its SOI target by \$1.6m.

### KPI DASHBOARD (The table contains a selection of KPIs and is not a complete list)

✓ Achieved ➤ Not Achieved. The 3 Year Trend = year on year performance → Steady ✓ Improving ☐ Declining

\*Council operating grant plus property related cost (including rental grant paid for Capital E). This measure is required by Council and includes property costs which the Trust does not control.

Q2 Q2 3 Year **MEASURE** 31 Dec 15 **31 Dec 16** Trend Comments 173,743 📉 Total visits Actual 186,672 Trending upward. Target 157,332 173,790 74,259 67,369 Cable Car Actual  $\rightarrow$ Tracking as expected on modest growth Target 59,670 63,800 Q2 visitation affected by closure for the City Gallery Actual 45,205 34,728 7 installation of the Cindy Sherman exhibition and the November earthquake and storm. 37,500 38,000 Target 20,903 🗸 Capital E 22,103 The positive variance is a result of a well-Actual attended Big Halloween and a successful Christmas installation in the public space. Target 15,575 17,850 34,753 Wellington Museum 38,838 🗡 Below target due to a combination of bad Actual weather and cancellations following the 14 November earthquake. Target 31,800 42,000 Slightly below target in Q2. Relatively Space Place 10,189 🗡 11,603 🗡 Actual steady between 45k and 50k visitors. Target 12,237 11,700

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KPI DASHBOARD (The table contains a selection of KPIs and is not a complete list)

		Annual measu	ures to 30 Jun	e	
Council grant/visit	Actual	\$9.72 <b>X</b>	\$11.09 <b>X</b>	7	Trend improving.
	Target	\$11.09	\$10.45		
Average spend/visit	Actual	\$2.46 ×	\$3.56	$\rightarrow$	On average the spend per visit trend is steady.
	Target	\$2.61	\$3.52		
		YTD	YTD	3 Year	
MEASURE		YTD 31 Dec 15	YTD 31 Dec 16	3 Year Trend	Comments
MEASURE Full costs to Council*	Actual				Comments  Measure controlled by Council. Trend data not available.
	Actual Target	31 Dec 15	31 Dec 16	Trend	Measure controlled by Council. Trend data
		31 Dec 15 \$4,666k	31 Dec 16 \$4,526k	Trend	Measure controlled by Council. Trend data

<sup>\*</sup> This measure is owned by Council and includes costs which the Trust does not control.

# **ISSUES & OUTLOOK**

No issues to note.

The November 2016 earthquake affected visitation at most visitor experiences. It caused the cancellation of over 50 school visits to Capital E at a cost to revenue of \$13,000.

# 13. WELLINGTON ZOO TRUST

#### **ACTIVITY SUMMARY**

Construction on the Kea Walkthrough Aviary in Meet the Locals He Tuku Aroha was completed in December and opened to visitors on Wellington Anniversary weekend in January 2017.

Wellington Zoo hosted the Inaugural Forest and Bird Climate Change conference at the Zoo in early November with the Chief Executive as the opening speaker. This full day conference brought together a number of scientists and conservationists from across New Zealand looking at the impacts of climate change on species and New Zealand's natural capital.

Wellington Zoo retained their carboNZero certification, with a 6% emissions reduction on 2015/16 and a 3% reduction on their base year. The Zoo is continuing to identify ways to reduce their emissions and will work with Sustainability Trust on a waste audit of its visitors waste early in 2017.

Wellington Zoo has partnered with local ethical uniform company Little Yellow Bird to create a vibrant new Zoo uniform as part of Wellington Zoo's mission of igniting a Zoo revolution. Little Yellow Bird and Wellington Zoo share many values, with sustainability and environmental impact being central ethos of both social enterprises. Little Yellow Bird uses organic cotton, which is grown without chemicals and has a much smaller environmental impact compared with conventionally grown cotton. They can also trace garments from cotton seed to disposal.

### SUMMARY FINANCIALS

\* Variance (Actual minus Budget). 

✓ Favourable variance to budget 

✓ Unfavourable variance to budget

,			•			•	
FINANCIAL PERFORMANCE	Budget	Actual	Variance	Budget	Actual	Variance	Budget
(\$000)	Q2	Q2	Q2	YTD	YTD	YTD	FYE
Total Revenue	1,900	1,867	33 🔀	3,493	3,788	295 🏏	6,942
Total Expenses	1,763	1,870	107 🗡	3,498	3,633	135 🗡	6,942
Net Surplus (Loss)	137	(3)	140 🗡	(5)	155	160 🏏	0
FINANCIAL POSITION							
Total Assets	3,255	3,957	702 🏏				2,275
Total Liabilities	1,518	1,451	67 🏏				1,333
Equity	1,737	2,506	769 🏏				942
CASH FLOWS							
Total Net Cash Flows	(639)	(839)	200 🗡	(178)	84	262 🏏	(1,147)
Opening Cash	3,738	4,245	507	3,277	3,322	45	3,277
Closing Cash	3,099	3,406	307	3,099	3,406	307	2,130

The result for the second quarter shows deficit of \$3k against a budgeted surplus of \$137k, mainly due to new uniform purchases. The Trust's YTD position is ahead of budget and the Trust continues to expect it will meet its full year break-even budget.

KPI DASHBOARD (The table contains a selection of KPIs and is not a complete list)

✓ Achieved ➤ Not Achieved. The 3 Year Trend = year on year performance → Steady ✓ Improving ☐ Declining The Zoo's KPIs are all annual to 30 June per its SOI. The Trust reports against its annual targets each quarter.

		YTD	YTD	3 Year	
MEASURE		31 Dec 15	31 Dec 16	Trend	Comments
Visitors	Actual	116,150 🗸	103,705 🗡	7	Q2 visitors totalled 52,053 against a target of 66,460. The overall trend shows
	Target	109,552	114,773		steady growth in visitor numbers.
Zoo School (LEOTC)	Actual	7,029 🗸	5,009 🗹	$\rightarrow$	Note – these are annual targets and YTD actual figures. Annual targets are
	Target	10,000	10,000		expected to be met.
Average Council subsidy per visitor	Actual	\$12.11 <b>X</b>	\$14.30 <b>X</b>	$\rightarrow$	Below targets but trend steady.
	Target	\$11.99	\$13.05		
Average revenue/visitor (excl. Council grant)	Actual	\$16.32	\$18.77	7	Showing steady growth in revenue per visitor.
	Target	\$14.86	\$15.94		
Trust generated income as % Council grant	Actual	135% 🗹	131% 🗹	7	
	Target	124%	122%		
Staff turnover	Actual	4.84% 🗸	14.29% 🗹	$\rightarrow$	14.29% YTD 31 December 2016 is within annual target parameters of 18.5%.
	Target	<20%	<18.5%		
Number of vulnerable or endangered species	Actual	25 🗹	27 🗸	$\rightarrow$	Giraffe are now classed as Vulnerable by the IUCN.
	Target	>26	26		
Full costs to Council*	Actual	n/a	\$2,591k	n/a	Measure controlled by Council. Trend data not available.
	Target	n/a	\$2,588k		
Full costs to Council per visitor*	Actual	n/a	\$24.96	n/a	Measure controlled by Council. Trend data not available.
	Target	n/a	\$22.58		
					1

<sup>\*</sup> This measure is owned by Council and includes costs which the Trust does not control.

Visitation for 2016/17 as at end of December was 103,705. This is 11,068 behind target and 12,445 behind last year's actual visitation. Zoo visitation targets were set aggressively for growth in the 2016/17 year. Prolonged periods of unusually inclement weather during the summer holidays following the large earthquake in November have together adversely affected visitation, including school groups, since the October school holidays.

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# **ISSUES & OUTLOOK**

No issues to note.

Planning is progressing for the Wellington Zoo Conservation Extravaganza, Wild Ideas, in early April, when the Zoo will be bringing all of its conservation partners from across New Zealand and the globe to Wellington for a week to celebrate how Wellington Zoo supports wild conservation initiatives. A two day symposium will be held at The Paramount.

# **Attachments**

Attachment 1.	Basin Reserve Trust Q2 Report to 31 December 2016	Page 23
Attachment 2.	Karori Sanctuary Trust Q2 Report to 31 December 2016	Page 27
Attachment 3.	Wellington Cable Car Ltd Q2 Report to 31 December 2016	Page 43
Attachment 4.	Wellington Museums Trust Q2 Report to 31 December 2016	Page 53
Attachment 5.	Wellington Zoo Trust Q2 Report to 31 December 2016	Page 63

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# SUPPORTING INFORMATION

# **Engagement and Consultation**

Not applicable.

# Treaty of Waitangi considerations

Not applicable.

# **Financial implications**

The CCOs work within the confines of the Council's overall Long Term Plan and Annual Plan framework.

# Policy and legislative implications

Not relevant.

# Risks / legal

Not relevant.

# Climate Change impact and considerations

The CCOs work with the Council and other organisations as part of considering environmental sustainability in their operations, including with the Council's Our Living City programme.

### **Communications Plan**

Officers will incorporate feedback from the Committee into the Letters of Expectation that will be sent to the chair of the relevant CCO.

# Health and Safety Impact considered

Not relevant.

# BASIN RESERVE TRUST STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 31 DECEMBER 2016

	Actual Q2 2017	Budget Q2 2017	Variance Q2 2017	Actual YTD 2017	Budget YTD 2017	Variance YTD 2017	Budget FY 2017	Actual Q2 2016
	(\$ 000's)	(\$ 000's)	(\$ 000's)	(\$ 000's)	(\$ 000's)	(\$ 000's)	(\$ 000's)	(\$ 000's)
Revenue								
Council funding	61	29	32	314	281	33	604	41
Grants other	21	-	21	24	-	24	-	-
Sales of goods and services	42	56	(14)	83	73	10	215	128
Interest revenue	-	1	`(1)	1	3	(2)	4	1
Total Revenue	124	86	38	422	357	65	823	170
Expenses								
Depreciation of property, plant and equipment	29	22	(7)	54	44	(10)	87	22
Costs related to providing goods and services	158	137	(21)	329	278	(51)	602	159
Other expenses	37	33	(4)	57	53	(4)	125	31
Total Expenses	224	192	(32)	440	375	(65)	814	212
Surplus/(Deficit) for the Year	(100)	(106)	6	(18)	(18)		9	(42)

### BASIN RESERVE TRUST STATEMENT OF FINANCIAL POSITION As at 31 DECEMBER 2016

	2017	2017	Variance YTD 2017	2017	2016
	(\$ 000's)	(\$ 000's)	(\$ 000's)	(\$ 000's)	(\$ 000's)
Current Assets					
Bank accounts and cash	234	29	205	76	44
Debtors and prepayments	138	163	(25)	186	265
Total Current Assets	372	192	180	262	309
Non-Current Assets					
Property, plant and equipment	618	690	(72)	646	611
Total Non-Current Assets	618	690	(72)	646	611
Total Assets	990	882	108	908	920
Liabilities					
Current Liabilities					
Creditors and accrued expenses	192	143	(49)	142	197
Unearned income	156	-	(156)	-	
Total Current Liabilities	348	143	(205)	142	197
Total Liabilities	348	143	(205)	142	197
Total Assets less Total Liabilities	642	739	(97)	766	723
			(7		
Trust Equity					
Contributed capital	-	-	-	-	-
Accumulated surpluses	642	739	(97)	766	723
Total Trust Equity	642	739	(97)	766	723

### BASIN RESERVE TRUST STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2016

	Actual Q2 2017	Budget Q2 2017	Variance Q2 2017	Actual YTD 2017	Budget YTD 2017	Variance YTD 2017	Budget FY 2017	Actual Q2 2016
	(\$ 000's)	(\$ 000's)	(\$ 000's)	(\$ 000's)	(\$ 000's)	(\$ 000's)	(\$ 000's)	(\$ 000's)
Cash Flows from Operating Activities								
Receipts of council funding	87	62	25	363	266	97	544	64
Receipts of grants other	21		21	24	-	24	-	-
Receipts from sale of goods and services	9	39	(30)	38	54	(16)	175	26
Interest receipts	1	-	1	1	1	-	4	1
Payments to suppliers and employees	(184)	(176)	(8)	(399)	(334)	(65)	(676)	(213)
GST (net)	10	(35)	45	9	(23)	32	(36)	(24)
Net Cash Flows from Operating Activities	(56)	(110)	54	36	(36)	72	11	(146)
Cash Flows from Investing and Financing Activities								
Receipts from unearned income	85	-	85	125	-	125	-	-
Payments to acquire property, plant and equipment	(13)	-	(13)	(36)	-	(36)	-	(14)
Net Cash Flows from Investing and Financing Activities	72	-	72	89	-	89	-	(14)
Net Increase/(Decrease) in Cash for the Year	16	(110)	126	125	(36)	161	11	(160)
Add opening bank accounts and cash	218	139	79	109	65	44	65	204
Closing Bank Accounts and Cash	234	29	205	234	29	205	76	44

# BASIN RESERVE TRUST PERFORMANCE MEASURES AND TARGETS 2016-17

			Actual Q2 2017	Budget Q2 2017	Variance Q2 2017	Actual YTD 2017	Budget YTD 2017	Variance YTD 2017	Budget FY 2017	Actual Q2 2016
Measure	Frequency	Measurement								
Administrative Measures						1				
Achieve targets within	Annual	Budget forecasts are met	Achieved		i				ì	
Comply with financial,	Quarterly	Council reports submitted	Achieved							
Asset Management Plan	Quarterly	Planned maintenance	Achieved				Fig.	8	2	
Operating Measures								,1	J	1
Number of events	Quarterly									
- cricket (incl minimum		Cricket matches (incl	9	9	0	9	9	0	25	13
- other sports	1	Sports events	0	0	0	5	14	-9	22	0
- community	İ	Other events	0	0	0	4	8	-4	12	1
- function		Function bookings	0	5	-5	6	7	-1	15	n/a
Number of event days	Quarterly									
- cricket		Cricket days	14	15	-1	14	15	-1	38	16
- other sports	ĺ	Sports days	0	0	0	4	14	-10	22	0
- community		Other days	0	0	0	3	8	-5	12	19
- function		Function Days	0	5	-5	8	7	1	15	n/a
Numbers attending events	Quarterly	Attendance figures	4400	4000	400	5190	5000	190	31000	15014
Practice facility usage	Quarterly	Cricket use	52	40	12	65	40	25	85	55
Hirer satisfaction with	Quarterly	Positive formal feedback	Achieved							
Playing surface to be	Annual	Based upon NZC and ICC	n/a							
Operational Grant per	Quarterly	Grant per attendance	\$ 13.86						\$12.27	
Financial measures		1						1		
Results within budget	Annual		n/a							
Capital expenditure -	Annual		n/a							
Event income	Annual	\$	n/a						\$149,000	
Business Plan developed	Annual	Submission of Business	n/a							



# Report to the Wellington City Council CCO Performance Committee Second Quarter ended 31 December 2016



# **Highlights**

- Visits were 33,926 for quarter one, up 12% on target
- Total visits (56,825) for quarter one and quarter two are 30% above target
- Our members totaled 11,110 at the end of quarter two
- Launched our strategy for 2016-2035, Living with Nature: Tiaki Taiao, Tiaki Tangata
- 4,359 education visits, the highest ever in a quarter
- A new tour experience "ZEALANDIA by Day" launched in December
- Successful fund raising for the March release of tītipounamu (rifleman) into ZEALAND began in November.

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### WORKING WITH PARTNERS

### Wellington City Council

We are working closely with Wellington City Council on a number of conservation initiatives, one of these is BioblitzGo! in February. The bioblitz is a public event where we will find as many species as possible within a two-day time frame. It is for everyone, and will have a day especially for school children. We already have a number of scientists on-board to help guide the efforts, and we will focus on an area within and outside the sanctuary.



### Otari-Wilton's Bush



In December 2016 we welcomed the first ZEALANDIA/Otari-Wilton's Bush Intern. This intern will be working with guidance from both organisations to find ways to successfully establish a rare tree daisy plant species, *Brachyglottis kirkii* var. *kirkii*. This marks an exciting new phase in our relationship with external partners, and highlights our role in conservation.

# Titipounamu / rifleman transfer

We will bring New Zealand's smallest bush bird, the titipounamu (rifleman), from Wainuiomata Mainland Island to ZEALANDIA in March 2017. We are working closely with Wellington City Council with the goal of carrying out a second translocation into Otari-Wilton's Bush in 2018. This project relies on many partners, particularly Greater Wellington Regional Council who look after the Wainuiomata source site.

In November the Rifleman Appeal was launched asking our members to support the costs of the transfer. Publicity included an interview on Kapiti Beach FM and an article in The Dominion Post. The appeal proved successful raising funds for this project.



# Victoria University Wellington

Since the signing of the MOU between ZEALANDIA and VUW in May 2016, the joint Steering Committee has met four times to discuss and agree details of the next steps towards a long-term, multi-disciplinary research programme. The Committee has now completed this work and recommendations have been considered and agreed by the Board. In early 2017 a research advisory group will be formed to inform a multi-year strategy for the research programme which has a significant and growing number of research projects underway or being planned.

# Woodlands and Wetlands Trust (Canberra) Relationship

An MOU between the two organisations was signed in May 2016. Since then our relationship has been strengthening and in quarter two we had a number of exchanges, including:

- A visit by the Chair of the Woodlands and Wetlands Trust to ZEALANDIA
- Trustees from visited ZEALANDIA and two trustees and the Chief Executive from ZEALANDIA visited Canberra.

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 A Woodlands and Wetlands Trust staff member spent a week at ZEALANDIA learning about our marketing and communications work and drafting joint publicity material, this visit is the first staff exchange between the two organisations.

The exchanges have led to a number of new opportunities including joint promotion through the Intercontinental Hotel group, growing research relationships with ANU, and further staff exchanges. Both organisations are keen to be involved and contribute to the Canberra/Wellington partnership where possible.

# **Nature Connections**

We have joined our Nature Connections partners in becoming Toyota Kiwi Guardian representatives. Kiwi Guardians is a nation-wide project coordinated by DOC and supported by Toyota with the objective of getting children out to explore nature, earn rewards and go on family adventures. The Nature Connections Wellington Wild Things activity programme shares these goals and the 2016/17 summer campaign is well-underway. Families can now hunt for Wellington Wild Things, then carry on their exploration to the Kiwi Guardian Post and earn a medal.





### Visitor Comments - enjoyed most

"Enjoying NZ in its purest state"

"I enjoyed the beautiful birds, the suspension bridge, Karori dam, getting lost in the bush, the thick dense beautiful bush, talking with strangers about birds... "

"As members we find the proximity to town and the fact that we can enjoy the visits for interest in conservation or as an extremely pleasant walk!"

"The guided tour. Our guide was friendly and knew so much. I felt that the morning was both enjoyable and informative, with no sense of being lectured, just a sense that there were interesting things to see, discuss and share."



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### VISITOR EXPERIENCE

In quarter two we continued to build on the visitor success achieved in the first quarter, with 33,936 visitors to ZEALANDIA, up 12% on target. We experienced strong growth in paid visitor admissions (16,298, up 9% on 2015/16) and education visits (4,359, up 23% on 2015/16). After the first six months we are 30% ahead of our visitor target (43,851), welcoming 56,825 visitors to ZEALANDIA despite the earthquake and storms in November and a year where we have not hosted Sirrocco, the VIP Kakapo.

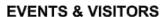
In December 2016, we began operating a second free shuttle between ZEALANDIA and the top of the Cable Car. The second shuttle has improved our accessibility for international and domestic tourists, helping to grow paid visitor admissions by 14% in December 2016 (from 6,627 in December 2015 to 7,562 in December 2016).

### Q2 Paid Admissions by visitor origin

Region	Visit Numbers	%
Local	4,060	27%
Rest of North Island	2,320	15%
South Island	936	6%
Australia	2,082	14%
Asia Pacific	928	6%
Europe	3,002	20%
United States & Canada	1,695	11%
Rest of the World	290	2%
Total	15,313	

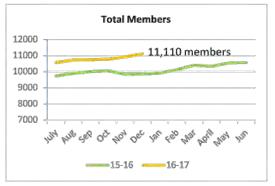


In December we introduced a new guided day tour experience "ZEALANDIA by Day". It is a two hour guided tour of ZEALANDIA providing an insight into Wellington's history, ZEALANDIA's conservation and restorations activities, and highlighting the birds and animals that have been reintroduced to Wellington.



During the quarter, we hosted a number of international VIP visitors, this included.





- The Sri Lankan Prime Minister and other Ministers, hosted by Minister Maggie Barry.
- · The President of the German Parliament, Prof. Norbert Lammert.
- A group of senior officials from the Los Angeles Parks and Gardens as part of a learning tour around New Zealand.

Other key visits to ZEALANDIA during the quarter included:

- An informative walk with Minister Nicky Wagner who was interested to learn more about our
  accessibility initiatives and the importance of getting people into nature.
- Christmas parties for the Wellington City Council Parks and Rangers annual Christmas party
- Two international film crews, Modern Dinosaurs: A documentary produced by CNN featuring tuatara and giant weta to be aired worldwide on Discovery Network, ZDF/arte (Germany), and Prime TV (New Zealand) and Resto del Mundo: An Argentinian travel show (with 17.8m viewers across South America) featuring ZEALANDIA as a tourist destination.

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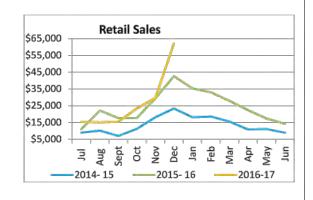
### FINANCIAL SUSTAINABILITY

#### Retail

Retail sales totaled \$115,000 for quarter two, up 28% on last year.

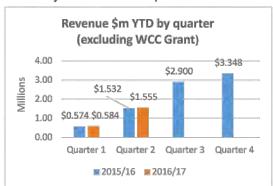
#### Café & Functions

Café and Functions sales totaled \$525,000 year to date to 31 December 2016, up 6% on the first six months of last year.



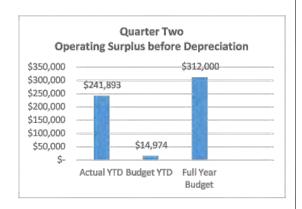
#### Revenue

Overall, revenue performance (excluding the WCC grant) is \$1,555,047 against a budget of \$1,511,349. The WCC grant contributed 22% of our total revenue year to date 31 December 2016. Revenue year to date is \$23,299 higher than last year at the end of quarter two.



# **Operating Surplus**

The quarter two year to date result for Operating Surplus before Depreciation is tracking favourably by \$227,000 mainly due to better than expected Retail sales of \$21,000 and Admissions revenue of \$70,000.



#### STRATEGY & GOVERNANCE

In December, we launched our strategy for 2016-2035, Living with Nature: Tiaki Taiao, Tiaki Tangata. We were delighted that Hon Nicky Wagner and Mayor Justin Lester were able to attend as our guest speakers, and many of our key partners from across Wellington were there. The launch was the culmination of almost a year of workshops and conversations with members, volunteers, Board, Guardians, staff, and our key stakeholders from partner organisations.



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# **VOLUNTEERS**

As our impact expands, so does our volunteer army. We are continually finding opportunities for volunteers and interns to contribute to ZEALANDIA. We have also been working to accommodate the growing demand for ZBN and Twilight tours by training a new cohort of ZBN guides.

Our annual Volunteer Appreciation evening in November was well attended by many of our volunteers. This dinner is an important event on our calendar as an opportunity to recognise, acknowledge and celebrate our volunteers.

#### Faye Schaef Award

Chris Gee received the Faye Schaef Award at our annual Volunteer Appreciation dinner. This is the second year it has been awarded and is given to someone who embodies the qualities and characteristics of Faye, a long-time volunteer: kindness, generosity, modesty, dedication, friendliness and approachability. Chris is a very versatile volunteer who involved in almost all areas of the sanctuary. He is a guide and skipper, assists with bird conservation, takes part in research and helps with the annual mouse control effort. Chris loves the diversity of his work at ZEALANDIA and it is 'sheer enjoyment' that keeps him coming back.



### **EDUCATION**

The number of students we work with continues to grow. We hosted 4,359 students in quarter two, the highest number of education visits recorded in a quarter at ZEALANDIA.

George Hobson is a ZEALANDIA Youth Ambassador who won the conservation category at the Wellington Youth Pride Awards. He is an excellent role model to other young people and is an example of young conservation leaders emerging through the work ZEALANDIA does.

The ZEALANDIA Trading Game has now gone national through our various partners, with 25,000 cards given to schools and youth groups. Students are now able to be directly involved in creating new cards, with the first student-designed cards released in December 2017. This allows students to not only play and learn from the game but enables them to be involved in a meaningful way.

The ZEALANDIA Trading Card game is now supported by Forest and Bird, OSNZ and Young Birders New Zealand. We are also teaming up with Nga Manu to promote the game to a wider audience by promoting it through the December and January school holidays.

We continue to work with Onslow College technology students to create habitats for our flora and fauna in other schools around Wellington. Nest boxes, weta hotels and tracking tunnels are made by these

students for use by younger students all around Wellington.

Together with Greater Wellington Regional Council we provided the opportunity for a group of secondary students interested in a conservation career to visit the Wainuiomata Mainland Island in November. The day provided these students with an opportunity to engage with rangers. This experience was very successful and we will look to provide similar opportunities to more secondary students to show them how they can get involved in conservation in the future.



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# CONSERVATION

### Bird breeding success

The bird breeding season is well underway. Though the season got off to a slow start, the hihi have now laid 130 eggs, 53 of their chicks have hatched, and 29 nestlings banded. Many other species are also taking advantage of the nest boxes we have placed around the sanctuary. We have now banded a number of chicks from these nests, for example, kākariki and kākā. This helps us track individuals across their lives.

#### 800th banded kākā

We banded the 800<sup>th</sup> kākā in December. These colour bands help identify individuals. This is part of an exciting new project run by VUW, where Dr Rachael Shaw is looking at kākā intelligence. She hopes to find new ways to help species adapt to the environment outside predator free areas.

#### Biosecurity

Biosecurity is always at the forefront of our minds. After the November earthquake and storms, we found flooding damage to one of the grates over the water outlet below the dam. While the chance that an unwanted animal got into the valley was unlikely, we followed our standard procedures and mounted a pest audit to protect our taonga. This will run for eight weeks until the end of January. To date we have not found any sign of incursion.

#### Research

There is plenty of interesting research happening inside the valley. The latest addition is Sarah Herbert, who will be working towards her PhD over the next three years. Her project explores whether habitat enhancement can improve the resilience of resident New Zealand native lizard population in the presence of mammalian pests.





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# **MEASUREMENT AGAINST TARGETS IN THE SOI 2016/17**

# Non-Financial Performance Measures (Quarterly Targets)

	2016/17 ( (Oct-	2016/17 Annual		
Measure	Actual	Target	Actual (YTD)	Target
Visitation	33,926	30,355	56,825	93,600
Education Visits*	4,359	3,350	6,618	8,500

<sup>\*</sup> Education visits are also included in total visitation numbers above.

# Non-Financial Performance Measures (Annual Targets)

Measure	Actual YTD	Annual Target 2016/17
Individual Members	11,110	10,400
Quality of Visit	95%	92%
Number of Volunteers	460	>400
Volunteer Satisfaction Survey <sup>1</sup>	-	>80%
Percentage of Satisfied Visitors above City Benchmark <sup>2</sup>	-	>5%

<sup>&</sup>lt;sup>1</sup> A survey will be completed in March/April 2017 to assess the level of volunteer satisfaction with ZEALANDIA.

# **Financial Performance Measures**

Measure	Actual YTD	Annual Target 2016/17
Full cost per visitor (including WCC costs)	\$12.28	\$16.91
Average subsidy per visit (Total WCC operating grant/all visitors)	\$7.70	\$9.35
Average revenue per visitation (excludes Council & Government grants)	\$26.73	\$25.96
Non-Council Donations/Funding	\$159,732	\$250,000
Net surplus before depreciation and tax	\$241,893	\$312,000
Commercial revenue as a % of overall budget	69%	50%
Membership subscription revenue	\$152,103	\$300,000

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<sup>&</sup>lt;sup>2</sup> A survey will be completed at the end of the final quarter to assess the level of awareness of city residents.

# **MEASUREMENT AGAINST TARGETS IN THE SOI 2016/17**

# **Conservation Programme (Annual Targets)**

Conservation Measures	Actual YTD	Annual Target	Commentary
Restore missing species to the wild in accordance	with the	Restorat	ion Strategy
Number of new animal species transferred	0	1	Tītipounamu/rifleman is planned for March 2017.
Number of transferred animal species being actively managed in the wild.  * Active management includes supplementary feeding, nestbox and roostbox management and excludes species held in captivity.	10	10	On target
Number of animal species in the wild actively monitored (assuming 1 new species transferred/annum) *Includes species with ongoing active data collection.	14	10	On target
Percentage of transferred animal species regarded as self-sustaining (assuming ongoing management)	76%	68%	On target
Maintain or Improve the population status of natio	nally thre	eatened s	pecies present
Number of threatened species present and breeding successfully	4	4	On target
Manage species held for captive breeding purpose successfully	es to ens	ure they r	emain healthy and breed
Number of species of held for captive breeding	2	2	On target
Monitor animal pest status, control mice & succes	sfully res	spond to	any incursions
Mice maintained at levels below or similar to previous years (abundance per 100 trap nights)	1.1	<10	On target. Mouse control is planned for June 2017.
Percentage of incursions successfully eradicated	N/A	100%	No incursions have been detected, but monitoring is ongoing following the floods and earthquake.
Monitor plant pest status and reduce distribution and near the fence perimeter	of enviro	nmental v	veeds (currently 123) within
Number of pest plant species actively controlled or surveyed	44	44	The Weed Team began in December, and they are on track for a good season.
Number of pest plant species where control has achieved a decline to low levels of infestation in the sanctuary	52	52	On target

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MEASURE against Strategy Areas	TARGET 2016/17	TRACKING 2016/17
Build flourishing biodiversity in the valley and halo		
Assist in the restoration of healthy landscape scale ecosystems through active collaboration in community partnerships wherever appropriate.	Begin detailed, integrated planning for the restoration of the lower valley streams, wetland and lake.	Early scoping has begun for this project, and will continue in earnest in the next six months.
Continue the transfers of missing species, to increase natural diversity in accordance with the Restoration Strategy 2000.	Plan and undertake a translocation (rifleman). Begin the ground work needed to evaluate the population health and management requirements of saddleback.	Planning for the rifleman is well under way. Fundraising targets have been met. This will occur in March 2017.
Develop a knowledge hub for transformation	AND DESCRIPTION OF THE PARTY OF	Contract of the second
Develop a long-term programme of research and research partnerships to provide an evidence base for our future activity and advice and contribution to others.	Develop, agree and initiate implementation of plans for the establishment of an urban ecology research centre in partnership with Victoria University of Wellington.	The joint Steering Committee has now submitted its final report and recommendations. A research advisory group will be established in early 2017 to develop and implement a strategic plan for a long-term, integrated research programme.
	Develop and agree plans for a long-term, integrated research programme.	2016 has seen the establishment of important new relationship that will provide the foundation for the research programme. This will be assisted by a Thought Leaders Group which will be engaged early in 2017 to set the direction for the research programme.
Develop pathways for thought leadership based on enhanced understanding of our unique natural heritage.	Establish a ZEALANDIA Thought Leaders Reference Council, and a Research Advisory Group to provide direct guidance on the content of our research programme.	The Thought Leaders Group has been established with eight leading figures to-date expressing significant enthusiasm to be part of this group. Members come from New Zealand, Australia USA and Singapore.
Strengthen people's capability for achieving a nature ric	h future	
Develop effective partnerships with restoration groups and strengthen community engagement in all that we do.	ZEALANDIA increasingly recognised as the "go to" centre for information on restoration.	ZEALANDIA is providing leadership in new restoration efforts, for example, through the halo project which is now gaining momentum. ZEALANDIA also has a staff member on the Predator Free Wellington Technical Advisory Group, and is increasingly seen as a hub for information and expertise on restoration.
Obtain funding to increase opportunities for decile 1-3 schools o either visit ZEALANDIA or their "special place".	Increased school visits, particularly decile 1-3; includes visits to the sanctuary and visits to schools or their "special places" by education staff.	We received Hutt Mana Charitable Trust funding to enable low decile students, teachers and whanau to visit ZEALANDIA. This was followed up by outreach work in their communities.

MEASURE against Strategy Areas	TARGET 2016/17	TRACKING 2016/17
Aim for 50% of all schools within the Kapiti/Porirua/Hutt Valley/Wellington area to have tracking and trapping as a normal part of their school programme, resulting in enhanced biodiversity in their area by 2020.	Increased number of schools with tracking and trapping as a normal part of their school programme (from 20 in 2015/16 to 30 in 2016/17).	The number of schools involved to date in tracking and trapping in the region has increased to twenty-three.
Sustain exemplar volunteer programmes that enrich and strengthen community, nature and people's lives.	Increased number of opportunities for volunteers to work in the sanctuary.	The number of opportunities for volunteers has diversified to include a range of tasks from conservation (e.g. the new transect clearance group) to grants administration.
Develop programmes of placements, internships and work that grow skills and experiences for young people.	ZEALANDIA has become the key hub for interns, enabling them to work with restoration groups as well as within the sanctuary; this will enhance their experience and support sharing of expertise and knowledge between the sanctuary and groups in the "halo".	A new ZEALANDIA internship programme has been launched, with five currently hosted across the organization. We have begun a programme of sharing the hosting responsibilities for interns with Otari Wilton's Bush.
Create outstanding and accessible experiences that ins	pire to action	Colored Wilder Colored
Enrich and strengthen the valley experience to equip more visitors to make active choices for nature rich communities.	Visitor numbers – 93,600 separate visitations with breakdown of visitor demographics.	YTD total 56,825, 30% over the SOI target of 43,851.
	8,500 education visitors	Currently at 6,618, well on track to hit the target of 8,500 students.
	Visitor experience – ZEALANDIA achieves a satisfied visitor rating of 92% or greater.	Tracking at 95%
Grow our connections with members as ambassadors for	> 400 volunteers	460
nature in Wellington	> 80% of volunteers are satisfied with their relationship with ZEALANDIA.	See note on page nine
Grow practical options to promote the health, well-being and wider advantages of connections with nature.	Continue to improve accessibility and work to attain the Be. Accessible Gold rating.	We have made accessibility improvements in a number of areas including removing the latching mechanisms on the mid valley gates to allow them to be operated more easily by less able visitors. We are in discussions with DOWNER to get an understanding of what is needed to seal the entire red track to make this more easily useable by those visitors with limited mobility. We are also looking to implementing a number of improvements to the Visitors Center as recommended in the Be. Accessible report in Q3 & 4 which include purchasing door edge decals and some new furniture.
Grow our influence and alliances for living well with nat	ure	
We will undertake our Kaitiakitanga responsibilities through enhanced partnerships with Maori. A strong and comprehensive relationship with Maori, at mana whenua, iwi and national level, remains of primary importance to	Capability developed to enable closer partnerships with iwi and integration of Mătauranga Măori	A cultural audit has now been completed by an external consultant, and her report presented to the December meeting of the Board. Recommendations from the report will be progressed from early 2017.
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MEASURE against Strategy Areas	TARGET 2016/17	TRACKING 2016/17
ZEALANDIA and we will develop closer relationships during 2016/17. We recognise that Mātauranga Māori, indigenous knowledge, is a key part of the evidence base that will be needed to underpin our work far into the future.		Russell Spratt and Hannah Buchannan have been appointed to the Board and Guardians respectively, both bringing strong iwi links and cultural knowledge and capability to the organization.
We will grow our partnership with Victoria University in the creation of an urban ecology research centre. We will also establish a Thought Leaders Reference Council and Research Advisory Group.	Partnership with Victoria University agreed and formalised.	Since the signing of the MOU in May 2016 a joint Steering Committee has been meeting to define details of the long-term research programme which will form the basis of the partnership. The committee has now submitted its final report and recommendations have been approved by the Board for implementation in 2017.
	Plans for an urban ecology research centre agreed and under implementation.	As above
Sustain infrastructure, finances, people and communic	ation that fuel our purpose	
Sustain infrastructure, finances, people and communication that fuel our purpose	A net surplus before depreciation and tax of \$312,000.	The year to date result for Operating Surplus before Depreciation is \$241,893 and is tracking favourably by \$226,919 for the second quarter mainly due to better than expected commercial revenue
	Commercial revenue equating to 50% of overall budget.	69% mainly due to higher than budgeted Retail sales of \$21,000 and Admissions revenue of \$70,000
	10,400 members.	Tracking above target by 710 with 11,110 members at 31 December 2016
	Membership subscriptions \$300,000.	Year to date income of \$152,103 tracking \$4,419 below budge but expected to meet target by year end
	Full cost per visitor (including WCC costs) \$16.91	Tracking lower at \$12.28 due to the impact of achieving 30% above target visitor results as at year to date quarter two.
	Average WCC subsidy per visitor \$9.35	Tracking lower at \$7.70 due to the impact of achieving 30% above target visitor results as at year to date quarter two.
	Average revenue per visit \$25.96	Tracking higher at \$26.73 due to better than expected commercial revenue including higher retail sales for year to date quarter two.
	Non-Council Donations/Funding \$250,000	Year to date income of \$ \$159,732 and expected to meet targe by year end

### **FINANCIAL PERFORMANCE**

Detailed financials are attached.

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Page 12

### **Profit & Loss**

### Karori Sanctuary Trust Inc. For the 3 months ended 31 December 2016

	Dec-16	Sep-16	YTD
Income			
Admissions	333,277	148,950	482,227
Care & Preservation Income	5,702	5,754	11,456
Education Other Revenue	-	1,290	1,290
Evening Talk (Koha)	51	82	133
FH Muter & FM Pharyzyn Charitable Trusts	-	6,000	6,000
Gain or Loss on Sale of Fixed Assets	-	120	120
Hutt Mana Trust Grant	-	3,000	3,000
Interest Income	13,649	330	13,979
KBN (Kids by Night) Tours	27	4,217	4,245
KNW - Kids Night Walks	91	(84)	7
Low Decile Grant	6,000	6,000	12,000
Membership Subscriptions	88,533	63,569	152,103
Non-LEOTC Sleepovers & Night Tours	1,043	2,683	3,726
Other Grants & Donations	56,239	52,676	108,915
Other Operating Revenue	23,093	12,575	35,668
Posboss Sales	1,125		1,125
Rifleman Transfer	26,380	-	26,380
Royal Society Grant	-	2,783	2,783
Sales of Goods	413,559	274,148	687,708
Shipping Recoveries	78	23	101
WCC Grant	218,750	218,750	437,500
ZBD - Summer Tours	2,129	-	2,129
Total Income	1,189,726	802,867	1,992,593
Less Cost of Sales			
Posboss Unders & Overs	46	-	46
Total Cost of Sales	46	-	46
Gross Profit	1,189,680	802,867	1,992,547
Less Operating Expenses			
Additional Cruise Ship Shuttle Hireage	4,644		4,644
Administration & Management	100,026	128,312	228,338
Biosecurity Consumables	214	-	214
Cafe Refresh Total	3,385		3,385
CEO - Discretionary Fund	10		10
Colt Motor Vehicle Expenses	191		191
Contractors & Consultants - Marketing	5,662		5,662
Cost of Goods Sold	166,625	109,581	276,206
Marketing - Membership	2,205		2,205
Marketing Education	900	123	1,023
Marketing Equipment	104	17	122
Other Operating Expenses	40.188	39,613	79,802
Personnel	468,960	411,983	880,942
1 91 991 11 191	700,500	711,703	UUU,3*12

Profit & Loss | Karori Sanctuary Trust Inc. | 31 January 2017

### **Profit & Loss**

	Dec-16	Sep-16	YTD
Playing Cards	140	1,268	1,408
Police Checks for Volunteers	-	1,000	1,000
Rifleman Transfer Expense	78	•	78
Salaries & Wages - Cafe - Casual	37,522	14,907	52,429
Salaries & Wages - CLER - Weekend Duty Ops 50%	2,652	1,116	3,768
Salaries & Wages - Function - Casual	463	1,308	1,771
Salaries & Wages - Guides	21,347	5,069	26,416
Salaries & Wages - Retail & Admissions - Casual	10,271	5,709	15,981
Salaries & Wages - SCaP - Weekend Duty Ops 50%	3,768	1,116	4,884
Salaries & Wages - Tourism & Trade	12,961	10,237	23,198
Salaries & Wages - Visitor Experience	23,912	27,443	51,355
Salaries & Wages - Weed Management	8,041	-	8,041
SMT - Discretionary Expense Allowance	847	1,816	2,663
Trade, Tourism, Industry alliances	1,434	1,197	2,630
Transport Costs	108	-	108
Vend Unders & Overs	448	324	773
Website - site	4,812	12,557	17,368
Interest Paid			
Interest Expense	2,542	2,804	5,346
Total Interest Paid	2,542	2,804	5,346
Trustees Remuneration			
Board Expenses	25,073	23,388	48,461
Total Trustees Remuneration	25,073	23,388	48,461
Total Operating Expenses	949,531	800,891	1,750,422
Operating Profit	240,149	1,976	242,125
Non-operating Expenses			
Depreciation Expense	143,680	141,587	285,267
Total Non-operating Expenses	143,680	141,587	285,267
Net Profit	96,469	(139,611)	(43,142)
-			

### **Balance Sheet**

### Karori Sanctuary Trust Inc. As at 31 December 2016

31 Dec 2016

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Accounts Receivable	103,000
Cash	2,503,722
Posboss Card Holding Account	5,691
Posboss Cash Holding Account	2,105
Posboss Other Card Holding Account	(2,318)
Prepayments	36,569
Stock on Hand	47,633
Total Current Assets	2,696,402
Fixed Assets	
Fixed Assets	4,504,596
VC Building	(144,021)
Less Accumulated Depreciation on VC Building	(642,136)
Total Fixed Assets	3,718,439
Total Assets	6,414,841
Current Liabilities Accounts Payable	111,306
	111 306
Accrued Liability	131,411
Community Trust Loan - Current	58,333
Entertainment Books	(730)
GST	1,615,203
Payroll Taxes	71,450
Possboss Suspense Account	(190)
Project / Capex Fund	28,144
Suspense	856
Unearned income	210,677
Total Current Liabilities	2,226,461
Non-Current Liabilities	
Community Trust Loan	160,000
Total Non-Current Liabilities	160,000
Total Liabilities	2,386,461
Net Assets	4,028,380
Equity	
Current Year Earnings	(43,142)
Retained Earnings	4,071,522
Total Equity	4,028,380

Balance Sheet [ Karori Sanctuary Trust Inc. ] 18 January 2017

Page 1 of 1

### Statement of Cash Flows

Karori Sanctuary Trust Inc. For the 6 months ended 31 December 2016

	JUL-DEC 2016
Cash Flows from Operating Activities	
Receipts from customers	2,114,295.92
Payments to suppliers and employees	(1,869,997.91)
Cash receipts from other operating activities	1,500,129.18
Total Cash Flows from Operating Activities	1,744,427.19
Cash Flows from Investing Activities	
Proceeds from sale of property, plant and equipment	10,346,688.93
Payment for property, plant and equipment	(120,219.06)
Total Cash Flows from Investing Activities	10,226,459.87
Cash Flows from Financing Activities	
Other cash items from financing activities	(10,406,688.91)
Total Cash Flows from Financing Activities	(10,406,688.91)
Net Cash Flows	1,564,208.15
Cash Balances	
Cash and cash equivalents at beginning of period	939,964.34
Cash and cash equivalents at end of period	2,504,172.49
Net change in cash for period	1,564,208.15

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#### WELLINGTON CABLE CAR LIMITED

30 Glover Street, Ngauranga Wellington 6035 Phone +64 (04) 473 2721

18 January 2017

The Committee Council Controlled Organisations Sub-Committee Wellington City Council PO Box 2199 Wellington 6140

Dear Committee,

### WCCL QUARTERLY REPORT (SECOND QUARTER OF 2016/17, TO 30 DECEMBER 2016) FOR THE WCC CCO COMMITTEE

#### 1. Executive Summary

The WCCL financial results are forwarded for the second quarter ended 31 December 2016 and show a pre-tax, net surplus of \$393k for the quarter compared to a budgeted surplus of \$156k, a positive variance of \$236k. The year to date result is now showing an overall surplus of \$76k compared to a budgeted deficit of \$13k (a positive variance of \$89k). The variance is due to two factors, firstly Cable Car revenue being reduced compared to of the budgeted amount and the unbudgeted income in respect of the Wellington City Council contribution towards the electric drive replacement (as this was all budgeted for in the 2015/16 year). Cable Car revenue was impacted by the earthquake in November, along with the continued work in Cable Car lane, which is taking longer than first envisaged. As a result of the first two quarters position and the expected trend for the remainder of the year, Cable Car revenue has been forecast down by \$117k for the year.

During this reporting period, minor remedial work and familiarisation arising from the replacement of the electric drive system and associated components plus the essential refurbishment of the Cable Car passenger vehicles took place, with the system all now working as planned and contracted.

The key strategic business issues that continue to be progressed are the development of the Cable Car Better Business Case proposal to get it incorporated into the Metlink public transport network as well as the decommissioning of the Trolley Bus overhead electrical network. Both projects are progressing well, with the Better Business Case proposal being submitted to the regional steering group in the near future. The Company is currently in the closing stages of the tender evaluations in respect of the Trolley Bus decommissioning work.

The Company has undertaken a detailed re-forecast for the 2016/17 year, but this will be reassessed at each quarter given the activities currently underway (including the on-going Cable Car lane refurbishment).



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WCCL Second Quarterly Report 2016/17

From a cash flow perspective, the reserves have been further utilised as part of the electric drive system replacement. However, the Company continues to be in a solid position with cash reserves of \$1,529k (including the self-insurance fund of \$293k) with a positive impact of \$327k in future periods from debtors/prepayments less payables and accruals.

Given the pending decommissioning of the Overhead Network with its associated restructuring costs, additional reserves are being maintained as a matter of financial prudence, with more clarity on the exact quantum potentially known by the end of the next quarter when the successful tenderer for the Decommissioning has been selected.

There will also be significant capital replacement costs required for the Cable Car required in the coming years, which the asset management plan has highlighted significant funding shortfalls for. Hence, the need for the Cable Car to be part of the Metlink public transport network such that it is then eligible for central government (NZTA) and local government (GWRC) public transport subsidies.

#### 2. SOI / Business Plan Targets

Financial Performance by Division – Quarter 2, 2016/17 (Excluding Tax)							
	Overhead Cable Car External Corporate WCCL						
	Division		Activities		Total		
Budget	(56,000)	348,000	61,000	(134,000)	219,000		
Actual	(56,000)	189,000	534,000	(115,000)	552,000		
Variance	0	(159,000)	473,000	19,000	333,000		

Financial Performance by Division – Year to Date 2016/17 (Excluding Tax)							
	Overhead Division	Cable Car	External Activities	Corporate	WCCL Total		
Budget	(112,000)	245,000	122,000	(268,000)	(13,000)		
Actual	(112,000)	(126,000)	599,000	(248,000)	113,000		
Variance	0	(371,000)	477,000	20,000	126,000		

Cable Car Patronage Targets – 2016/17 Year						
1 <sup>st</sup> Qtr 2 <sup>nd</sup> Qtr 3 <sup>nd</sup> Qtr 4 <sup>th</sup> Qtr Full Yea						
SOI Target	149,815*	293,325**	354,332	200,039	997,511	
Actual	107,020	266,165				
Variance	(42,795)	(27,160)				

<sup>\*</sup> The 1<sup>st</sup> quarter patronage figures were reduced by 34,000 – 50,000 by the shut-down for the electric drive project.

<sup>\*\*</sup> The 2nd quarter patronage figures were reduced by 15,000 - 20,000 by the earthquake.

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WCCL Second Quarterly Report 2016/17

Cable Car Reliability Statistics – 2015/16 Year						
	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Full Year	
SOI Target	>99%	>99%	>99%	>99%	>99%	
Actual	N/A%					
Result	***					

<sup>\*\*\*</sup> Due to the electric drive system and associated components replacement project, the Company was unable to report on the reliability statistic for the 1<sup>st</sup> or 2<sup>nd</sup> quarters of 2016/17 year. It is noted that the data has been collected and the Company is liaising with the equipment supplier in relation to the additional equipment required to extract and report on the data.

#### 3. Cable Car

As stated above, the financial result for the Cable Car quarter ended 31 December 2016 is tracking behind budget by \$160k and for the year to date \$372k. This is due to the electric drive system and associated components project (for the first quarter), which reduced Cable Car fare income (due to the extended shutdown period) and increasing maintenance costs due to the extra work required as part of the electric drive replacement project. For the second quarter both the earthquake, along with the continued work in Cable Car lane has further impacted on passenger numbers and therefore revenue. We are hoping that the third quarter normalises again when both these events are completed and behind us all. Early indications are that passenger traffic has recovered already and January figures have been promising.

Other than these two areas, from an operational perspective, all other areas were on budget and proceeding as planned.

The cruise ship season recommenced on 05 October 2016, and there will be approximately 90 ship visits by the end of the season

The main variances from budget include:

- Cable Car Maintenance Costs are tracking over budget by \$73K as stated above due to the additional work required.
- Cable Car revenue is tracking \$294k less than budget as stated above.

### 4. Trolley Bus Network

The actual expenditure incurred for the period ended 31 December 2016 is less than the budgeted year to date amount and this variance spans several areas, including operating expenditure and capital replacements. This is due partially to the phasing of the pole replacement programme and available resources but also due to the work required on the network and winding down operations as part of the planned cessation of Trolley Bus services in 2017.

The Overhead Network team is currently very busy working on the de-commissioning project, with the tender evaluation process, which commenced in November 2016, and further discussions with short listed tenderers took place prior to Christmas, and the successful tendered will be selected early in the 2017 calendar year.

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WCCL Second Quarterly Report 2016/17

The team is also busy with a significant and exponential growth in requests for UFB attachments to the network by Chorus as part of the rollout of fibre optic within Wellington City.

The main variances from budget include:

- Operational the variance is largely due to WCCL internal operational costs which have been carefully managed and are currently tracking under budget.
- Pole Replacements this is partially a timing variance given the start of the year and poling process, but also WCCL is constrained by the change-over practices of external parties on the network to be able to complete pole changeovers, and WCCL therefore occasionally incur additional costs. The business case items being over budget relates to the timing of the expenditure incurred in relation to the decommissioning project, specifically the tendering process.

#### 5. External Activities and Corporate

External income relating to pole user licence charging is as budgeted for the first quarter of the year, however, given the extensive rollout process by Chorus of the fibre network (as mentioned above), this will be increasing over the coming periods given the amount of activity currently underway, including replacement of poles.

The large variance in sundry external income relates to the WCC grant funding in respect of the electric drive replacement project. This was budgeted to be received in the 2015/16 year as this was when the project was first planned to be completed by.

#### 6. Other Activities

2015/16 financial audit — As tabled and stated at the CCO Committee meeting in December, this has now been completed and signed off by the Company's auditors, Audit New Zealand. We expect the process and therefore timing for completing the June 2017 audit to be normalised given the issues for consideration in the June 2016 audit being resolved, specifically the decommissioning of the Trolley Bus Network and unknown financial exposure on the Company, but also the current lack of long-term funding capability for the Cable Car capital replacements as specified in the asset management plan.

Please do not hesitate to contact me if you have any further queries in relation to any of the matters contained within this report.

Yours faithfully,

Simon Fleisher Chief Executive

Wellington Cable Car Limited Profit and Loss for the Period Ended 31 December 2016						
Total and Loss for the Porton Lines of Decomposition	Actual	Budget	Variance	Actual	Budget	Variance
	2017 - Qtr 2			2017 - YTD	2017 - YTD	2017 - YTD
	\$000	\$000	\$000	\$000	\$000	\$000
OVERHEAD DIVISION						
Income	891	1,093	(201)	1,647	2,186	(539)
Contractor Operations Costs	423	451	27	847	901	54
Reactive Maintenance	118	138	20	150	275	125
Wellington Cable Car Operations Costs	245	326	81	518	651	134
Total Operating Expenses	786	914	128	1,515	1,828	313
Operating Surplus/Loss before Replacements	105	179	(74)	132	358	(226)
Contact Wire Replacements / Rentensions	0	35	35	0		
Pole Replacements	31	93	62	39		
Feeder Pillar Replacements	0	5	5	0		
Special Works Replacement	8	19	11	20		18
Business Case Items	66 105	28	(39) <b>74</b>	73 132		
Total Replacements	105	179	14	132	358	226
Total Maintenance & Replacement Cost	105	179	74	132	358	226
Depreciation	56	56	0	112	113	1
Total Expenses	947	1,149	(202)	1,759	2,298	(540)
Overhead Overall Surplus / (Loss)	(56)	(56)	0	(112)	(113)	1

Wellington Cable Car Limited Profit and Loss for the Period Ended 31 December 2016						
	Actual	Budget	Variance	Actual	Budget	Variance
	2017 - Qtr 2 \$000	2017 - Qtr 2 \$000	2017 - Qtr 2 \$000	2017 - YTD \$000	2017 - YTD \$000	2017 - YTD \$000
COMPANY ACTIVITIES DIVISION			•	•		
Cable Car Income	636	796	(160)	847	1,141	(294)
Cable Car Operations	253			474		(3)
Cable Car Maintenance Depreciation - CC	152 41	169 42		414 82		(73) 2
Depreciation - CC	445			969		(74)
Electric Bus Income	0	0	0	0	0	0
Electric Bus Operations	0			0		
Electric Bus Maintenance	2			4		(4)
	2	0	(2)	4	0	(4)
Cable Car Operating Surplus / (Loss)	189	348	(160)	(127)	245	(372)
	_			4.4		40
3rd Party Services Net Contribution External Pole Work Net Contribution	7			14		10 0
3rd Party Overhead Projects Net Contribution	ů	ū		ō		ő
Sundry External Income	527	59	468	585	118	467
External Activities Operating Contribution Surplus / (Loss)	534	61	473	599	122	477
Total Company Activities Operating Contribution Surplus / (Loss)	723	409	314	473	367	105
Administration Expenses Revaluation of Property, Plant and Equipment	115	134	19	248	268	20
Company Activities Division Operating Surplus / (Loss)	608	275	333	225	99	126
WELLINGTON CABLE CAR - TOTAL SURPLUS / (LOSS) BEFORE TAX	552	219	333	113	(13)	126
Tax Expense	160	63		37	(0)	37
Subvention Payment	0	0	0	0	0	0
WELLINGTON CABLE CAR - TOTAL SURPLUS / (LOSS) AFTER TAX	393	156	236	76	(13)	89
The Total Surplus / (Loss) After Tax Consists of:						
Total Income	2,104	1,962		3,181	3,473	(292)
Total Expenditure	(1,711)	(1,806)		(3,105)	(3,486)	381 89
	393	100	200	- 10	(19)	99

Wellington Cable Car Limited			
Profit and Loss for the Period Ended 31 December 2016	Budget 2016 / 2017 -		2016 / 2017 -
	Total \$000	Total \$000	Total \$000
OVERHEAD DIVISION			
Income	4,290	4,359	69
Contractor Operations Costs	1,814	1,802	11
Reactive Maintenance	551	551	0
Wellington Cable Car Operations Costs	1,303	1,303	
Total Operating Expenses	3,667	3,656	11
Operating Surplus/Loss before Replacements	623	703	80
Contact Wire Replacements / Rentensions	70	140	(70)
Pole Replacements	371	371	Ó
Feeder Pillar Replacements	20		
Special Works Replacement	62		-
Business Case Items	100		(10)
Total Replacements	623	703	(80)
Total Maintenance & Replacement Cost	623	703	(80)
Depreciation	225	225	0
Total Expenses	4,515	4,584	(69)
Overhead Overall Surplus / (Loss)	(225)	(225)	0

Absolutely Positively **Wellington** City Council

Wellington Cable Car Limited Profit and Loss for the Period Ended 31 December 2016	Budget	Re-Forecast	Variance
		2016 / 2017 - Total \$000	
COMPANY ACTIVITIES DIVISION			
Cable Car Income	2,626	2,509	(117)
Cable Car Operations Cable Car Maintenance Depreciation - CC	942 681 168 1,791	782 168	(101) 0 (101)
Electric Bus Income	O	0	0
Electric Bus Operations Electric Bus Maintenance	0 0	0	0 0 0
Cable Car Operating Surplus / (Loss)	836	618	(218)
3rd Party Services Net Contribution External Pole Work Net Contribution 3rd Party Overhead Projects Net Contribution Sundry External Income	8 0 0 237	0 0	0 0 0 443
External Activities Operating Contribution Surplus / (Loss)	244	687	443
Total Company Activities Operating Contribution Surplus / (Loss)	1,080	1,305	225
Administration Expenses Revaluation of Property, Plant and Equipment	536 0		0
Company Activities Division Operating Surplus / (Loss)	544	769	225
WELLINGTON CABLE CAR - TOTAL SURPLUS / (LOSS) BEFORE TAX	319	544	225
Tax Expense Subvention Payment	96 0		0
WELLINGTON CABLE CAR - TOTAL SURPLUS / (LOSS) AFTER TAX	223	448	225
The Total Surplus / (Loss) After Tax Consists of: Total Income Total Expenditure	7,279 (7,057) 223	(7,157)	395 (170) 225

Wellington Cable Car Limited Statement of Financial Position As at 31 December 2016

Pixed Assets   Cable Car & Civil Works   Cable Car & Civil Works   Cable Car Equipment (2%)   4,552,909   5,228,496   Cable Car Equipment (10%)   408,629	As at 31 December 2016				
ASSETS Current Assets Bank Accounts Total Inventory 374.311 Inventory 92.11 Inventory 92.34.29 Sundry Debtors & Prepayments 192,739 Rundry Debtors & Prepayments 192,739 Rundry Debtors & Prepayments 192,739 Rundry Debtors & Prepayments 192,739 Robert State 190,550 Robert Garden State 190,550 Ro					
Current Assets	ASSETS	ş	٥	ą.	÷
Bank Accounts Total   1,529,545   2,761,236   Inventory   374,311   5036,829   WIP   211   103   103   Accounts Receivable less Provision   943,429   389,776   Sundry Debtors & Prepayments   192,739   190,550   RWT Deductions   1,136   18,108   Total Current Assets   3,041,370   3,953,40   Total Current Receivable   1,262,299   190,550   RWT Deductions   1,136   Total Current Liabilities   1,262,299   190,550   RWT Deductions   1,136   Total Current Liabilities   1,263,3778   1,363,778   1,3					
Inventory   374,311   593,629   Will   103   Accounts Receivable less Provision   943,429   389,776   Sundry Debtors & Prepayments   192,739   190,550   RWT Deductions   1,135   16,108   Total Current Assets   3,041,370   3,953,40   \$		1.529.545		2.761.236	
MyP					
Sundry Debtons & Prepayments   192,739   190,550   18,108   Total Current Assets   3,041,370   3,953,40   3,					
RWT Deductions	Accounts Receivable less Provision			389,776	
RWT Deductions	Sundry Debtors & Prepayments				
Total Current Assets   3,041,370   3,963,46		1,135			
Cable Car & Civil Works Cable Car Equipment (2%)	Total Current Assets		3,041,370		3,953,401
Cable Car Equipment (2%)         4,552,909         5,228,496           Cable Car Equipment (10%)         408,629         408,629           Cable Car Tracks & Wires         1,363,778         1,363,778           Furniture & Fittings         67,880         61,238           Computer Equipment         283,307         283,197           Computer Software         207,952         189,375           Coverhead Equipment         79,506         79,506           Overhead Wire System         461,333           Overhead Mort Vehicles         1,028,849         1,028,849           Fixed Asset Clearing Account         3,451,721         2,706,334           Accouncisted Depreciation         (2,520,513)         (2,530,142)           Total Fixed Assets         8,502,018         8,878,56           Total Assets         11,543,389         12,831,98           Total Fixed Assets Clearing Account         3,51,721         2,706,334           Current Liabilities           Current Liabilities           Current Liabilities           Current Liabilities           Current Liabilities           Current Liabilities           Current Current Liabilities      <	Fixed Assets				
Cable Car Equipment (2%)         4,552,909         5,228,496           Cable Car Equipment (10%)         408,629         408,629           Cable Car Tracks & Wires         1,363,778         1,363,778           Furniture & Fittings         67,880         61,238           Computer Equipment         283,307         283,197           Computer Software         207,952         189,375           Coverhead Equipment         79,506         79,506           Overhead Wire System         461,333           Overhead Mort Vehicles         1,028,849         1,028,849           Fixed Asset Clearing Account         3,451,721         2,706,334           Accouncisted Depreciation         (2,520,513)         (2,530,142)           Total Fixed Assets         8,502,018         8,878,56           Total Assets         11,543,389         12,831,98           Total Fixed Assets Clearing Account         3,51,721         2,706,334           Current Liabilities           Current Liabilities           Current Liabilities           Current Liabilities           Current Liabilities           Current Liabilities           Current Current Liabilities      <					
Cable Car Equipment (10%)         408,629         408,629         408,629         A08,629         Cable Car Tracks & Wires         1,363,778         1,363,778         1,363,778         1,363,778         1,363,778         61,238 <td< td=""><td>Cable Car Equipment (2%)</td><td>4.552.909</td><td></td><td>5.228.496</td><td></td></td<>	Cable Car Equipment (2%)	4.552.909		5.228.496	
Cable Car Tracks & Wires					
Furniture & Fittings					
Computer Equipment					
Computer Software         207,852         189,375           Overhead Equipment         79,506         79,506           Overhead Wire System         461,333           Overhead Motor Vehicles         1,026,849         1,026,849           Fixed Asset Clearing Account         3,451,721         2,706,334           Accurrulated Depreciation         (2,920,513)         (2,930,142)           Total Fixed Assets         8,502,018         8,878,56           TOTAL ASSETS         11,543,389         12,831,98           LIABILITIES           Current Liabilities           Accounts Payable         216,182         312,362	-				
Overhead Equipment         79,506         79,506           Overhead Wire System         481,333           Overhead Motor Vehicles         1,026,849         1,026,849           Fixed Asset Clearing Account         3,451,721         2,706,334           Accourulated Depreciation         (2,920,513)         (2,930,142)           TOTAL ASSETS         11,543,389         12,831,96           TOTAL ASSETS         11,543,389         12,831,96           Current Liabilities           Accounts Payable         216,182         312,362           Accounts Payable         3					
Overhead Mire System         461,333           Overhead Motor Vehicles         1,026,849         1,026,849           Fixed Asset Clearing Account         3,451,721         2,706,334           Accumulated Depreciation         (2,920,513)         (2,930,142)           Total Fixed Assets         8,502,018         8,878,55           Total Fixed Assets         11,543,389         12,831,96           Current Liabilities           Accounts Payable         216,182         312,362           Accounts Payable         216,482         312,362           Account Payable         1,520           Account Payable         1,540           Account Payable         30,697         316,236	•				
Overhead Motor Vehicles         1,026,849         1,026,849           Fixed Asset Clearing Account         3,451,721         2,706,334           Accoumulated Depreciation         (2,920,513)         8,502,018         8,878,55           TOTAL ASSETS         11,543,389         12,831,96           LIABILITIES           Current Liabilities           Accounts Payable         216,182         312,362           Accounts Payable Accounts         13,917         104,605           Account Accounts Payable Accounts Payabl		15,000			
Fixed Asset Clearing Account   3,451,721   2,706,334   Accumulated Depreciation   (2,820,513)   (2,930,142)   (2		1 028 840			
Accumulated Depreciation   (2,920,513)   (2,930,142)   (					
Total Fixed Assets					
TOTAL ASSETS		(2,820,010)	9 502 018	(2,930,142)	9 979 503
LIABILITIES   Current Liabilities   Accounts Payable   216,182   312,362   Accruals   592,195   613,662   Purchases Received not yet Invoiced   105,974   104,605   Accounts Purchases Received not yet Invoiced   105,974   104,605   Accounts Purchases Received not yet Invoiced   1,520   Income Rec'd in Advance   13,917   Account   Acc	Total Fixed Assets	_	6,302,010	_	0,010,093
Current Liabilities	TOTAL ASSETS		11,543,389		12,831,994
Accounts Payable 216,182 312,362 Accruals 592,195 613,662 Purchases Received not yet invoiced 105,974 104,605 Social Fund 1,520 Income Rec'd in Advance 13,917 Ostendo Clearing Account GST TOTAL 66,440 56,426 PAYE Suspense 30,697 12,542 Revenue received in advance Prebilled charges TOTAL Total Credit Card 3,861 3,936 Current Portion of Term Liabilities 1,030,786 1,103,53  Non Current Liabilities ANZ Bank Loan facility Provision for Income Tax 250,897 316,236 Deferred Tax Liability 837,538 1,019,028 Sundry Creditors 15,1440 Telecom Lease/Rentals 1,107 Total Non Current Liabilities 1,088,435 1,098,435 1,351,51  Ostendo Clearing Accounts Total Ostendo Clearing Accou	LIABILITIES				
Accruels 592,195 613,662 Purchases Received not yet invoiced 105,974 104,605 Social Fund 1,520 Income Rec'd in Advance 13,917 Ostendo Clearing Account GST TOTAL 66,440 56,426 PAYE Suspense 30,697 12,542 Revenue received in advance Prebilled charges TOTAL Total Credit Card 3,861 3,936 Current Portion of Term Liabilities Total Current Liabilities Non Current Liability Provision for Income Tax 250,897 316,236 Deferred Tax Liability 837,538 1,019,028 Sundry Creditors 15,140 Telecom Lease/Rentals 1,107 Total Non Current Liabilities 1,088,435 1,351,51  Ostendo Clearing Accounts Total Ostendo Clearing Accounts Total Ostendo Clearing Accounts  SHAREHOLDER'S FUNDS Ordinary Shares 7,434,846 7,434,846 Retained Earnings 2,009,491 2,058,265 Revaluation Reserve Tax on Equity items Less: Dividend Paid (94,305) (94,306) Current Year Earnings 76,102 978,059	Current Liabilities				
Accruels 592,195 613,662 Purchases Received not yet invoiced 105,974 104,605 Social Fund 1,520 Income Rec'd in Advance 13,917 Ostendo Clearing Account GST TOTAL 66,440 56,426 PAYE Suspense 30,697 12,542 Revenue received in advance Prebilled charges TOTAL Total Credit Card 3,861 3,936 Current Portion of Term Liabilities Total Current Liabilities Non Current Liability Provision for Income Tax 250,897 316,236 Deferred Tax Liability 837,538 1,019,028 Sundry Creditors 15,140 Telecom Lease/Rentals 1,107 Total Non Current Liabilities 1,088,435 1,351,51  Ostendo Clearing Accounts Total Ostendo Clearing Accounts Total Ostendo Clearing Accounts  SHAREHOLDER'S FUNDS Ordinary Shares 7,434,846 7,434,846 Retained Earnings 2,009,491 2,058,265 Revaluation Reserve Tax on Equity items Less: Dividend Paid (94,305) (94,306) Current Year Earnings 76,102 978,059	Accounts Payable	216,182		312,362	
Purchases Received not yet Invoiced Social Fund	*				
Social Fund	Purchases Received not yet Invoiced			104.605	
Income Rec'd in Advance				,	
Ostendo Clearing Account         66,440         56,426           PAYE Suspense         30,697         12,542           Revenue received in advance         12,542           Prebilled charges TOTAL         3,861         3,936           Current Portion of Term Liabilities         1,030,786         1,103,53           Non Current Liabilities         316,236         1,103,63           Provision for Income Tax         250,897         316,236         316,236           Deferred Tax Liability         837,538         1,019,028         15,140         15,140         16,000         1,107         1,351,51	Income Rec'd in Advance				
GST TOTAL   66,440   56,426   PAYE Suspense   30,697   12,542   Revenue received in advance   Prebilled charges TOTAL   Total Credit Card   3,861   3,936   Current Portion of Term Liabilities   1,030,786   1,103,53   Non Current Liabilities   1,030,786   1,019,028   Non Current Liability   837,538   1,019,028   Non Current Liability   837,538   1,019,028   Non Current Liability   1,040   Non Current Liabilities   1,088,435   1,019,028   Non Current Liabilities   1,088,435   1,019,036   Non Cur					
PAYE Suspense       30,697       12,542         Revenue received in advance       7         Prebilled charges TOTAL       3,861       3,936         Current Portion of Term Liabilities       1,030,786       1,103,53         Non Current Liabilities       1,030,786       1,103,53         Non Current Liabilities       1,030,786       1,103,53         Non Current Liabilities       316,236       1,109,028         ANZ Bank Loan facility       837,538       1,019,028         Deferred Tax Liability       837,538       1,019,028         Sundry Creditors       15,140       1,107         Total Non Current Liabilities       1,088,435       1,351,51         Ostendo Clearing Accounts       (1,965)       2         Total Ostendo Clearing Accounts       (1,965)       2         TOTAL LIABILITIES       2,117,256       2,455,13         NET ASSETS       9,426,132       10,376,86         SHAREHOLDER'S FUNDS       7,434,846       7,434,846         Retained Earnings       2,009,491       2,058,265         Revaluation Reserve       2,009,491       2,058,265         Tax on Equity items       2,009,491       2,058,265         Less: Dividend Paid       (94,306)       (94,306)		66,440		56.426	
Revenue received in advance   Prebilled charges TOTAL					
Prebilled charges TOTAL   Total Credit Card   3,861   3,936   Current Portion of Term Liabilities   1,030,786   1,103,53	•	**,***		,	
Total Credit Card   3,861   3,936   Current Portion of Term Liabilities   1,030,786   1,103,53					
Current Portion of Term Liabilities         1,030,786         1,103,53           Non Current Liabilities         1,030,786         1,103,53           Non Current Liabilities         316,236           ANZ Bank Loan facility         250,897         316,236           Deferred Tax Liability         837,538         1,019,028           Sundry Creditors         15,140         15,140           Telecom Lease/Rentals         1,107         1,351,51           Total Non Current Liabilities         1,088,435         1,351,51           Ostendo Clearing Accounts         (1,965)         8           TOTAL LIABILITIES         2,117,256         2,455,13           NET ASSETS         9,426,132         10,376,86           SHAREHOLDER'S FUNDS         7,434,846         7,434,846           Retained Earnings         2,009,491         2,058,265           Revaluation Reserve         2,094,491         2,058,265           Tax on Equity items         1,000         1,000           Less: Dividend Paid         (94,306)         (94,306)           Current Year Earnings         76,102         978,059		3.861		3 936	
Total Current Liabilities		0,001		0,000	
ANZ Bank Loan facility Provision for Income Tax 250,897 316,236 Deferred Tax Liability 837,538 1,019,028 Sundry Creditors 15,140 Telecom Lease/Rentals 1,107 Total Non Current Liabilities 1,088,435 1,351,51  Ostendo Clearing Accounts Total Ostendo Clearing Accounts  TOTAL LIABILITIES 2,117,256 2,455,13  NET ASSETS 9,426,132 10,376,86  SHAREHOLDER'S FUNDS Ordinary Shares 7,434,846 7,434,846 Retained Earnings 2,009,491 2,058,265 Revaluation Reserve Tax on Equity items Less: Dividend Paid (94,305) (94,306) Current Year Earnings 76,102 978,059			1,030,786		1,103,533
ANZ Bank Loan facility Provision for Income Tax 250,897 316,236  Deferred Tax Liability 837,538 1,019,028  Sundry Creditors 15,140  Telecom Lease/Rentals 1,107  Total Non Current Liabilities 1,088,435 1,351,51  Ostendo Clearing Accounts  Total Ostendo Clearing Accounts  TOTAL LIABILITIES 2,117,256 2,455,13  NET ASSETS 9,426,132 10,376,86  SHAREHOLDER'S FUNDS  Ordinary Shares 7,434,846 7,434,846  Retained Earnings 2,009,491 2,058,265  Revaluation Reserve  Tax on Equity items  Less: Dividend Paid (94,305) (94,306)  Current Year Earnings 76,102 978,059	Non Current Liabilities				
Deferred Tax Liability   837,538   1,019,028   Sundry Creditors   15,140   Telecom Lease/Rentals   1,088,435   1,107   Total Non Current Liabilities   1,088,435   1,351,51					
Sundry Creditors         15,140           Telecom Lease/Rentals         1,088,435           Total Non Current Liabilities         1,088,435           Ostendo Clearing Accounts         (1,965)           TOTAL Clabilities         2,117,256           NET ASSETS         9,426,132           SHAREHOLDER'S FUNDS           Ordinary Shares         7,434,846           Retained Earnings         2,009,491           Eax on Equity items           Less: Dividend Paid         (94,305)           Current Year Earnings         76,102           978,059	Provision for Income Tax	250,897		316,236	
Sundry Creditors         15,140           Telecom Lease/Rentals         1,088,435         1,107           Total Non Current Liabilities         1,088,435         1,351,51           Ostendo Clearing Accounts         (1,965)         8           TOTAL LIABILITIES         2,117,256         2,455,13           NET ASSETS         9,426,132         10,376,86           SHAREHOLDER'S FUNDS         7,434,846         7,434,846           Retained Earnings         2,009,491         2,058,265           Revaluation Reserve         7ax on Equity items         1,200,400           Less: Dividend Paid         (94,305)         (94,306)           Current Year Earnings         76,102         978,059	Deferred Tax Liability	837,538		1,019,028	
Telecom Lease/Rentals         1,107           Total Non Current Liabilities         1,088,435         1,351,51           Ostendo Clearing Accounts           Total Ostendo Clearing Accounts         (1,965)         8           TOTAL LIABILITIES         2,117,256         2,455,13           NET ASSETS         9,426,132         10,376,86           SHAREHOLDER'S FUNDS           Ordinary Shares         7,434,846         7,434,846           Retained Earnings         2,009,491         2,058,265           Revaluation Reserve         2         1           Tax on Equity items         1         1           Less: Dividend Paid         (94,305)         (94,306)           Current Year Earnings         76,102         978,059		•			
Total Non Current Liabilities         1,088,435         1,351,51           Ostendo Clearing Accounts         (1,965)         8           TOTAL LIABILITIES         2,117,256         2,455,13           NET ASSETS         9,426,132         10,376,86           SHAREHOLDER'S FUNDS         7,434,846         7,434,846           Retained Earnings         2,009,491         2,058,265           Revaluation Reserve         7ax on Equity Items         1,200,4306           Less: Dividend Paid         (94,306)         (94,306)           Current Year Earnings         76,102         978,059					
Total Ostendo Clearing Accounts         (1,965)         8           TOTAL LIABILITIES         2,117,256         2,455,13           NET ASSETS         9,426,132         10,376,86           SHAREHOLDER'S FUNDS           Ordinary Shares         7,434,846         7,434,846           Retained Earnings         2,009,491         2,058,265           Revaluation Reserve         7a. on Equity items         4.505           Less: Dividend Paid         (94,306)         (94,306)           Current Year Earnings         76,102         978,059			1,088,435	11701	1,351,511
Total Ostendo Clearing Accounts         (1,965)         8           TOTAL LIABILITIES         2,117,256         2,455,13           NET ASSETS         9,426,132         10,376,86           SHAREHOLDER'S FUNDS           Ordinary Shares         7,434,846         7,434,846           Retained Earnings         2,009,491         2,058,265           Revaluation Reserve         7a. on Equity items         4.505           Less: Dividend Paid         (94,306)         (94,306)           Current Year Earnings         76,102         978,059	Ostendo Clearing Accounts				
NET ASSETS         9,426,132         10,376,86           SHAREHOLDER'S FUNDS           Ordinary Shares         7,434,846         7,434,846           Retained Earnings         2,009,491         2,058,265           Revaluation Reserve         7         7           To Equity Items         4         7           Less: Dividend Paid         (94,305)         (94,306)           Current Year Earnings         76,102         978,059	-		(1,965)		87
NET ASSETS         9,426,132         10,376,86           SHAREHOLDER'S FUNDS           Ordinary Shares         7,434,846         7,434,846           Retained Earnings         2,009,491         2,058,265           Revaluation Reserve         7         7           To Equity Items         4         7           Less: Dividend Paid         (94,305)         (94,306)           Current Year Earnings         76,102         978,059	TOTAL LIABILITIES	-	2 117 256	_	2 455 131
SHAREHOLDER'S FUNDS       Ordinary Shares     7,434,846     7,434,846       Retained Earnings     2,009,491     2,058,265       Revaluation Reserve     Tax on Equity items       Less: Dividend Paid     (94,306)     (94,306)       Current Year Earnings     76,102     978,059		_		_	
Ordinary Shares     7,434,846     7,434,846       Retained Earnings     2,009,491     2,058,265       Revaluation Reserve     To Equity Items       Less: Dividend Paid     (94,306)     (94,306)       Current Year Earnings     76,102     978,059	NET ASSETS	=	9,426,132	=	10,376,863
Retained Earnings     2,009,491     2,058,265       Revaluation Reserve     Transport of the properties of the pro	SHAREHOLDER'S FUNDS				
Retained Earnings     2,009,491     2,058,265       Revaluation Reserve     Tax on Equity items       Less: Dividend Paid     (94,305)     (94,306)       Current Year Earnings     76,102     978,059	Ordinary Shares	7,434,846		7,434,846	
Revaluation Reserve       4         Tax on Equity items       (94,305)         Less: Dividend Paid       (94,305)         Current Year Earnings       76,102         978,059	Retained Earnings				
Tax on Equity items       (94,305)       (94,306)         Less: Dividend Paid       (94,305)       (94,306)         Current Year Earnings       76,102       978,059	0	_,,		-11	
Less:         Dividend Paid         (94,306)         (94,306)           Current Year Earnings         76,102         978,059					
Current Year Earnings         76,102         978,059		(94,308)		(94.308)	
101AL SHAKEHOLDER'S FUNDS 9,426,132 10.376.86	TOTAL SHAREHOLDER'S FUNDS		9,426,132		10,376,863

Wellington Cable Car Limited Statement of Cashflows For the Period Ended 30 June 2017

	Year Ended 30 June 2017
Cash flows from operating activities	
Cash was received from: Operating receipts	3,427
Cash was disbursed to: Payments to suppliers and employees Payment of Tax Subvention Payment GST	(3,441) (422) - 165
Net cash inflow / (outflow) from operating activities	(271)
Cash flows from investing activites	
Cash was received from: Investments Interest received Sale of Fixed Assets	- 550
Cash was applied to: Purchase of fixed assets	(10)
Net cash inflow / (outflow) from investing activities	540
Cash flows from financing activites	
Cash was received from: Term Loan	-
Cash was applied to: Payment of Dividend Term Loan	(839)
Net cash inflow/(outflow) from financing activities	(839)
Net Increase/(decrease) in Cash held	(570)
Opening Cash Balance	2,100
Closing Cash Balance	1,530



Experience Wellington 2016-17

Quarter 2 Report to Council, as at 31 December 2016



#### Visitor Numbers

Institution	2016-17 Target	YTD Visitor Numbers (to 31 Dec 2016)	% of Annual Target	Q2 Target	Q2 Visitor Numbers Achieved	% of Q2 Target
Cable Car	220,000	94,362	43%	63,800	67,369	106%
Capital E	105,000	38,549	37%	17,850	20,903	117%
Space Place	46,800	22,491	48%	11,700	11,603	99%
City Gallery Wellington	150,000	76,281	51%	38,000	34,728	91%
Nairn Street Cottage	3,200	710	22%	440	302	69%
Wellington Museum	134,000	67,686	51%	42,000	38,838	92%
TOTAL	659,000	300,079	46%	173,790	173,743	99.97%

#### Commentary on variation against Target

- · Cable Car Museum: Tracking as expected.
- Capital E: The positive variance is a result of a well-attended Big Halloween, in spite of adverse weather, and a very successful Christmas installation in the public space.
- Space Place: Tracking as expected.
- City Gallery Wellington: Although visitation in general is ahead of the same time last year, the total has been affected by
  periods of closure for the installation of the Cindy Sherman exhibition and the 14 November earthquake and storm.
- Nairn Street Cottage: Fewer school visits were booked during this period than anticipated.
- Wellington Museum: Below target due to a combination of bad weather and school/tour group/cruise ship cancellations following the 14 November earthquake.

#### Highlights

- Ngā Heke, Wellington Museum's newest exhibition, opened on Level 2 on 26 November 2016. Mana Whenua stories of Wellington have been updated with visual and sound experiences in the form of new artworks by contemporary Māori artists, writers and poets.
- · A stunning costume from WOW has been added to the Collections.
- Space Place (with support from MetService), and a group of 23 Year 10 students from 6 secondary schools across the
  Wellington Region launched a high-altitude balloon into near space. Funding for this activity came from the Unlocking
  Curious Minds fund to enable students who reflect the Ministry's key priority areas of improving educational outcomes for
  Māori, Pacific cultures and low socio-economic students.
- The Big Halloween took over Queens Wharf, Capital E and Wellington Museum for another evening of super scary family fun. 4,000 people attended in spite of some challenging weather conditions.
- The Roxy 5 Short Film Competition delivered in association with the Miramar Events Trust culminated in a 'Before and After' screening at the Roxy Cinema of the student's winning films which had been re-made by the young people in association with industry mentors and using the facilities at Park Road Post Production at the Roxy Cinema. Feedback from students, teachers, mentors and partners was excellent, and this project will return in 2017 with an additional partner, the Ministry for Social Development.
- City Gallery successfully opened the Cindy Sherman exhibition during the week of the 14 November earthquake.
- Active public programme events at City Gallery, including hosting the Sir Ron Scott remembrance service and Art Crime Symposium in October and a variety of events associated with the Cindy Sherman exhibition from the time of its opening, have been very successful.
- · City Gallery had a partial success with the Lottery Grants Board application for funds for the redevelopment of the entrance.
- The 14 November earthquake resulted in school group cancelations and loss of revenue. For example 58 schools cancelled visits to Capital E resulting in a loss of \$13,000.

Pat Stuart Chief Executive

### SOI Statement of Financial Performance (Excl. SP)

## Experience Wellington For the 3 months ended 31 December 2016

Institution is Unassigned, 10 Trust Office, 30 Capital E, 21 Cable Car, 40 City Gallery, 23 Collections Store, 20 Museum, 25 Naenae, 22 Nairn St, 31 Hannah.

	ACTUAL	BUDGET	YTD ACTUAL	FULL YR BUDGET
Trading Income				_
Trading Income	500,345	480,240	876,333	1,620,000
WCC Operating Grant	1,592,672	1,617,672	3,185,343	6,470,000
WCC Rental Subsidy	442,245	442,329	884,490	1,769,000
Sponsorship and Donations	216,267	75,312	228,117	896,000
Grants Other	449,908	487,752	700,586	762,000
Investment Income	24,736	18,000	39,606	90,000
Other Income	51,894	141,248	98,041	188,000
Total Revenue	3,278,067	3,262,553	6,012,516	11,795,000
Cost of Sales				
Cost of Sales	172,067	116,036	287,134	-
Total Cost of Sales	172,067	116,036	287,134	-
Net Revenue	3,105,999	3,146,517	5,725,382	11,795,000
Operating Expenses				
Employee Costs	1,314,522	1,222,489	2,524,216	4,849,000
Council Rent	334,621	334,707	669,242	1,433,000
Exhibitions & Programmes	694,923	789,152	1,075,199	2,488,000
Marketing & Promotions	304,163	282,365	415,049	740,000
Occupancy Costs	258,128	247,449	546,416	1,012,000
Communication Costs	34,136	27,018	66,259	108,000
Trustee Fees and Expenses	20,274	21,000	40,493	84,000
Technology Costs	47,201	54,717	82,300	154,000
Professional Fees	14,004	29,126	43,180	152,000
Administration Fees	47,555	41,478	90,389	350,000
Depreciation	128,672	102,102	263,769	425,000
Total Operating Expenses	3,198,199	3,151,603	5,816,512	11,795,000
Net Surplus/(Deficit)	(92,200)	(5,086)	(91,130)	

SOI Statement of Financial Performance (Excl SP) | Experience Wellington

# **SOI Statement of Financial Performance Space Place**

## Experience Wellington For the 3 months ended 31 December 2016

Institution is 26 Space Place.

	ACTUAL	BUDGET	YTD ACTUAL	FULL YR BUDGET
Frading Income				
Trading Income	117,685	134,751	225,947	539,004
WCC Operating Grant	86,869	86,751	173,738	347,004
Sponsorship and Donations	112	249	259	996
Grants Other	20,548	25,499	53,299	101,996
Other Income	2,139	-	2,139	
Total Revenue	227,352	247,250	455,381	989,000
Cost of Sales				
Cost of Sales	13,462	13,230	24,110	52,920
Total Cost of Sales	13,462	13,230	24,110	52,920
Net Revenue	213,891	234,020	431,272	936,080
Operating Expenses				
Employee Costs	167,744	171,851	363,287	687,404
Exhibitions & Programmes	14,762	21,664	28,925	87,243
Marketing & Promotions	31,936	30,002	39,208	120,008
Occupancy Costs	15,372	16,649	29,840	65,321
Communication Costs	2,429	1,875	3,945	7,500
Technology Costs	797	1,350	797	5,400
Professional Fees	18,911	18,750	37,661	75,000
Administration Fees	3,770	5,851	7,888	23,404
Depreciation	3,735	2,751	6,451	11,004
Total Operating Expenses	259,458	270,743	518,003	1,082,284

SOI Statement of Financial Performance Space Place | Experience Wellington

Me Heke Ki Pōneke

### **Statement of Cash Flows**

### **Experience Wellington** For the 3 months ended 31 December 2016

	OCT-DEC 2016	JUL-SEP 2016
Cash Flows from Operating Activities		
Receipts from customers	2,182,025	4,954,837
Payments to suppliers and employees	(3,949,145)	(3,087,199)
Cash receipts from other operating activities	(35,972)	(217,561)
Total Cash Flows from Operating Activities	(1,803,092)	1,650,077
Cash Flows from Investing Activities		
Proceeds from sale of property, plant and equipment	123,955	185,115
Payment for property, plant and equipment	(243,422)	(253,085)
Other cash items from investing activities	93,365	2,566
Total Cash Flows from Investing Activities	(26,102)	(65,404)
Cash Flows from Financing Activities		
Other cash items from financing activities	(152,815)	(75,650)
Total Cash Flows from Financing Activities	(152,815)	(75,650)
Net Cash Flows	(1,982,009)	1,509,023
Cash Balances		
Cash and cash equivalents at beginning of period	3,223,509	1,714,486
Cash and cash equivalents at end of period	1,241,500	3,223,509
Net change in cash for period	(1,982,009)	1,509,023

### **Balance Sheet**

### Experience Wellington As at 31 December 2016

	31 DEC 2016	30 SEP 2016
Assets		
Cash and cash equivalents	1,252,672	3,233,774
Current Assets		
Trade and other receivables	258,217	528,140
Inventory	183,671	135,622
Total Current Assets	441,888	663,762
Fixed Assets	4,476,148	4,478,495
Total Assets	6,170,708	8,376,032
Liabilities		
Current Liabilities	1,608,063	3,678,153
Total Liabilities	1,608,063	3,678,153
Net Assets	4,562,646	4,697,879
Equity		
Retained Earnings	2,013,725	2,013,725
Current Year Earnings	(177,861)	(40,094)
Reserves	2,726,782	2,724,248
Total Equity	4,562,646	4,697,879

SOI Statement of Financial Position | Experience Wellington

Absolutely Positively Wellington City Council
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### 2016-17 KEY PERFORMANCE INDICATORS QUARTERLY REPORT

Achieved as at: 31 December 2016 (Q2)



#### TABLE 1: RESIDENTS' AWARENESS (ANNUAL SURVEY)

Annual Council Survey of residents' ("ratepayers") awareness.

Residents' Awareness	Tich eved 2015/16	Target 2016-17	Achieved 2016-17
City Gallery Wellington	95%	95%	
Wellington Museum	97%	95%	
Capital E	90%	90%	
Cable Car Museum	97%	95%	
Space Place at Carter Observatory	97%	95%	
Nairn Street Cottage	58%	60%	
Trust Average	89%	88%	

#### **TABLE 2: PHYSICAL VISITATION**

Visitor Numbers	Achlesea 2015-16	Target 2016-17	Achieved (YTD) 2016-17	Q1 Target	Q1 Achieved	Q2 Target	Q2 Achieved	Q3 Target	Q3 Achieved	Q4 Target	Q4 Achieved
City Gallery Wellington*	178,228	150,000	76,281	36,000	41,553	38,000	34,728	39,000		37,000	
Wellington Museum	133,470	134,000	67,686	23,000	28,848	42,000	38,838	42,000		27,000	
Capital E**	79,120	105,000	38,549	13,650	17,646	17,850	20,903	46,200		27,300	
Cable Car Museum	241,638	220,000	94,362	35,200	26,993	63,800	67,369	78,000		43,000	
Space Place at Carter Observatory	52,838	46,800	22,491	10,764	10,888	11,700	11,603	10,296		14,040	
Nairn Street Cottage	2,875	3,200	710	286	408	440	302	2,034		440	
Trust Total	688,169	659,000	300,079	118,900	126,336	173,790	173,743	217,530		148,780	

<sup>\*</sup> Visitation at City Gallery may be affected by the Cindy Sherman exhibition which will have an entry charge. It may also be affected if the Entrance/Foyer development goes ahead in April 2017.

<sup>\*\*</sup> Capital E's National Arts Festival for Children will boost visitation in 2017.

Absolutely Positively Wellington City Council
Me Heke Ki Pöneke

### 2016-17 KEY PERFORMANCE INDICATORS QUARTERLY REPORT

Achieved as at: 31 December 2016 (Q2)



#### **TABLE 3: VIRTUAL VISITATION**

The total number of unique user visits to institutional web/mobile sites and YouTube channels.

Virtual Visitor Numbers	Achiemes Z015-16	Target 2016-17	Achieved (YTD) 2016-17	Q1 Achieved	Q2 Achieved	Q3 Achieved	Q4 Achieved
City Gallery Wellington	126,804	110,000	52,236	23,414	28,822		
Museums Wellington*	116,743	78,000	46,100	23,655	22,445		
Capital E	50,263	62,000	22,129	11,351	10,778		
Trust Total	293,810	250,000	120,465	58,420	62,045		

<sup>\*</sup> Wellington Museum, Cable Car Museum, Nairn Street Cottage, and Space Place at Carter Observatory are all represented by the Museums Wellington website.

#### **TABLE 4: SOCIAL MEDIA PROFILE**

A snapshot of the number Facebook friends and Twitter and Instagram followers at period end.

Social Media Numbers	Appleved 2015-05	Target 2016-17	Achieved (YTD) 2016-17	Q1 Achieved	Q2 Achieved	Q3 Achieved	Q4 Achieved
City Gallery Wellington	24,266	22,000	29,254	27,792	29,254		
Museums Wellington*	5,887	6,590	7,520	7,196	7,520		
Capital E	4,089	4,500	4,897	4,662	4,897		
Space Place at Carter Observatory	7,359	8,800	8,540	8,379	8,540		
Trust Total	41,601	41,890	50,211	48,029	50,211		

<sup>\*</sup> Wellington Museum, Cable Car Museum, and Nairn Street Cottage are covered by a Museums Wellington social media profile but Space Place at Carter Observatory has its own social media profile.



### 2016-17 KEY PERFORMANCE INDICATORS QUARTERLY REPORT

Achieved as at: 31 December 2016 (Q2)



#### **TABLE 5: QUALITY OF PHYSICAL VISIT**

Quality is measured in terms of: the relevance of experience; information acquired; friendliness of staff; length of visit; and overall enjoyment

Quality of the Visitor Experience	Mehleund 2015-16	Target 2016-17	Achieved (YTD) 2016-17	Q1 Achieved	Q2 Achieved	Q3 Achieved	Q4 Achieved
City Gallery Wellington	89%	90%	93%	92%	93%		
Wellington Museum	89%	90%	93%	93%	93%		
Capital E	89%	90%	97%	100%	94%		
Cable Car Museum	75%	90%	82%	77%	87%		
Space Place at Carter Observatory	90%	90%	90%	92%	88%		
Nairn Street Cottage	86%	90%	97%	98%	95%		
Trust Total	89%	90%	92%	92%	92%		

#### **TABLE 6: REPEAT VISITATION**

Repeat Visitation	2015-1	Target 2016-17	Achieved (YTD) 2016-17	Q1 Achieved	Q2 Achieved	Q3 Achieved	Q4 Achieved
City Gallery Wellington	63%	40%	56%	46%	65%		
Wellington Museum	28%	25%	31%	29%	33%		
Capital E	59%	40%	51%	46%	56%		
Cable Car Museum	23%	25%	21%	21%	20%		
Space Place at Carter Observatory	15%	22%	25%	26%	24%		
Trust Total	44%	30%	37%	34%	40%		

Absolutely Positively Wellington City Council Me Heke Ki Pöneke

### 2016-17 KEY PERFORMANCE INDICATORS QUARTERLY REPORT

Achieved as at: 31 December 2016 (Q2)



#### **TABLE 7: NON COUNCIL REVENUE**

Non Council Revenue (\$)	0.00 med 2015-16	Target 2016-17	Achieved 2016-17	Q1 Achieved	Q2 Achieved	Q3 Achieved	Q4 Achieved
City Gallery Wellington*	609,542	1,284,000		147,200	366,222		
Museums Wellington**	671,532	573,000		178,465	275,834		
Capital E***	1,023,489	1,534,000		345,219	542,359		
Space Place at Carter Observatory	539,519	588,000		138,360	143,283		
Trust Total	3,049,374	4,144,000		809,244	1,383,633		

<sup>\*</sup> City Gallery Wellington revenue in 2016-17 will be boosted by the Cindy Sherman exhibition.

#### **TABLE 8: SPEND PER VISIT**

Spend per Visit (\$)	#016W60 2015-16	Target 2016-17	Achieved 2016-17	Q1 Achieved	Q2 Achieved	Q3 Achieved	Q4 Achieved
City Gallery Wellington*	1.18	4.67		0.66	3.31		
Museums Wellington**	1.97	1.30		2.59	2.29		
Capital E***	3.20	5.48		4.65	6.77		
Space Place at Carter Observatory	8.39	10.38		8.68	10.14		
Trust Total	2.51	3.52		2.22	3.56		

<sup>\*</sup>City Gallery increased spend target in 2016-17 is due to the Cindy Sherman exhibition.

<sup>\*\*</sup> Museums Wellington includes the Wellington Museum, Cable Car Museum and Nairn Street Cottage.

<sup>\*\*\*</sup>Capital E will hold the National Arts Festival for Children in 2017.

<sup>\*\*</sup> Museums Wellington includes the Wellington Museum, Cable Car Museum and Nairn Street Cottage.

<sup>\*\*\*</sup>Capital E will hold the National Arts Festival for Children in 2017.

Absolutely Positively Wellington City Council
Me Heke Ki Pöneke

### 2016-17 KEY PERFORMANCE INDICATORS QUARTERLY REPORT

Achieved as at: 31 December 2016 (Q2)



#### **TABLE 9: COUNCIL SUBSIDY PER VISIT**

Subsidy per visit is arrived at by dividing the number of visits into the Council operating grant.

Subsidy per Visit (\$)	Athleveo 2015-1E	Target 2016-17	Achieved 2016-17	Q1 Achieved	Q2 Achieved	Q3 Achieved	Q4 Achieved
City Gallery Wellington	11.53	12.87		11.4	21.96		
Museums Wellington*	4.29	5.34		9.92	4.21		
Capital E	16.02	14.36		21.65	16.7		
Space Place at Carter Observatory	8.89	10.59		11.79	11.41		
Trust Total	9.85	10.45		16.79	11.09		

<sup>\*</sup> Museums Wellington includes the Wellington Museum, Cable Car Museum and Nairn Street Cottage.

WELLINGTON



To: Wellington City Council From: Wellington Zoo Trust Date: 31 December 2016

### Second Quarter Report 2016/17 Financial Year

#### Highlights

- Construction on the Kea Aviary in Meet the Locals He Tuku Aroha was completed in December with a planned opening to visitors for Wellington Anniversary weekend in January
- Wellington Zoo has teamed up with local ethical uniform company Little Yellow Bird to create a vibrant new Zoo uniform as part of Wellington Zoo's mission of igniting a Zoo revolution. Little Yellow Bird and Wellington Zoo share many values, with sustainability and environmental impact being central ethos of both social enterprises. Little Yellow Bird uses organic cotton, which is grown without chemicals and has a much smaller environmental impact compared with conventionally grown cotton. They can also trace garments from cotton seed to disposal.



- We hosted the Inaugural Forest and Bird Climate Change conference at the Zoo in early November. This full day session brought together a number of scientists and conservationists from across New Zealand looking at the impacts of climate change on species and New Zealand's natural capital.
- We retained our carboNZero certification, with a 6% emissions reduction on 2015/16 and a 3% reduction on our base year. We are continuing to identify ways to reduce our emissions and will work with Sustainability Trust on a waste audit of our visitors waste early in 2017.
- The result for the six months to 31 December 2016 shows a deficit of \$121,910 before transfers to restricted funds against a budgeted operating deficit of \$5,483.

### Challenges this Quarter

Page 1

- Visitation for 2016-2017 as at end of December was 103,705. This is 11,068 behind target and 12.445 behind last year's actual visitation. Zoo visitation targets were set aggressively for growth in the 2016/17 year. Prolonged periods of unusually inclement weather during the summer holidays following the large earthquake in November have together adversely affected visitation, including school groups, since the October school holidays.
- Operating Revenue is above budget by \$18K and expenditure is above budget YTD December by \$134K mainly due to uniform purchases.

Quarterly Report: Quarter Two 2016/17





### Visitors and events

- Applications have been processed for the 2017 The Warehouse Wellington Zoofari learning sessions with over 20 schools being successful in their application, including one from Blenheim.
- Work is underway planning a revamp of the Living Room, the Zoo's indoor learning space to
  make it feel more connected to the rest of the Zoo and more suitable for the different uses of
  the space.

	QUARTER ENDING 31 DECEMBER 2016	CURRENT YEAR TO DATE 2016/17
ACTUAL	52,053	103,705
TARGET	66,460	114,773
DIFFERENCE	-14,407	-11,068

Quarterly Report: Quarter Two 2016/17

Page 2



### **LEOTC Numbers**

	Annual Target	YTD 16/17
School Visits (LEOTC)	10,000	5,009
Holiday Programme	1,300	853
Total	11,300	5,862

### **Species Planning**

Species	Gender	Status	Due
Chimpanzees	2 females	From Kolmarden in Sweden	Due to arrive early in 2017
Millipedes	20	From Santa Ana Zoo in the USA	Arrived in December 2016
Scheltopusik	1	From Auckland Zoo	Due to arrive early in 2017
Bearded Dragon	4	From Auckland Zoo	Due to arrive in early 2017
Long-fin Eels	5	From Nga Manu	Arrived in January 2017
Golden Lion Tamarin	1 male	From Adelaide Zoo	Due to arrive in February 2017

Quarterly Report: Quarter Two 2016/17 Page 3





he Wellington Zoo Toyota Kiwi Guardians Programme plaque being installed

- Nature Connections was again successful in receiving funding from the Wellington Amenity
  Fund this year. This will enable us to roll out the 'Wellington Wild Things' campaign, and look
  to build the presence on social media. The 10 Nature Connections sites will also be the
  inaugural Wellington sites for DOC's Toyota Kiwi Guardians programme a nationwide
  initiative to encourage children and families to spend time together outdoors.
- We have reached 175,697 people via Facebook with 36,227 post engagements. Twitter has had 28,300 impressions with 1% engagement rate. Instagram has recently been switched to a business account has had approximately 15,000 impressions.
- To thank the community for their love and support this year we produced a Christmas video instead of a card and highlights document. The video was a version of our earlier 'Thank you Wellington' video showcasing our highlights for the 2015/16 year.

Quarterly Report: Quarter Two 2016/17 Page 4





n x-ray of a Kākā patient in care at The Nest Te Kōhanga

- Two Kākā were released after receiving treatment at The Nest Te Kōhanga. A Kākā feeding video was released in conjunction with Zealandia and Wellington City Council, with Senior Veterinarian Baukje Lenting, speaking about how we can help to look after wild Kākā.
- Massey Veterinary Resident Megan Jolly visited Kapiti Island to help with medical treatment of two Takahē for coccidiosis.
- Veterinarian Karina Argandona went to Westport for the release of two Fiordland crested
- Planning is progressing for the Wellington Zoo Conservation Extravaganza in April, when we will be bringing all of our conservation partners from across New Zealand and the globe to Wellington for a week to celebrate how Wellington Zoo supports wild conservation initiatives.

Quarterly Report: Quarter Two 2016/17 Page 5



Native animals brought to The Nest Te Kōhanga in the last year

Native Animal Admission Statistics	2012	2013	2014	2015	2016
January	45	47	57	63	67
February	26	41	72 *	51	41
March	41	19	41	60	39
April	24	25	31	30	28
May	14	24	23	37	33
June	15	47	34	34	23
July	14	36	12	33	17
August	16	22	19	26	15
September	13	17	28	25	24
October	23	58	20	19	43
November	27	30	43	33	41
December	27	51	56	67	58

<sup>\* 42</sup> patients + 30 Quarantine

Quarterly Report: Quarter Two 2016/17 Page 6



Absolutely Positively **Wellington** City Council Me Heke Ki Pōneke



en Dowdle from Unmask Palm Oil presented over 30,000 postcards to James Shaw, Co-Leader of the Green Party

The Ask for Choice palm oil labelling campaign was successful at engaging our community with around 40,000 New Zealanders having their say on site and online. We continued to receive great media coverage over the four months of the campaign. Alongside representatives from Auckland Zoo, Orana Wildlife Park and Unmask Palm Oil, we delivered over 30,000 postcards to the steps of Parliament where they were accepted by the Co-Leader of the Green Party, James Shaw. The outcome of the Ministerial Forum on November 25 was that they will look to do more research on the health implications before formulating a clear policy before meeting again in April 2017. This campaign is a great example of how we are positioning the new Zoo to ignite a Zoo revolution.

Karen Fifield

Chief Executive Wellington Zoo Trust

On behalf of Craig Ellison, Trust Board Chair

Quarterly Report: Quarter Two 2016/17 Page 7



Appendix 1 - Wellington Zoo Strategy Framework 2016-17

Measure	Target 2016-17	Tracking YTD 31 December	Notes
CONNECT PEOPLE WITH	ANIMALS		
Contact animals meeting visitors in Zoo	1,000 hours	491~hrs 46 mins	
People participating in Animal Close Encounters	4,069	1,955	On track; more people participate in Animal Close Encounters during the summer months.
Number of students participating in LEOTC sessions	10,000	5,009	On track YTD.
PEOPLE LOVE AND SUPP	ORT THE ZO	o	
Increase total visitation	239,408	103,705	Zoo visitation targets were set aggressively for growth in the 2016/17 year. Prolonged periods of unusually inclement weather during the summer holidays following the large earthquake have together adversely affected visitation since the October school holidays.
Percentage of operating costs generated by the Trust	55%	54%	
Ratio of Trust generated income as percentage of WCC grant	122%	131%	
Average income per visitor from Trust generated revenue	\$15.94	\$18.77	
Average WCC subsidy per visitor	\$13.05	\$14.30	
Full cost per visitor including WCC costs	\$21.22	Annual target	
Volunteer engagement survey	1	Annual target	
SAVE ANIMALS IN THE W	LD		
Number of vulnerable, endangered or critically endangered species (IUCN Red List and DOC National list) in the Zoo's collection	≥26	27	Giraffe are now classed as Vulnerable by the IUCN.
Percentage of native patient successful release to the wild after treatment in the Nest Te Kohanga (This measure is a reporting requirement despite being omitted from the 2018/17 SOI)	≥55%	Annual Target	

Quarterly Report: Quarter Two 2016/17

Page 8



Number of threatened Native

Me Heke Ki Ponek	e
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Species include Kea, Kākā, Whitakers skinks and

species (DOC rating) treated in the Nest Te Kōhanga	≥30	Annual target	Fiordland Crested Penguins. 31 animals YTD 25 November 2016.	
Number of Field Conservation Projects supported for threatened (NZ) endangered or critically endangered (global) species	≥4	9	Kea Conservation Trust (NZ-TH); Madagascar Fauna and Flora Group, Black and white Ruffed Lemurs (CR), Proyecto Titi, Cotton Top Tamarins (CR), Associação Mico-Leão-Dourado, Golden Lion Tamarins (EN), 21st Century Tiger, Sumatran Tigers (CR), Save the Tasmanian Devils Programme (EN), FFI Vietnam White Cheeked Gibbons (CR), Red Panda Network Red Pandas (EN) Jane Goodall Institute Chimpanzees (EN).	
% of OPEX directly contributed to field conservation	3%	Annual target	This measure uses the American Zoo Association Framework (now adopted by the Zoo Aquarium Association Australasia) to measure direct contribution to field conservation. We achieved 5.68% in 2015-16.	
Participate in animal based scientific projects and paper publication	≥4	2	Hughes & Allan published in International Zoo Yearbook Volume 50; Allan published in IZE journal 2016.	
LEAD THE WAY				
Maintain Zoo and Aquarium Association Animal Welfare Accreditation	Achieved	Achieved	This was achieved in October 2015.	
Maintain carboNZero certification	Achieved	Achieved	Audit held in October, and measure achieved.	
H&S targets met	ACC work levy discount applied	(Lag) Discount has been applied to WTZ's work levies based on experience rating (Lead) On track to date	Lag indicator – WZT gets a discount applied on work levies if we perform better than our industry peer group & Total Levy Risk Group in terms of the number and severity of work-related injury claims. (WSMP Audit to be carried out 31 January 2017).  Lead indicators - H&S included in weekly 'Zoo Staff News' emails (e.g. monthly metrics, drill and	
			incident debriefs, topical reminders). Training provided for identified risks and emergency situations. Monthly SIT meeting Minutes available to all staff. ERT training full schedule up to February 2017. First Aider Toolbox training completed December 2016.	
Initiatives to embed professional development of our people	≥8	11	Resilience Programme completed – awaiting post diagnostic results. Keeper Progression Process implemented and first round of employees have passed assessment. Nine Learning sessions delivered.	
Staff turnover (permanent staff only)	≤ 18.5%	Annual Target	14.29% YTD 31 December 2016.	

Quarterly Report: Quarter Two 2016/17 Page 9



Appendix 2 - Financial Statements

		CCO: Wellington Zoo Trust Quarter Two 2016/17		\$NZ000's		
Actu	al	EARNINGS STATEMENT		Actual	Budget	
30-Jun	ı-16			31-Dec-16	31-Dec-16	
	22-2	Revenue				
		Trading Income		1634	1715	
		WCC Grants Other Grants		1563 41	1562 42	
		Sponsorships and Donations-Operational		187	95	
		Sponsorships and Donations-Capital		277	0	
		Investment Income		41	25	
		Other Income		45	54	
7	7,201	Total Revenue		3,788	3,493	
2	2,279 14 167	Expenditure Employee Costs Other Operating Expenses Depreciation Interest Vested Assets	,	2,410 1,212 11	2414 1074 10	
- (	6,817	Total Expenditure		3,633	3,498	
	384	Net Surplus/(Deficit) before Taxation		155	(5)	
		Taxation Expense			L	
	15	Operating Surplus (Deficit)		(122)	(5)	
	384	Net Surplus/(Deficit)		155	(5)	

Quarterly Report: Quarter Two 2016/17 Page 10

0.2% Operating Margin



-0.1%

-3.2%

Actual	STATEMENT OF FINANCIAL POSITION	Actual	Budget
30-Jun-16		31-Dec-16	31-Dec-16
	Shareholder/Trust Funds		
	Share Capital/Settled Funds	0	0
	Revaluation Reserves	0	0
	Restricted Funds	2,018	1,424
	Retained Earnings	488	313
2,326	Total Shareholder/Trust Funds	2,506	1,737
	Current Assets		
	Cash and Bank	3,406	3,099
316	Accounts Receivable	24	60
170	Other Current Assets	435	60
3,808	Total Current Assets	3,865	3,219
	Investments		
0	Deposits on Call	0	0
0	Other Investments	0	0
0	Total Investments	0	0
_	Non-Current Assets		
35	Fixed Assets	92	36
0	Other Non-current Assets	0	0
35	Total Non-current Assets	92	36
3,843	Total Assets	3,957	3,255
	Current Liabilities		
731	Accounts Payable and Accruals	754	806
	Provisions		
	Other Current Liabilities	697	700
1,505	Total Current Liabilities	1,451	1,506
	Non-Current Liabilities		
	Loans - WCC	0	0
	Loans - Other	0	0
	Other Non-Current Liabilities	0	12
12	Total Non-Current Liabilities	0	12
2,326	Net Assets	2,506	1,737
2.5	Current Ratio	2.7	2.1
60.5%	Equity Ratio	63.3%	53.4%

Quarterly Report: Quarter Two 2016/17 Page 11



Actual	STATEMENT OF CASH FLOWS	Actual	Budget
30-Jun-16		Dec-16	Dec-16
	Cash provided from:		
3378	Trading Receipts	1,634	1,715
2894	WCC Grants	1563	1,379
82	Other Grants	41	42
513	Sponsorships and Donations	464	95
94	Investment Income	41	25
241	Other Income	1,370	54
7202		5,113	3,310
	Cash applied to:		
4,357	Payments to Employees	2,337	2,414
2,830	Payments to Suppliers	2,692	1,074
	Net GST Cashflow		
167	Other Operating Costs (VESTING)		
	Interest Paid	0	0
7354		5,029	3,488
-152	Total Operating Cash Flow	84	(178)
	Investing Cash Flow		
	Cash provided from:		
18	Sale of Fixed Assets		
	Other		
18		0	0
	Cash applied to:		
	Purchase of Fixed Assets		
	Other -vesting Cash for Capital Projects	0	0
0		0	0
18	Total Investing Cash Flow	0	0

Quarterly Report: Quarter Two 2016/17

Page 12



Actual	STATEMENT OF CASH FLOWS (CONT)	Actual	Budget
30-Jun-16		31-Dec-16	31-Dec-16
	Financing Cash Flow		
	Cash provided from:		
	Drawdown of Loans		
	Other		
0		0	0
	Cash applied to:		
	Repayment of Loans		
	Other		
0		0	0
0	Total Financing Cash Flow	0	0
	Net Increase/(Decrease) in Cash Held	84	(178)
3,456	Opening Cash Equivalents	3,322	3,277
3,322	Closing Cash Equivalents	3,406	3,099

Actual 30-Jun-16	CASH FLOW RECONCILIATION	Actual 31-Dec-16	Budget 31-Dec-16
30-3 un-10		31-Dec-10	31-Dec-10
384	Operating Surplus/(Deficit) for the Year	155	(5)
	Add Non Cash Items		
14		11	10
	Other (movement restricted funds)	25	
398		191	5
	Movements in Working Capital		
	The state of the s		
45	(Increase)/Decrease in Receivables	292	90
(86)	(Increase)/Decrease in Other Current Assets	(265)	20
(537)	Increase/(Decrease) in Accounts Payable	23	(293)
28	Increase/(Decrease) in Other Current Liabilities	(89)	0
(550)		(39)	(183)
	Net Gain/(Loss) on Sale:		
0	Fixed Assets	(68)	0
	Investments	ó	0
0		(68)	0
(152)	Net Cash Flow from Operations	84	(178)

Quarterly Report: Quarter Two 2016/17 Page 13



# REVIEW OF THE QUARTER TWO REPORT FOR WELLINGTON REGIONAL DEVELOPMENT AGENCY LTD FOR THE PERIOD ENDING 31 DECEMBER 2016

### **Purpose**

 This report provides the sub-committee with a review of the second quarter report submitted by Wellington Regional Development Agency Ltd for consideration in accordance with the requirements of the Local Government Act 2002.

### **Recommendations**

That the Council Controlled Organisations Sub-committee:

- 1. Receives the information.
- 2. Note any issues for the Chair to raise with the Wellington Regional Development Agency Limited and the Wellington Regional Strategy Committee respectively.

### **Background**

2. Wellington Regional Economic Development Agency Ltd is jointly owned by the Wellington City Council (80%) and the Greater Wellington Regional Council (20%). In addition to the monitoring by this sub-committee, the stakeholders monitor the company via the Wellington Regional Strategy Committee.

### Discussion

- 3. The second quarter report has been received from the company and is attached as an appendix to this sub-committee report.
- 4. The report has been reviewed by officers to assess any risks or issues and where any significant issues were identified these have been discussed with the company.
- 5. Representatives of the Wellington Regional Development Agency Ltd will attend the sub-committee meeting to present their quarterly report and answer any questions from the sub-committee.

Me Heke Ki Pôneke

6. WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LIMITED (WREDA)

### **ACTIVITY SUMMARY**

### General

• The November earthquake has had an impact on a number of areas that WREDA are involved in tourism, events and conventions and has put Wellington's economic resilience under the spotlight.

### Tourism and marketing

- City promotion destination marketing was run in Australia supporting airline routes to Melbourne, Brisbane, Sydney and the Gold Coast. Further marketing was also undertaken supporting the Capital Connection to Canberra - with Singapore Airlines reporting a very encouraging start to this route.
- JetStar announced that it was cancelling its Melbourne-Wellington service in March, the service left Melbourne at midnight which may have contributed to the cancellation.
- WREDA's domestic summer campaign 'Do Your Weekend Well', featured locals showing their favourite weekend spots in Wellington. This is running across outdoor, cinema and digital channels across New Zealand. Three core videos portray a Wellington weekend as both rewarding and easy.
- A partnership campaign was undertaken with Te Papa to promote its Bug Lab exhibition, created with the assistance of Weta Workshop. The exhibition opened on 10 December and runs through summer. Wellington is the first venue and then the exhibition will tour overseas.

### **Events**

- The World of WearableArts completed its season in October and was again a great success. Due to an extra show in this season's run WOW attracted record audiences, with sell-out shows across the season. Out-of-region visitation was again very strong, with 71% of the total audience being from outside Wellington. This equated to about 37,800 visitors, with an estimated economic contribution of \$25.2m.
- The Keith Urban/Carrie Underwood concert at Westpac Stadium also attracted considerable visitors from outside the region (6,000) with hotels reporting 97% capacity of beds on the Saturday night.
- The Cindy Sherman exhibition opened in mid-November with 5,000 people attending in the first month, 44% were from out of region.

### **Economic Development**

- LookSee programme, an international tech talent attraction project was developed in Q2 in partnership with Immigration NZ, NZ Tech and Workhere NZ. There is strong support from both sector employers and prospective employees. It launched the start of Q3 and initial indications are promising.
- Palisades an American documentary drama filmed around the region including Avalon studios. Pre-production for Peter Jackson's production of Mortal Engines continued.
- Concentrix an international business services company opened its Wellington customer service centre in Q1, it now employs 120 staff.
- The Regional Business Partner Programme which provides access to mentoring, R&D funding and capability development continued. Grant funding of \$1.2m for R&D was obtained. 72 businesses were matched to a mentor.

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- The second year of the international student growth programme shows a 2% rise in student visas for Wellington compared with declines in Auckland and Christchurch, actual enrolments are not yet available
- Creative HQ (CHQ) delivered a number of high profile programmes, including with Fonterra, CHQ is now Fonterra's preferred global partner for internal innovation and acceleration.
- Launch of the Kiwibank FinTech accelerator involving Xero, Callaghan Innovation and CHQ
- CHQ has won a number of tenders for a range of government innovation initiatives with Statistics NZ, IRD, Justice and MBIE.

### Venues

- 83 conferences and meeting events were delivered in the quarter resulting in 65,000 delegates.
- There were 61 ticketed events with a total attendance of 108,593
- Highlights included the completion of the WOW season, NZ Opera's Sweeny Todd, and sold out performances for Rowan Keating.
- Following the November earthquake all venues were reopened within 48 hours, initially there was a slowdown in ticket sales, but performances by the NZSO, Sol3Mio in December were well attended

### SUMMARY FINANCIALS

\* Variance (Actual minus Budget). 🎺 Favourable variance to budget 🗡 Unfavourable variance to budget

FINANCIAL PERFORMANCE	Budget	Actual	Variance	Budget	Actual	Variance	Budget
(\$000)	Q2	Q2	Q2	YTD	YTD	YTD	FYE
Total Revenue	6,349	6,275	(74) 🗡	14,344	14,913	569❤	27,833
Total Expenses	7,732	6,495	1,237 🏏	13,924	14,236	312	27,857
Net Surplus (Loss)	(1,383)	(220)	1,163 🏏	420	677	257	(24)
FINANCIAL POSITION	FINANCIAL POSITION						
Total Assets	3,453	10,353	6,900 🧹				3,902
Total Liabilities	1,502	8,155	6,653 🧹				2,383
Equity	1,951	2,197	246 🏏				1,519
CASH FLOWS							
Total Net Cash Flows	(325)	(1,084)	759	83	116	33	16
Opening Cash	2,691	3,158	467	2,366	1,958	(408)	2,000
Closing Cash	2,449	2,074	(375)	2,449	2,074	(375)	2,016

### Comments

- WREDA receive a large portion of its shareholder grants at the beginning Q1 and Q3, therefore it will usually make a deficit in Q2 compared with the surplus in Q1
- The actual Q2 deficit is lower than budget due to the timing of some projects which have been moved to the second half of the year.
- Total assets and liabilities are both higher than budget due to the accrual of shareholder grants which were paid at the start of Q3.
- The opening cash position was lower than budgeted due to revenue being received in July not June as expected. The year- end budgeted closing cash position is still expected to be

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SUMMARY FINANCIALS		
met.		

Me Heke Ki Põneke

### KPI DASHBOARD (The table contains a selection of KPIs and is not a complete list)

→ Steady <sup>7</sup> Improving <sup>1</sup> Declining

		Q2	Year		
MEASURE		31 Dec 16	Budget	Trend	Comments
Increase share of international students market	Actual Target		6.5%	7	YTD student visa applications up 2% in Wellington compared with decreases of 5% in Auckland and 2% in Christchurch. Actual figures only come out on a 6 monthly basis
International student enrolments	Actual Target		8,500	7	Actual figures only come out on a 6 monthly basis, indications are that Wellington enrolments will be up.
Permanent arrivals (1)	Actual Target	2,311 1,000	2,000	7	Permanent arrivals in Wellington for the year to Dec. 2016 are up 9.1%, departures are down 6.6% for the same period.
Commercial guest nights (2)	Actual Target	0.96m 0.90m	3.15m	7	Actuals only up to October 2016, the July Oct period is the low season
Estimated visitor spend (2)	Actual Target	\$1.13B \$1.20B	\$2.7B	7	YTD spend has been marginally impacted by the earthquake
Major event attendances (3)	Actual Target	250,341 225,000	600,000	7	ME attendance numbers running ahead of budget for the half year, approx. 23% of the visitors were from out of region.
Value of facilitated screen production (\$m) (4)	Actual Target	\$91.8m \$50m	\$100m	7	The doc/drama Palisades and pre- production on the new Peter Jackson production contributed to the result.
Venues utilisation	Actual Target	56.7% 60%	65%	$\rightarrow$	Q1 impacted by WOW using TSB for rehearsal for the first time, also the November earthquake resulted in some cancellations

### Sources

- (1) Statistics New Zealand
- (2) Ministry of Business Innovation & Employment
- (3) Supplied by the relevant venue
- (4) Screen Wellington
- A number of KPIs are only measured annually due to the absence of official data on a YTD basis
- At this stage WREDA expects to meet or exceed its KPIs

### **ISSUES & OUTLOOK**

The earthquake had some impact on November and December visitation.

### **Outlook**

• A full program of major events in Q3 including Guns n Roses, Sevens, the South African

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cricket tour, Cupa Dupa, Lux, Homegrown and Hurricane Super rugby games.

- Marketing programs for the balance of the year include;
  - Supporting the NZ Tech week in May
  - Shoulder season destination marketing campaign in Melbourne
  - A winter domestic visitor campaign focusing on the Wellington events program
  - A largely domestic campaign positioning Wellington as a destination to live/work.
- Move to a single premises in March.

### **Attachments**

Attachment 1. WREDA Half Year report

Page 84

Author	Barry Turfrey, Economic Development Unit
Authoriser	Danny McComb, Manager CCOs & City Growth Projects
	Derek Fry, Director City Growth & Partnerships

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### SUPPORTING INFORMATION

### **Engagement and Consultation**

Not applicable.

### **Treaty of Waitangi considerations**

Not applicable.

### Financial implications

The CCOs work within the confines of the Council's overall Long Term Plan and Annual Plan framework.

### Policy and legislative implications

Not relevant.

### Risks / legal

Not relevant.

### **Climate Change impact and considerations**

The CCOs work with the Council and other organisations as part of considering environmental sustainability in their operations, including with the Council's Our Living City programme.

### **Communications Plan**

Officers will incorporate feedback from the Committee that will be sent to the Chair WREDA.

### Health and Safety Impact considered

Not relevant.



# **Half-Year Report**

2016/17

July-December 2016

## **CONTENTS**

EXECU	UTIVE	3
	REDA ACTIVITY REPORT	
	BUSINESS GROWTH AND INNOVATION	
1.2.	MAJOR EVENTS & BUSINESS EVENTS	g
1.3.	DESTINATION & MARKETING	11
1.4.	VENUES	15
1.5.	CREATIVE HQ	17
2. FY	Y2017 KEY PERFORMANCE INDICATORS	18
	ELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LIMITED	

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### **EXECUTIVE SUMMARY**

The first half of the 2016/17 Financial Year has seen Wellington Regional Economic Development Agency (WREDA) deliver strongly across our areas of activity, consolidate organisational integration and participate in the Wellington-wide response to the November earthquake.

Our focus in the first month post-quake was on business continuity, taking a leading role facilitating space-sharing arrangements, business surveying for assessment of affects, and provision of staff well-being resources.

We were also highly active in the area of media and stakeholder communications, alongside Council, ensuring the message that Wellington remained 'open for business' reached key audiences. We continue working alongside WCC, MBIE and MSD offering businesses support through the Earthquake Response Information Centre.

From a tourism point of view, it was critically important we moved swiftly to support Wellington's tourism-reliant businesses ahead of the summer season. We worked closely with key players in the sector, and the media, to reassure domestic and international markets Wellington remained a viable and thriving visitor destination. We also put increased resources behind our summer marketing activity to encourage visitation. Latest government statistics show that December visitor spending was impacted following the Kaikoura earthquake, but was still in marginal growth.

Wellington's rapid and comprehensive response to the events of 14 November 2016 has mitigated the impacts across many areas. WREDA is very aware that the recovery project is ongoing, and will remain a focus across the remainder of the financial year and beyond. Challenges remain around business operations as well as the continued attraction of events, visitors and talent. Our task is clear, and our priorities and approaches will be adjusted accordingly. We will also advocate on behalf of Wellington business to ensure that their post-quake sustainability remains a priority for recovery resource allocation at both the national and local level.

In our favour we have the strong economic and reputational momentum which Wellington had built through 2016. WREDA helped drive this momentum across the breadth of our operations.

Now worth more than six million dollars a day, tourism's contribution to the economy continues to rise rapidly, underpinned by a strong major events programme and increased international connectivity. WREDA is a partner to the Singapore Airlines agreement, and our destination marketing has worked "cheek by jowl" with these and other industry developments. We have placed an increased emphasis on Australian marketing, and saw an increase of almost \$3 million in Australian visitor spending in the half year as a result. The venues we manage are hosting events that attract valuable out-of-region audiences at more than twice the targeted level, and our business events team are locking in visitor revenue for years to come, with more than \$10 million worth of conference business won in the last six months.

Our Screen Wellington office facilitates productions from blockbusters to commercials, and as such is a vital link in a distinctive and thriving Wellington industry, with more than \$90

# Item 2.2 Attachment 1

# COUNCIL CONTROLLED ORGANISATIONS 22 FEBRUARY 2017

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million worth of production facilitated in the half-year. Our business growth teams are hitting new heights in customer satisfaction as they provide regional businesses with access to mentorship, capability development, and R&D support services and funding. Our Creative HQ subsidiary is helping solidify Wellington's reputation as an Australasian hub for leading-edge tech and startup incubation, winning government contracts and corporate partnership for new acceleration programmes in financial technology and energy.

We're amplifying Wellington's reputation across Australasia, with over 500 stories generated and contributed to in the half-year. From Wellington business and innovation success stories, to travel and migration profiles, Wellington's profile - across the Tasman in particular - is at an all-time high, where the Huffington Post called us 'the little city that could'. Another high-profile Australian media result was A Current Affair's prime time television feature on the reversal of migration flow across the Tasman, highlighting Wellington lifestyle, professional opportunities and housing affordability. More people are coming to visit, live, work, learn and do business in Wellington than ever before.

This last quarter has been one of the most challenging for Wellington in recent memory, and our challenges remain significant. Nonetheless, at WREDA, we remain absolutely positive.

Chris Whelan Chief Executive WREDA

### 1. WREDA ACTIVITY REPORT

### 1.1. BUSINESS GROWTH AND INNOVATION

The key activities over this half-year for BGI has been maintaining delivery of the Regional Business Partner programme contract; driving Wellington International Student Growth Programme; developing the Scale-Ups programme in the business support market and stimulating business growth for a pilot of 10 local businesses; and — from November — supporting business continuity following the Kaikoura earthquake.

• Table 1: SOI Measures subset

Programme	Measure	2016/17 Performance Measures	HY Actual	HY Projected
Regional Business Partner Programme	Performance against measured contract KPIs	100%	80%	100%
Screen	Conversion rate of logged enquiries to confirmed production	25%	25%	25%
Wellington	Total revenue from screen industry	\$650M	Figures not yet available <sup>1</sup>	\$325M

### 1.1.1. Regional Business Partner (RBP) Programme

Table 2: RBP Programme activity HY 2016

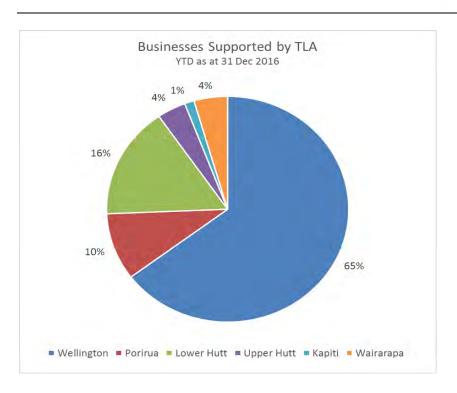
Measure	Result
In-depth business engagements	274
Connections to providers	254
Businesses matched with a mentor	72
Capability voucher funding delivered	\$180,000
R&D grant funding delivered	\$1,190,000

Through the Regional Business Partner Programme, we provide regional businesses with access to mentorship, capability development, and R&D support services and funding.

Our performance against measured contract KPI is at 80% and continues to improve, and we are committed to meeting target by year-end.

It is worth noting that customer satisfaction of our business clients under the programme is at its highest, measured by a Net Promoter Score of 50, a 25% increase on last year.

<sup>&</sup>lt;sup>1</sup> Proxy measure (value of production facilitated by Screen Wellington office) is at \$91.8M, well above HY projection of \$50M



# 1.1.2. Catalytic Initiatives: Wellington International Student Growth Programme

Year to date total student visas show Wellington has increased 2% (101) compared with a 5% (-2306) decline in Auckland and 2% (-125) decline in Canterbury. However, first time student visas since July '16 have declined 4% (-31) in Wellington, 23% (-2602) in Auckland and 19% (-298) in Canterbury. All indicate an increase in Wellington's market share, albeit in the context of a wider negative national trend.<sup>2</sup>

Our team hosted 20 education agents from 18 agencies at Wellington promotional functions in the half-year. These agents recruit students across China, Vietnam, Brazil, Taiwan, Japan, Saudi Arabia, and Nigeria.

### 1.1.3. Catalytic Initiatives: The Wellington Partnership

The development of the Wellington Partnership framework, and integration with the Stakeholder Engagement Framework, was refocused as a result of the Kaikoura earthquakes and subsequent effect on Wellington businesses. This event will shape our focus on the formation of the Wellington Partnership, and what the focus of this will be for the remainder of the 2016/17 year.

As part of our response to the earthquakes WREDA contacted over 1000 organisations in Wellington, including contacting the C-level executives (CEO, COO, CFO, CMO etc) from 40 of the largest businesses in the region.

The areas that businesses have identified as issues are both immediate, but also potentially longer term, and include employee stress/welfare, business continuity, disaster preparedness, loss of revenue and freight concerns.

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<sup>&</sup>lt;sup>2</sup> Visa data is a proxy for enrolments (our main target) which are reported bi-annually by tertiary institutions

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It is expected that the earthquakes will impact on the Wellington economy in some way across all of the activity areas and sectors that WREDA works in. WREDA will work in conjunction with our major stakeholders, in particular WCC, to work with business on the economic recovery, which will include the development of closer relationships with the most influential businesses in Wellington.

### 1.1.4. Catalytic Initiatives: Scale-Ups

We are continuing development of our new Scale Up Programme, on schedule for the pilot cohort of businesses to begin the programme in March/April 2017. This date has been delayed due to re-prioritising of BGI resources to earthquake response and recovery. Assistance for companies in the scale-up 'sweet spot' continues, as below.

Tech startup Postr, which we helped to expand via our RBP programme, attracted US \$ 2.1 million from Singapore and private investors to develop Indonesia and Philippines markets.

Through hosting a visit by Chief Scientist of a US aerospace firm, we facilitated meetings with the Robinson Institute and HTS-110 regarding superconducting hypersonic thrusters. The Chief Scientist subsequently requested these organisations put together a joint proposal for a fully-funded R&D project. We are monitoring and will report future progress.

We initiated discussions with VicLink regarding the new China JV for the Robinson Institute, which has potential for locating Wellington businesses into their science park at zero cost. This will be reported on in future months.

### 1.1.5. Talent & Skills

Table 3:SOI Measures subset

Programme	Measure	2016/17 Performance Measures	HY Actual	HY Projected
Talent	Net permanent and long- term arrivals	2000	2,311	1,000
Attraction	Wellington share of total net permanent and long-term arrivals	4%	5.1%	4%
Business attraction	Number of jobs in successfully attracted prospect businesses	50 120		25
Sector Growth Initiatives	or Growth Interns placed in priority		187	175

The successful Summer of Tech programme has seen 117 tech interns placed, 104 from Wellington City, in 42 Wellington businesses. With 80% of interns retained after the summer programme this initiative is invaluable in helping to grow our tech workforce and help to alleviate skills shortages.

### 1.1.6. Business & Investment Attraction

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The Concentrix (formerly Minacs) contact centre was established in the past half-year and as of Q2 had created employment for 120 staff and plans to further increase staff numbers through Q3 & Q4.

### 1.1.7. Primary/F & B Sector

We are assisting David Jones' retail buyers to meet with local suppliers, with a view to stocking their products throughout their Australian store network. A deal has been struck with Wellington artisan peanut butter suppliers Fix & Fogg to supply the product to six Australian stores, with potential to expand. Following previous supplier introductions, the David Jones store cafe features six regional beverage suppliers (alcoholic and non-alcoholic).

We supported and advised on the establishment of the new Wellington Wine Country organisation, seeking to represent the Wairarapa wine industry, and contributed to the development of the Masterton Economic Development Action Plan.

### 1.1.8. Tech

In the past half-year we convened a gathering of Wellington tech employers to discuss current skills shortages in the sector, and propose the formation of an ongoing collaborative group to support talent attraction. As a result, the LookSee international tech talent attraction project was developed, launching in Q3.

We are assisting ProjectR, Wellington's new Virtual Reality/Augmented Reality (VR/AR) centre, to create robust measurement of the size and potential of this emerging sector. We also provided Australasian PR support of this initiative, which was understood as contributing their successful bid to become home to the NZ chapter of the international VR/AR Association.

We ensured Wellington become a Sister City for the inaugural New Zealand Tech Week (NZTW) in May 2017. This is an initiative by NZTech supported by NZTE, Callaghan Innovation and MBIE, week to celebrate NZ exciting technology companies and focus on the future of technology. International speakers and delegations will be brought in to participate. This is a high-value opportunity for Wellington to promote our High Tech Capital status. Currently there are 40-50 proposals being considered for Wellington host a range of events, from large, multi-day AR/VR conferences to specialised hackathons and meetups.

Throughout the preparation and delivery of NZTW, we are supporting the success of the event in Wellington. We are assisting incoming conference and event organisers with planning and logistics, and coordinating with NZTW on nationwide communications and PR, alongside our colleagues at CDC in Christchurch and ATEED in Auckland.

### 1.1.9. Screen Sector

We are consulting with Avalon Studios on their business case for redevelopment and expansion, following a feasibility study into a new sound stage for the region indicating significant potential benefits. The business case is due for delivery early February 2017.

Screen Wellington attended the American Film Market conference early November 2016. At AFM over 8,000 industry leaders converge in Santa Monica for eight days of deal-making, screenings, seminars, networking and parties. Participants come from over 80 countries and include acquisition and development executives, agents, attorneys, directors, distributors, festival directors, financiers, film commissioners, producers, writers, the world's press all those who provide services to the motion picture industry.

During AFM we jointly hosted a NZ – LA networking cocktail function with NZ Film Commission and Screen Auckland (ATEED), which drew in around 80 people. This included a mixture of New Zealand industry professionals, and US contacts made through AFM and pre-existing contacts made.

Screen Wellington also co-hosted a networking event with Admit One (Wellington company) and Bullet Entertainment (Los Angeles based production company), which drew 60 people who were mostly US based industry professionals, as well as other NZ contacts.

Screen Wellington also attended the US-China Film Summit, and the US-China Film and TV Expo. Through this we were able to connect with China industry professionals, as well as understand further the connection with the US market and the China market, how they work together, and the plans moving forward.

Following two years of support for the development of audio production company Pow!Post via our Business Growth team, we hosted their contract signing with Korean animation/VR company XrisP from Seoulstart. Pow!Post will produce audio for the first 52 episodes of international children's animation television show.

We sponsored the Screen Production and Development Association (SPADA) conference in Wellington, bringing together key screen industry professionals.

Alongside the SPADA conference, we also supported the last instalment for the 2016 Angus Finney master-classes, concentrating specifically on pitching your product, marketing and distribution.

### 1.2. MAJOR EVENTS & BUSINESS EVENTS

Major events have contributed an estimated \$39.6 million to Wellington during the past six months.

As well as making Wellington a better place to live, Major Events events attracted significant out-of-town visitation over the past half-year including the Bledisloe Cup match (30%), Beervana (40%), World of WearableArt Awards Show (71%) and Keith Urban (71%).

New events win for both international football and international conferences are further positive achievements this half-year.

### Table 4: SOI Measures subset

Programme	Measure	2016/17 Performance Measures	HY Actual	HY Projected
Major events	ROI via out of Wellington spend	20:1	KPI reported annually	20:1
	Total event attendance	600,000	250,341	225,000

### 1.2.1. Bledisloe Cup

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Following on from the sold out test against Wales earlier in the year, Westpac Stadium was again at capacity and the event attracted over 11,000 out of region visitors.

### 1.2.2. Beervana

With close to 10,000 tickets sold Beervana continues to be the premier craft beer event in the country. Around 40% of out-of-region attendees travelled to Wellington for the event.

### 1.2.3. Super Rugby

Wellington hosted 4 Super Rugby matches, including the quarter, semi and final, which saw the Hurricanes win their first ever Super rugby title. Following the final there was huge public support for the Street Parade that took place to celebrate the win the Tuesday after the match.

### 1.2.4. Visa Wellington on a Plate (VWOAP)

This was the eighth year of the VWOAP festival, which expanded from 116 events last year to 127 in 2016. Overall, a record 10,500 people attended an event, with 82,000 people taking part in Burger Wellington and 52,000 in Dine Wellington.

### 1.2.5. World of WearableArt

WOW added a show to this season's run, with ticket sales remaining very strong, all shows at or near sold out. Some 58,500 people attended the event, with strong out-of-region attendance (71%) contributing to an estimated \$25 million economic benefit.

### 1.2.6. Keith Urban

Despite occurring less than three weeks after the Kaikoura earthquake, Keith Urban attracted over 6000 visitors from outside of the region, with hotels reporting 97% capacity of beds were taken on the Saturday night.

### 1.2.7. Cindy Sherman

The City Gallery opened the Cindy Sherman exhibition on Nov 18, with over 5000 people attending the exhibition in the first month, 44% of which have been visitors to the region.

### 1.2.8. FIFA World Cup qualifiers

In conjunction with the Westpac Stadium we won hosting rights to a FIFA World Cup 2018 Oceania Qualifying Match and, more significantly, the Intercontinental Playoff to be played in Nov 2017 (subject to New Zealand qualifying from Oceania).

### 1.2.9. Business Events Wellington

Our business events team won 27 bids, worth an estimated \$10.4 million to the region. in the six months ending December 2016, including:

### • Table 5: Major conference wins – HY 2016

Event name	Estimated value
World Congress of Public Services Information 2020	\$1,500,000
Harcourts 2017	\$1,470,000
International Conference on Precision Electromagnetic Measurement 2022	\$960,000



Backpacker Youth Adventure Tourism Association Conference 2017	\$152,700
Resource Management Law Association Conference 2018	\$814,400
44th International Viola Congress 2017	\$682,500
APAC Medical Forum 2017	\$390,000
Joint Australia & New Zealand Society of Anaesthetists 2020	\$1,950,000

We are currently tracking above our market share KPI target, securing 19% of New Zealand's multi-day conferences.

The Business Events team conducted sales activity in Canberra, Melbourne & Sydney, and leveraging off the sister city relationship with Canberra, ran an event in the Australian capital targeting trade and business events.

### 1.3. DESTINATION & MARKETING

Tourism figures continue to climb, along with international and domestic spending in Wellington. Marketing campaigns are focused on encouraging weekend visits from domestic and Australian markets (particularly Canberra to leverage the Singapore Airlines route). Marketing activity also supports key events.

Interest in Wellington from new trade tourist markets is growing, helped by the Singapore Airlines route and additional airlines into Auckland. Engagement with digital channels is increasing alongside smart targeting and channel evolution, as well as heightened interest in Wellington as a destination.

A focus on relationships with media and pitching stories has resulted in an increase in positive articles about Wellington and WREDA in domestic and international publications.

### Table 6: SOI Measures subset

Programme	Measure	2016/17 Performance Measures	HY Actual <sup>3</sup>	HY Projected
Destination	Total commercial guest nights	3.15M	0.96m (four months data available)	0.90m (four months projection)
marketing	Estimated Australian visitor spend	\$195M	\$119	\$95M

### 1.3.1. **Tourism**

According to government estimates, visitor spending in the Wellington Region increased 1.8%, for the half-year to December to \$1.13billion.

Domestic visitor spending was up 1.5% to \$770 million in the half year.

Australian visitor spending was up 2.4% to \$118.5 million in the half year.

<sup>&</sup>lt;sup>3</sup> As per government release schedule, latest commercial accommodation data is to Oct 2016.

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### 1.3.2. Domestic Marketing

Phase two of the Domestic winter campaign, Will You Welly Me, was an interactive digitalled and social-focussed campaign. Users interacted with the site to create a personalised video message to a loved one, inviting them to come on a mid-winter getaway to Wellington.

More than 2,800 personalised video messages were created and delivered, and 12,680 people to visit the campaign landing page which showcased winter attractions and events in Wellington.

Our summer domestic campaign launched towards the end of the half-year, and used three authentic Wellingtonians describing their ideal Wellington weekend, focussing respectively on retail, food/beverage & nightlife, and outdoor adventure. The media buy for this campaign was upweighted in response to the November earthquake, and it is ongoing.

### 1.3.3. Australia Marketing

Two campaigns have been run in Canberra supporting the Singapore Airlines Capital Express route establishment by increasing awareness of Wellington and desire to travel. The marketing mix included outdoor, digital airport billboards, social, online, sponsored editorial and direct email. Singapore Airlines report a very encouraging start to the route.

This campaign reached 750,000 through social media, 350,000 viewed online video and 90,000 saw the clips at the cinema.

We partnered with Wellington Phoenix, Garage Project and VisitCanberra on an on-the-ground activation at the Phoenix's A-League fixture in Canberra on November 12. Around 10,000 people attended the match, where a large, Wellington-branded activity area was prominently displayed.

We ran a digital, cinema and outdoor marketing campaign in partnership with Wellington Airport in Melbourne, Brisbane and Queensland throughout October, supporting a range of routes across trans-Tasman airlines. The campaign contributed to the uplift in Australian spending in Wellington in November and December. Despite this activity, Jetstar eventually withdrew its MEL-WLG service in December. The scheduling of this service, (departing Melbourne around midnight and returning around 6.00am), was, in our estimation, a major contributor to its eventual withdrawal.

### 1.3.4. Events marketing

We provided marketing support to the Super Rugby and All Blacks matches, as well as to both Visa Wellington On a Plate (VWOAP), the World of WearableArt® (WOW) Awards Show and Te Papa's Bug Lab Exhibition.

Support for WOW included street-level 'city excitement' activations, including the WOW Treasure Boxes shipping container pop-ups, and the WOW Window Dressing Competition, as well as the Insiders' Guide to Wellington brochure. For VWOAP, we supported production of the programme guide booklet and the integrated national campaign.

As noted under Major Events, both performed strongly.

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We partnered with Te Papa in a joint marketing campaign (with WREDA focusing on out-ofregion visitation) to promote its Bug Lab summer blockbuster exhibition. The campaign is performing very well and exhibition visitation is currently tracking ahead of expectations.

Post-earthquake, we increased media spend to circulate WREDA's event promotion magazine (Live in Wellington) to more than 100,000 people via newspapers in Wellington, Wairarapa, Nelson, Wanganui, Manawatu and Hawkes Bay. This additional spend helped stem the drop-off in domestic tourism and get people in driving distance of Wellington to plan a trip to the city during summer.

Also as part of our post-quake marketing activity increase, we supported the Wellington City Council's *A Very Welly Christmas*, with print and radio advertising in Hawkes Bay, Manawatu, Wairarapa and Kapiti.

### 1.3.5. Travel Trade

September saw the launch of Singapore Airlines Capital Express service, linking Wellington to Singapore via Canberra. Singapore Airlines report a very encouraging start to the service.

In the past two quarters we trained more than 1100 international travel agents, enhancing their knowledge of and ability to sell Wellington and it's travel products. With a major focus of promoting the Capital Express service, this training activity included market visits to India, South East Asia and Canberra.

This summer New Zealand will have 30% more flight capacity from North America, our third largest international market. To ensure Wellington receives its share of this high-yielding market, WREDA participated in a November US Roadshow organised by Tourism New Zealand to train 360 agents. The focus was on five cities providing feeder traffic to United, American and Air New Zealand's networks.

### • Table 7: Travel trade training activity

Q1 & Q2   In-market training & sales calls	Total agents seen/trained
India   Kiwilink India (July)	77
Canberra   Travel information evening (July)	97
UK/Europe   Lions webinar training (July)	34
Singapore   TNZ frontline training & sales calls (August)	166
Singapore   Travel Revolutions Consumer Show (August)	n/a
South East Asia   Kiwilink Indonesia – events in Philippines, Indonesia and Thailand (October)	305
South East Asia   Pan Pacific Roadshow - events in Thailand and Malaysia (October)	52
United States   Best of NZ Showcase	378
Canberra   Trade and Business Events Client evening (December)	55
Auckland   Post-earthquake sales calls with key Inbound Operators (December)	4

Q1 & Q2   Trade Famils	
Total trade hosted	337
Total famils hosted	39

### 1.3.6. **Digital**

WellingtonNZ.com has seen close to 1.4 million visits in the half-year, and our social media channels have grown by 13% to 189,493 followers.

Our annual <u>Advent Calendar</u> digital marketing campaign helped drive spend in local retailers, hospitality businesses, tourism operators and events through Christmas and summer. Voucher redemption continued through January 2017, and results will be reported once compiled.

The Advent Calendar 2016 used 360-degree photography technology in 24 Wellington locations to create an engaging, interactive experience for users.

### 1.3.7. Media / PR

### • Table 8: SOI Measures subset

Programme	Measure	2016/17 Performance Measures	HY Actual	HY Projected
Media hosting programme	Number of media hosted in Wellington	120	120	60
Champion Wellington success stories	Number of stories in Australasian media	625	511	315

We have continued to build on Wellington's reputation via the media, hosting 120 journalists and influencers and generating stories worth more than \$2 million equivalent in advertising value. Their focus areas were a mix of travel/tourism stories, creative and innovative business, as well as major events.

International media came from key markets in South East Asia, China, UK and the US, including a visit by 10 South East Asian journalists here following the Singapore Airlines launch.

A total of 511 Wellington stories were secured with media in New Zealand and Australia this half-year. Alongside stories generated through hosting familiarisation visits, this includes stories researched, pitched and produced by the team.

One highlight was hosting of 21 journalists in conjunction with Singapore Airlines to promote Wellington and the new flight route to key markets. Writers from Canberra and social influencers from South East Asia have also been hosted in support of the route.



We also worked in partnership with Air New Zealand and Sofitel to host six Australian journalists at WOW® this year to build awareness of and attract more Australians to the capital for the event next season.

Table 9: Media hosting and coverage

Hosted media origin	НҮ
Total	120
-Domestic	22
-Australia	18
-International	80
Number of articles	
Total	511
-Domestic	208
-Australia	303
Reach	54,186,516
ASR	\$2,219,355

### **1.4. VENUES**

In the first quarter of the year, an estimated \$17,275,000 was spent in Wellington by out of region event attendees in our Venues business; a slight uplift on 2015 reflecting the increase in the total number of convention delegates.

During the second quarter of the 2016-17 year our Venues have seen a positive result in regards to the number of conference events held and the number of delegates those conferences have brought to Wellington.

### 1.4.1. Q2 Highlights Venues Wellington Conventions and Meetings

In the quarter 83 conference and meeting events have been delivered, resulting in excess of 65,000 delegates utilising our venues. The 13 multi day conferences included in this total attracted 4691 delegates from outside of the Wellington region.

Events that attracted international delegates included the 4th World Congress on Integrated Care 2016 (WCIC4), a 3-day international conference for 600 delegates, and Alzheimer's New Zealand Inc hosted their Asia Pacific Regional Conference in Wellington for 3 days and brought 300 delegates.

Over 2000 delegates attended the Kiwicon 2016 event that took place just a few days after the disruptions of the Kaikoura earthquake.

The year ahead is looking positive with some significant new business won for our Venues. The New Zealand Society of Anaesthetists & Australian Society of Anaesthetists 2020

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Combined Scientific Congress has expected attendance of 800 delegates from across Australia and New Zealand.

Following a highly successful conference in Wellington in 2016 UX New Zealand will return to our Venues in October 2017 for a 2-day conference for 300 delegates. This User Experience conference of workshops and inspiring talks focuses on a part of the digital sector which is important in Wellington. Similarly, TEDx Wellington has been confirmed to take place at the St James Theatre in June 2017.

### 1.4.2. Q2 highlights for Venues Wellington Show and Performance Events

In the second quarter 61 ticketed events took place in our Venues with a total attendance of 108593. Of these 31% were visitors to Wellington from other parts of New Zealand and from overseas.

Early October saw the latter part of the World of Wearable Arts season and at the St James Theatre New Zealand Opera's critically acclaimed interpretation of Sweeney Todd excited audiences.

In November the highlight was the performances of Ronan Keating at the Michael Fowler Centre which were enjoyed by two sell-out audiences.

December audience numbers looked to be fragile as Wellingtonians recovered from the Kaikoura earthquake, but strong numbers supporting NZSO's performance of Handel's Messiah, and a great evening crowd at Waitangi Park who enjoyed Sol3 Mio's *Christmas on the Harbour* reflected the bounce back in ticket buying that occurred in early December.

### Table 10: SOI Measures subset

2016/17 **Programme** Measure Performance **HY Actual HY Projected** Measures Utilisation of venues 65% 56.7%<sup>4</sup> 60% Growth in number of out of Venue 2.50% 6.8% 2.50% town venue attendees operations \$0.1M Net surplus target \$0.255M \$0.6M

Physically the Venues collectively withstood the Kaikoura earthquake well with no additional concerns regarding their safety eventuating. All Venues were reopened and in use within 48 hours of that event. During the slow Christmas / New Year period the marble flooring in the main foyer of the Michael Fowler Centre has been restored to its original condition; much needed attention after 34 years.

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<sup>&</sup>lt;sup>4</sup> Whilst Venue utilisation has been tracking close to expectation a lull in business event bookings following the November earthquake continues. As business activity resumes in February we will be tracking closely to see if the event has created a changed booking pattern or not.

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WREDA management have continued to work closely with Wellington City Council officers in the ongoing planning for and development of the proposed Movie Museum and Convention Centre as well as the reimagined use of the Wellington Town Hall.

### 1.5. CREATIVE HQ

During the past six months Creative HQ (CHQ) continued to deliver high profile programmes started earlier in the calendar year – most notably the corporate acceleration programme for Fonterra (Fonterra Disrupt). In October 2016 it completed this corporate accelerator with a high profile "demo day" to the board and senior management team of Fonterra. The feedback on our services to Fonterra was outstanding and consequently Creative HQ was selected as the preferred global partner for internal innovation and acceleration programmes at Fonterra for upcoming initiatives in 2017.

2017 Lightning Lab accelerator programmes have progressed in the second quarter of 2016/17, notably the launching of the Kiwibank Fintech Accelerator (KFA), which is a collaboration between Kiwibank, Xero, Callaghan Innovation and Creative HQ to firmly cement Wellington as the hub of FinTech innovation in New Zealand.

The KFA launch event was attended by Minister Joyce and has since received global attention in industry publications.

Preparation also began for the upcoming "Lightning Lab Electric" (an accelerator for the energy industry) as well the next GovTech accelerator R9 3+. The R9 programme brings together teams of entrepreneurs, developers, private sector specialists and government experts to work on projects that solve major pain points for New Zealand businesses and reduce their costs of dealing with government.

Creative HQ has been extremely successful in winning tenders for a range of Government innovation initiatives with Statistics NZ, the All of Government business change services panel, Inland Revenue, the Department of the Prime Minister and Cabinet, the Ministry of Justice, as well as MBIE for delivery of the R9 Accelerator.

CHQ finished calendar year 2016 celebrating 191 alumni startups at an event attended by Mayor Lester and several Wellington City Council and GWRC Councillors. Since its inception in 2003 Creative HQ, has upskilled over 1000 entrepreneurs in core techniques and methodologies, and has established NZ's largest startup community with over 2000 members in Wellington (the "Startup Garage").

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### **FY2017 KEY PERFORMANCE INDICATORS**

Table 21: Statement of Intent (SOI) Measures

Objective	Programme	Measure	2016/17 Performance Measures	HY Actual	HY Projected
	Scale-Up programme	Metrics for evaluation are developed during programme design	ТВС	n/a	n/a
	Regional Business Partner Programme	Performance against measured contract KPIs	100%	80%	100%
	C 4 HO	Revenue from commercial innovation services	\$0.5M	\$0.636M	\$0.25M
Facilitate growth in	Creative HQ	Lightning Lab participant investment raised	\$3.5M	n/a	Calculated post-programme
Wellington business		Conversion rate of logged enquiries to confirmed production	25%	25%	25%
	Screen Wellington	Total revenue from screen industry	\$650M	Figures not yet available <sup>5</sup>	et \$325M
		Customer satisfaction survey	80%	Survey conducted end of FY	80%
	Sector Growth	GDP growth of priority sectors above Wellington average	0.50%	n/a	Figures available annually
	Initiatives	Employment growth of priority sectors above Wellington average	0.50%	n/a	Figures available annually
Increase the number of international	Wellington International Student	International student enrolments	8500	n/a	Figures available annually
international students in Wellington	Growth Program	NZ Market share of International students	6.5%	n/a	Figures available annually <sup>6</sup>
Develop available skills in the Wellington workforce	Sector Growth Initiatives	Interns placed in priority sectors	200	187	175
	Creative HQ	Students completing Venture Up programme	50	Programme will run Feb 2017	0
	Talent Attraction	Net permanent and long- term arrivals	2000	2,311	1,000

<sup>&</sup>lt;sup>5</sup> Proxy measure (value of production facilitated by Screen Wellington office) is at \$91.8M, well above HY projection of \$50M <sup>6</sup> Proxy measure (Total Student Visas) indicate increasing market share. See section 2.1.2 for detail

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Objective	Programme	Measure	2016/17 Performance Measures	HY Actual	HY Projected
		Wellington share of total net permanent and long- term arrivals	4%	5.1%	4%
Attract new business and direct investment	Business attraction	Number of jobs in successfully attracted prospect businesses	50	120	25
	Destination marketing	Total commercial guest nights	3.15M	0.96m (four months data available) <sup>7</sup>	0.90m (four months projection)
In annual CDD		Estimated Australian visitor spend	\$195M	\$119	\$95M
Increase GDP contribution of visitor	Business Events Wellington	NZ market share multi- day conferences	16%	19%	16%
spending		Utilisation of venues	65%	56.7% <sup>8</sup>	60%
	Venue operations	Growth in number of out of town venue attendees	2.50%	6.8%	2.50%
		Net surplus target	\$0.1M	\$0.255M	\$0.6M
Maximise return on		ROI via out of Wellington spend	20:1	KPI reported annually	20:1
Wellington investment in major events portfolio	Major events	Total event attendance	600,000	250,341	225,000
Leverage major infrastructure investment		Value of pre-bookings for Wellington Convention Centre	\$1M	n/a	Subject to Venue
	Media hosting programme	Number of media hosted in Wellington	120	120	60
	The	Partnership participation numbers	20	n/a	n/a
Enhance Wellington's global reputation	Wellington Partnership	Partnership satisfaction score	80%	n/a	Survey to be conducted at year end
	Global liveability reputation	Mercer Liveable Cities ranking	#11	#12	#12
	Champion Wellington success stories	Number of stories in Australasian media	625	511	315

 $<sup>^{7}</sup>$  As per government release schedule, latest commercial accommodation data is to Oct 2016. July-Oct is low

season; hence projection is less than 1/3 of annual total.

8 Whilst Venue utilisation has been tracking close to expectation a lull in business event bookings following the November earthquake continues. As business activity resumes in February we will be tracking closely to see if the event has created a changed booking pattern or not.

# 3. WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LIMITED HALF-YEAR FINANCIAL STAKEHOLDER REPORT

### AS AT 31 DECEMBER 2016

### STATEMENT OF COMPREHENSIVE INCOME

(Excludes Venues Project)

REVENUE	YTD Q2 31/12/2016	SOI Q2 FY17	SOI Q4 FY17
Shareholder Revenue	10,896,582	10,937,437	20,961,659
Other Revenue	4,015,878	3,406,529	6,871,679
TOTAL REVENUE	14,912,460	14,343,966	27,833,338
EXPENDITURE			
Employment Costs	6,363,280	6,211,160	12,214,359
Direct Project/Marketing/ COS	5,921,214	6,534,098	9,813,000
Other Expenses	1,951,710	1,178,607	5,830,372
TOTAL EXPENDITURE	14,236,204	13,923,865	27,857,731
NET SURPLUS (DEFICIT)	676,256	420,101 -	24,393

WREDA'S financial focus in the first half of FY17 has been the containment of costs to enable a transfer of budgeted operating expenditure to project expenditure in the second half of the financial year. We are making positive progress in a number of areas and this will result in the transfer of budgets from transition, operating and employment costs to projects which show a direct positive effect on our economy.

Early in the financial year our SOI figures and initial budgets that were prepared prior to arrival of the new senior leadership team were revisited and redrafted with their input to ensure that they more accurately reflected the programmes of work that they wished to implement to meet our SOI and other strategic objectives.

Whilst employment costs may seem that they are tracking higher than our SOI, the timing of some payments towards the first half of the year, whilst we implemented organisational changes and subsequent redundancies, means the second half of the financial year had budgeted lower costs than the first. Additionally, higher revenue in the Venues Project has resulted in higher waged costs to service the additional income generating events hosted.

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In late March 2017 we shall be combining two of our current locations into one, with new premises at 175 Victoria Street currently being fitted out. As well as \$60,000 pa in rental savings there will be other operational savings from the new combined location.

During our re-budgeting process, it became apparent that our direct project expenditure would be weighted toward the second half of the financial year, rather than the first as was initially noted in our SOI. We therefore anticipate that our project expenditure spend will increase over the second half of the year as a result of this and the movement of budget toward it from other areas.

## STATEMENT OF FINANCIAL POSITION as at 31 December 2016

	YTD Q2 31/12/2016	SOI Q2 FY17	SOI Q4 FY17
ASSETS			
Current Assets	8,665,898	1,722,845	2,214,168
Invest. in Incubator and Acceleration companies	1,427,407	1,400,000	1,400,000
Fixed Assets	259,556	329,950	288,200
TOTAL ASSETS	10,352,861	3,452,795	3,902,368
LIABILITIES			
Current	8,154,928	1,502,545	2,383,113
TOTAL LIABILITIES	8,154,928	1,502,545	2,383,113
NET ASSETS	2,197,933	1,950,250	1,519,255
SHAREHOLDER FUNDS	2,197,933	1,950,250	1,519,255

WREDA is currently financial sound, with no cash flow issues. At the end of the half-year, due to the timing of raising funding invoices, we had significant income in advance as well as a peak in our accounts receivable, at close to \$6m. Since 31 December 2016 our accounts receivable have fallen to a normal level of \$0.5m.

WREDA has had minimal capital replacement in the year. There will be some minor capital expenditure with our move to ensure the assets being placed in it are fit for purpose. The landlord is fitting out the premises within the leasing costs.

# Item 2.2 Attachment 1

# COUNCIL CONTROLLED ORGANISATIONS 22 FEBRUARY 2017

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### STATEMENT OF CASHFLOWS

Q2 6 months		SOI Q4	
	31/12/2016	FY17	
Total Net Cashflows	116,196	16,497	
Opening Cash	1,958,494	2,000,000	
Closing Cash	2,074,690	2,016,497	

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### 3. Public Excluded

Resolution to Exclude the Public:

THAT the Council Controlled Organisations:

Pursuant to the provisions of the Local Government Official Information and Meetings Act 1987, exclude the public from the following part of the proceedings of this meeting namely:

General subject of the matter to be considered

3.1 Review of the Quarter
Three Report for
Wellington International
Airport Limited to 31
December 2016

Reasons for passing this resolution in relation to each matter

7(2)(a)
The withholding of the information is necessary to protect the privacy of natural persons, including that of a

deceased person.

7(2)(h)

The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.

Ground(s) under section 48(1) for the passing of this resolution s48(1)(a)

That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7.