
ORDINARY MEETING

OF

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

AGENDA

Time: 9:30am
Date: Wednesday, 3 April 2019
Venue: Ngake (16.09)
Level 16, Tahiwi
113 The Terrace
Wellington

MEMBERSHIP

Mayor Lester
Councillor Fitzsimons
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 04-803-8334, emailing public.participation@wcc.govt.nz or writing to Democracy Services, Wellington City Council, PO Box 2199, Wellington, giving your name, phone number, and the issue you would like to talk about.

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

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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 27 November 2018 will be put to the Council Controlled Organisations Subcommittee for confirmation.

1.4 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 Subcommittee.

The Chairperson shall state to the meeting:

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.

The item may be allowed onto the agenda by resolution of the Council Controlled Organisations Subcommittee.

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

The Chairperson shall state to the meeting that the item will be discussed, but 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 Subcommittee for further discussion.

1.5 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.

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Requests for public participation can be sent by email to public.participation@wcc.govt.nz, by post to Democracy Services, Wellington City Council, PO Box 2199, Wellington, or by phone at 04 803 8334, giving the requester's name, phone number and the issue to be raised.

2. General Business

WREDA STATEMENT OF INTENT 2019-22

Purpose

1. To consider the Wellington Regional Economic Development Agency's (WREDA) draft Statement of Intent (SOI) for 2019-2022.

Summary

2. Officers have reviewed WREDA's draft SOI for 2019-2022, generally the draft SOI has addressed the matters raised in the Letter of Expectations. Officers have noted some comments in this report. These and any other comments that this Committee may wish to be raised will be communicated to the Council's representatives on the Wellington Regional Strategy Committee for their meeting on 9 April.

Recommendation/s

That the Council Controlled Organisations Subcommittee:

1. Receives the information.
2. Notes the comments from officers detailed in this report.
3. Note that the matters raised in this report and by the Committee will be communicated by the Chair to the Council's representatives on the Wellington Regional Strategy Committee.
4. Note that the Wellington Regional Strategy Committee will consider Wellington Regional Economic Development Agency's draft Statement of Intent at its meeting on 9 April and will provide formal feedback to WREDA.

Background

3. Under the Local Government Act 2002, Council Controlled Organisations (CCO) are required to submit a draft Statement of Intent (SOI) to the shareholders by 1 March for the 3 years commencing on 1 July following.
4. WREDA is owned by WCC (80%) and the Greater Wellington Regional Council (20%). WREDA has an independent board of 8 directors with political oversight of their activities being provided by the Wellington Regional Strategy Committee (WRSC). The WRSC comprises 10 elected members comprising 4 members from WCC and 1 member each from the other councils, with 1 member from the Wairarapa.
5. As per normal practice the WRSC sent WREDA a Letter of Expectation (LoE) outlining the matters they wished to have particular focus in the SOI, a copy of this letter is attached.
6. Any comments from this Committee on the draft SOI will be given to WCC's representatives on the WRSC for discussion at WRSC's meeting on 9 April.
7. WREDA will present their draft SOI at this meeting.

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Discussion

8. Generally, WREDA has addressed the matters raised in the LoE, there are a couple of items that may need further consideration, these are noted later in this report.

9. In their draft SOI WREDA have refined their vision/purpose from;

*To be the most prosperous liveable and vibrant region in Australasia by 2025 to ;
To make the Wellington region wildly famous.*

In their view, this better reflects their primary role as the region's marketing and destination story telling engine to ensure that the Wellington region stands out from the crowd.

10. They will achieve this by developing and telling a regional story, delivering projects that have impact on the Wellington regional story, collaborating with 3rd parties and targeting interventions where there is an opportunity to kick-start a project.

11. As a result, all of the programmes of work that WREDA undertakes will support 1 of 3 focus areas, namely;

- Shaping and amplifying the regional destination story

*By shaping and delivering a compelling regional destination story we
stimulate the visitor economy and provide the platform for
attraction and retention activities across all sectors – including
visitor, students, business attraction, film and investment.*

- Being an advocate and catalyst for major economic development projects

*Big change-making projects provide impetus to economic development. In
the next horizon there are significant development projects
which have the potential to transform the region. By supporting
these and, where appropriate, being involved as a partner,
we can create step changes in the economy.*

- Supporting businesses to upskill and grow

*Through very specific and targeted programmes we assist businesses to
grow in the Wellington region – with a particular emphasis on supporting
the start-up eco-system, early stage growth businesses, and assisting with
workforce talent and skills enhancement. This is also the area of specific
focus for CreativeHQ's activities*

12. The regional destination story will include the usual activities of destination marketing, major events and Venues management. In addition, as requested in the LoE the new programmes of work will also include the development of a regional destination plan to provide a coordinated approach for promoting the region.

13. To assist in this WREDA's public face and trading brand will be changed to WellingtonNZ, it will be used to promote the region national and internationally. WREDA will be retained as the legal company name.

-
14. WREDA is proposing a major events strategy review in 2019 to ensure that the portfolio of major events continues to be attractive to visitors.
 15. With the completion of the new Convention and Exhibition Centre and the reopening of the St James and Town Hall in the next 3 years WREDA will work with WCC to develop a Venues strategy to drive utilisation of these new and existing venues.
 16. Central government's proposals for the Polytech sector are planned to be in place from the beginning of 2020, whether this ambitious timetable can be met and what changes are finally agreed on may have some impact on international student attraction programmes going forward. At this stage while the attraction programme will remain unchanged these proposals may impact on international student numbers.
 17. The major economic development projects that are proposed in 2019/20 include the Wellington Convention and Exhibition Centre, the Indoor Arena and potential projects arising from the Wellington Regional Investment Plan.
 18. The focus for Creative HQ in this SOI will be in 3 core areas;
 - Innovation management and services
 - Entrepreneurial and innovation training and upskilling
 - Public sector innovation, for example GovTech
 19. Creative HQ is seeking to grow regionally, nationally and internationally, these activities will be largely funded by 3rd parties. Care will be taken to ensure that the Wellington region continues to benefit from this expansion.
 20. The LoE did request consideration of global megatrends and how this may be leveraged for the region, there should be some discussion on this in the final SOI.

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WREDA SUMMARY FINANCIALS \$'000'

Income statement \$'000'	SOI 2018/19	Forecast 2018/19	SOI 2019/20	SOI 2020/21	SOI 2021/22
Shareholder grants	22,163	22,486	21,331	21,675	21,919
Other revenue	6,570	6,989	9,281	11,744	13,768
Total revenue	28,733	29,475	30,612	33,419	35,687
Cost of sales	52	44	360	396	435
Personnel costs	13,464	13,199	13,855	14,466	15,265
Investment in Projects and Events	12,669	13,213	12,834	14,859	16,076
Other expenses	2,500	2,735	3,418	3,548	3,761
Total expenses	28,685	29,191	30,467	33,269	35,537
Net surplus (deficit)	48	284	145	150	150
Balance Sheet \$'000'	SOI 2018/19		SOI 2019/20	SOI 2020/21	SOI 2021/22
Current assets	3,714		5,053	5,216	5,343
Investments/Non-current assets	1,850		1,775	1,874	1,866
Total assets	5,564		6,828	7,090	7,209
Current Liabilities	3,500		4,095	4,206	4,175
Net Assets	2,064		2,733	2,884	3,034
Shareholder's Funds	2,064		2,733	2,884	3,034
Cash Flows \$'000'	SOI 2018/19		SOI 2019/20	SOI 2020/21	SOI 2021/22
Opening cash	2,100		2,100	2,655	3,005
Operating cash receipts	29,983		30,612	33,419	35,687
Operating cash payments	30,206		30,467	33,269	35,537
Other receipts	114		410	200	(100)
Net cash flow	(109)		555	350	50
Closing cash	1,991		2,655	3,005	3,055

21. The rise in other revenue is due to Creative HQ's intention to increase revenues from 3rd parties including commercial activities. As a result, personnel and programme costs are expected to also increase, but only if the expected growth in revenue is realised.
22. Shareholder grants are expected to rise in line with increases in the CPI. The fall between 2018/19 and 2019/20 is due to Decade of Culture funds received in 2018/19 but not budgeted in

subsequent years. Investment in Projects/Events has also decreased in the same period due in part to the Decade of Culture funding noted above and some unbudgeted vacancies.

23. As requested in the LoE, WREDA plan to create a Development Project Budget to enable them to take advantage of new opportunities, they will be judged against a series of criteria;
- Sound business case and align with the key focus areas for WREDA
 - Have appropriate co-funding
 - A clear development pathway
24. Financially, WREDA is forecast to be in a sound position with adequate resources to meet their obligations as they fall due.

PERFORMANCE MEASURES (These are a summary of the performance measures)						
Activity	Measure	Budget 2018/19	Forecast 2017/18	SOI 2019/20	SOI 2020/21	SOI 2021/22
Visitor economy	Social media audience		455,000	475,000	500,000	525,000
	Visitor nights from WREDA activities		New measure	Benchmark to be created		
Major events	ROI out of Wellington spend	20:1	20:1	20:1	20:1	20:1
	Value of out of region (2)		\$115m	\$125m	\$115m	\$135m
Venue Management	Number of events at Wellington Venues		450	450	450	500
	Value of business events secured		\$19m	\$19m	\$30m (1)	\$40m (1)
Creative HQ	Investable companies created by CHQ	10		9	10	11
	Number of start-up ventures on the CHQ platform.	70		55	60	65
ROI on shareholder investment	Combined economic impact/GDP contribution from WREDA interventions	New measure	New measure	Benchmark to be created		
	Visitor nights arising from WREDA interventions	New measure	New measure	Benchmark to be created		
Media Programme	Equivalent Advertising Value	New measure	New measure	\$50m	\$50m	\$50m
	Stories generated in the media	1250	1250	1250	1250	1250
	Unique visitors to WellingtonNZ	2.7m	2.7m	2.9m	3.0m	3.2m

- (1) Increases due to bookings for the new Convention and Exhibition Centre
(2) The increases and decreases are due to the timing of the NZ Festival.

25. As requested in the LoE, WREDA have modified some of their key performance indicators (KPI) to improve the line of sight between their actions and the outcomes being measured. Some of these measures are being developed in conjunction with other economic development

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agencies, in particular ATEED. However, for a number of these the benchmark will need to be established and some existing measures may need to be included in the SOI.

26. The disadvantage of bringing in new measures is that there is no history or trend analysis to compare one year to the next. To overcome this and to provide some meaningful trend analysis in the short term some of the existing measures will need to be maintained as noted below.

INDIRECT MEASURES (These are a summary of the performance measures)					
Measure	Budget 2018/19	Forecast 2018/19(2)	SOI 2019/20	SOI 2020/21	SOI 2021/22
Visitor Spend	\$2.64m		\$2.755m	\$2.874m	\$2.998m
Australian Visitor Arrivals through Wellington Airport	155,000		153,000	155,000	157,000
Commercial Guest Nights	3.100m		3.190m	3.222m	3.254m
Share of multi-day conferences	19%		19%	17%	16%
Net permanent and long-term arrivals	3,650 (1)		2,605	2,605	2,605
International Student Market Share	6.5%		7%	7.2%	7.35%

(1) The expected fall in permanent and long term arrivals is due to changes in government policy.

(2) The forecasts will be updated for the final SOI.

Attachments

Attachment 1. WREDA Letter of Expectations, 2019-22

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Attachment 2. WREDA SOI 2019-22

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Author	Barry Turfrey, Economic Development Unit
Authoriser	Danny McComb, Manager Economic & Commercial

SUPPORTING INFORMATION

Engagement and Consultation

WREDA consults with the Council on a wide range of matters as part of our “no surprises” relationship.

Treaty of Waitangi considerations

This report raises no new treaty considerations.

Financial implications

- WREDA is funded within the context of the Council’s overall Long Term Plan and Annual Plan framework

Policy and legislative implications

This report complies with the legislative requirements of the Local Government Act (2002) and is consistent with existing Council policy.

Risks / legal

Not applicable

Climate Change impact and considerations

The CCOs work with the Council and other organisations in considering the environmental sustainability of their operations

Communications Plan

Not applicable.

Health and Safety Impact considered

Not applicable

19 December 2018

Tracey Bridges
Incoming Chair
Wellington Regional Economic Development Agency

Email: Tracey Bridges tracey@portchester.co.nz

Dear Tracey

This letter sets out the Wellington Regional Strategy (WRS) Committee's expectations for the Wellington Regional Economic Development Agency and its subsidiary, Creative HQ (WREDA), regarding their Statement of Intent (SOI) for 2019-21.

The following areas have been identified as requiring a particular focus in the SOI:

- Delivery of specific projects in the draft Wellington Regional Investment Plan including:
 - **Skills and workforce development** – lead a focus on skill enhancement for the regional workforce to support future growth, particularly but not exclusively in the knowledge economy.
 - **Business Acceleration** – A greater focus on acceleration of companies and for this to be regional in nature (leveraging Creative HQ in particular).
 - **Māori economy** - to work closely with our iwi partners, the WRS Office and Ara Tahi in their development of a Māori Regional Economic Development Plan with a focus on the eventual delivery of actions.
 - **Destination** – the development of a region-wide destination plan to make the region a more attractive proposition for visitors, students, talent and business.
- Supporting the Wairarapa councils in the delivery of the Wairarapa Economic Development Strategy and both the Wairarapa councils and the Kapiti Coast District Council in their applications to the Provincial Growth Fund and, where relevant to WREDA's core business, to provide delivery of projects.
- Noting the key activities planned to market the Wellington region to a range of audiences and to drive growth in visitation, international student attraction and events.
- Minimising the impact of the extended closure of the St James by utilising the existing facilities and innovative use of other venues.
- Continuing support for the development of an Indoor Arena and the Convention and Exhibition Centre.

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The Committee has also requested that WREDA develop a clear statement about safety and management of harassment, especially in the venues they manage; ensure a greater reflection of te reo Māori in WREDA communications and develop “future thinking” by considering global mega-trends, their impact and how they could be leveraged for the region.

The SOI should reflect a strong focus on efficiency in delivering activities and the cost of delivery. WREDA is expected to take every opportunity to use shared services available in partnership with Councils to reduce its cost base. The core funding provided by the councils is seed funding and WREDA is expected to use this funding to partner in delivering activities. The SOI should demonstrate an emphasis on partnerships and partner funding to deliver programmes.

With respect to all of these points and the SOI in general we expect clear actions and expected outcomes with clear and measurable KPIs. Wherever possible there should be a clear line of sight between WREDA’s actions and the outcomes being measured.

The Committee expects WREDA to be able to demonstrate compliance with the relevant Health and Safety legislation and have objectives relating to the measurement and reduction of greenhouse gas emissions.

Sincerely



Justin Lester
Chair
Wellington Regional Strategy Committee

cc: Lance Walker lance.walker@wellingtonnz.com



**WELLINGTON REGIONAL ECONOMIC
DEVELOPMENT AGENCY LIMITED**

STATEMENT OF INTENT 2019-2022

DRAFT V5



WREDA STATEMENT OF INTENT 2019-2020

Mihi

E tu noa ana ngā maunga whakahi i te rohe whānui o Te Upoko o te Ika a Maui. Mihi atu ana ki ngā iwi, ngā manawhenua o Te Whanganui a Tara, o Te Awakairangi, o Wairarapa, o Kāpiti, o Porirua hoki.

Ngā mihi hoki ki ngā iti, ki ngā rahi e noho ana i ngā takiwā nei. Koutou hoki ngā taurahere me te hunga o te Moana Nui a Kiwa.

Rātou te hunga mate, kua poto ki tua o te ārai, e moe, okioki e.

Te hunga ora e kawea ana ngā ahi kā, me te kaupapa toi, te auaha pai me te whai rawa o Te Upoko o te Ika, tēnā koutou katoa.

The many mountains of Te Upoko o te Ika a Maui (from Head of the Fish of Maui) stand proud. We acknowledge the mana whenua people of the region, of Wellington, Hutt Valley, Wairarapa, Kāpiti and Porirua. We acknowledge all peoples and the many communities of the Pacific Islands.

To those that have passed - we acknowledge you in your eternal rest.

To those who maintain the fires of residence, the pursuit of innovation and creativity here in the wider Wellington region, we acknowledge you too.

WREDA STATEMENT OF INTENT 2019-2020

Introduction

In accordance with the Local Government Act 2002, this Statement of Intent (SOI) states the planned activities, intentions and performance measures for the Wellington Regional Economic Development Agency (WREDA) for the next three years. It is written in response to the Wellington Regional Strategy (WRS) Committee's December 2018 Letter of Expectation and covers both WREDA and its subsidiary CreativeHQ.

This is an exciting time for the Wellington region.

We are home to 500,000 people and are experiencing population and economic growth which is forecast to continue. We have New Zealand's second highest regional GDP and the highest proportion of people employed in creative and knowledge intensive industries. In the past year, Wellington city was named the most liveable in the world for the second year running by Deutsche Bank, and New Zealand's best destination by Lonely Planet. And now, through planned investment in infrastructure, housing, civic assets and transport, we are on the verge of new growth opportunities

At WREDA our purpose is to make the Wellington region wildly famous – and we have plenty of things that we are rightly and proudly famous for. But we are also competing with every other region; not only in this part of the world, but globally. Telling our distinct and compelling story is therefore of ever growing importance. We are competing for the hearts and minds of visitors, event planners, students, businesses, entrepreneurs, migrants and investors. We must therefore craft our story in such a way that it stands out from the crowd.

Importantly, our story is a story of our region.

Over the past year we have worked hard to focus on the region as a whole and ensure that we are truly acting as the Wellington **regional** economic development agency – albeit one that is focused around the capital city. Our story is one that encompasses eight territorial areas that collectively offer attractive employment, business and lifestyle opportunities that no other region in New Zealand can match. We are greater than the sum of our parts and need to continue to work together to maximise that opportunity.

Because telling our story is so important we will, from this point forward, be referring to ourselves as WellingtonNZ rather than WREDA. We need to ensure the Wellington brand remains front and centre in all that we do – including in our organisations brand name. It is a brand that has equity that we need to leverage at every occasion.

Over the next three years WREDA will continue to work closely with our shareholders, other territorial authorities, agencies of central government and the private sector to continue to build a famous Wellington regional story which provides the platform for sustained economic growth.

Te Upoko o te Ika a Maui – we are Wellington.

Tracey Bridges
Chair

Lance Walker
CEO

WREDA STATEMENT OF INTENT 2019-2020

1. About WREDA

1.1 Who we are

WREDA is the Wellington region's economic development agency. Our shareholders are Wellington City Council (WCC – 80%) and Greater Wellington Regional Council (GWRC – 20%).

As a Council Controlled Organisation (CCO) WREDA is governed by an independent Board of Directors who are appointed by the shareholders. WREDA also reports through to the Wellington Regional Strategy Committee (WRS) which consists of mayors from Territorial Authorities across the region, and WCC and GWRC councillors. It is the WRS Committee that recommends the approval of this Statement of Intent to the shareholders.

Funding for WREDA activities comes from the two shareholding councils, central government agencies who contract WREDA to perform specific services, and the private sector.

WREDA is also the owner of a subsidiary company, Creative HQ Ltd. CreativeHQ provides business incubation, acceleration and structured innovation services. CreativeHQ has its own independent Board, including a WREDA Director and the WREDA CEO.

1.2 Our purpose

In 2018, WREDA redefined its purpose as being: **to make the Wellington region wildly famous.**

This reflects WREDA's primary role as the region's marketing and destination story telling engine. We want the Wellington region to be wildly famous as the best place to visit as a tourist, host an event or conference, start a business, make a film, study as a student, migrate to or invest in. By making the Wellington region wildly famous as the premier place in New Zealand to live, visit, work and play, we will create a platform for the region to prosper – both economically but also in terms of vibrancy and liveability.

Importantly, we are here to make the Wellington region wildly famous. We believe that the region is greater than the sum of its parts and that by working to develop and tell a compelling and unifying regional story, we amplify the potential of this place.

We also use the word wildly very deliberately. This is a region filled with wildly creative people doing wildly creative and innovative things across all sectors. We are surrounded by wild landscapes. We host wild events. We have a wild energy that ignites all that we do.

How does WREDA make the Wellington region wildly famous?

- By developing and telling a compelling and unifying regional story
- By delivering projects and programmes of work that have tangible impacts on the Wellington regional story
- By partnering and collaborating with other local and central government agencies, and private enterprise to enable opportunities
- By making targeted and timebound interventions in situations where there is a specific ability to create an impact or to kickstart an opportunity.

WREDA STATEMENT OF INTENT 2019-2020

We see ourselves as a “doing” organisation. We are at our best, and have the greatest impact, when we are engaged in specific programmes and projects with clear objectives and outcomes, rather than general areas of economic development support.

In line with our purpose of making the Wellington region wildly famous, WREDA will be formally adopting “WellingtonNZ – making the Wellington region wildly famous” as its public facing and “trading brand” from the start

of the new SOI period. WellingtonNZ is already being used by WREDA to promote the Wellington region domestically and internationally (given that WREDA has no meaning to audiences in this context) and is already our website domain. While WREDA will therefore remain the legal company name, we will refer to WREDA as WellingtonNZ in all other contexts so that we can leverage the equity in the Wellington brand.

WellingtonNZ
MAKING THE WELLINGTON REGION **Wildly Famous**

1.3 What we do

As an economic development agency that was formed from the amalgamation of several prior CCO’s and council functions, we have a broad range of activities within our mandate.

Moving forward we are seeking to be more focused and provide greater connection between these various activities. As a result, have identified 3 priority areas for this next SOI period:

- Shaping and amplifying the regional destination story
- Being an advocate and catalyst for major economic development projects
- Supporting businesses to upskill and grow.

All of the various programmes of work which WREDA undertakes supports one of these 3 key focus area (explained further in section 2).

Shaping and
amplifying the
regional destination
story

By shaping and delivering a compelling regional destination story we stimulate the visitor economy and provide the platform for attraction and retention activities across all sectors – including visitor, students, business attraction, film and investment.

Being an advocate
and catalyst for major
economic
development projects

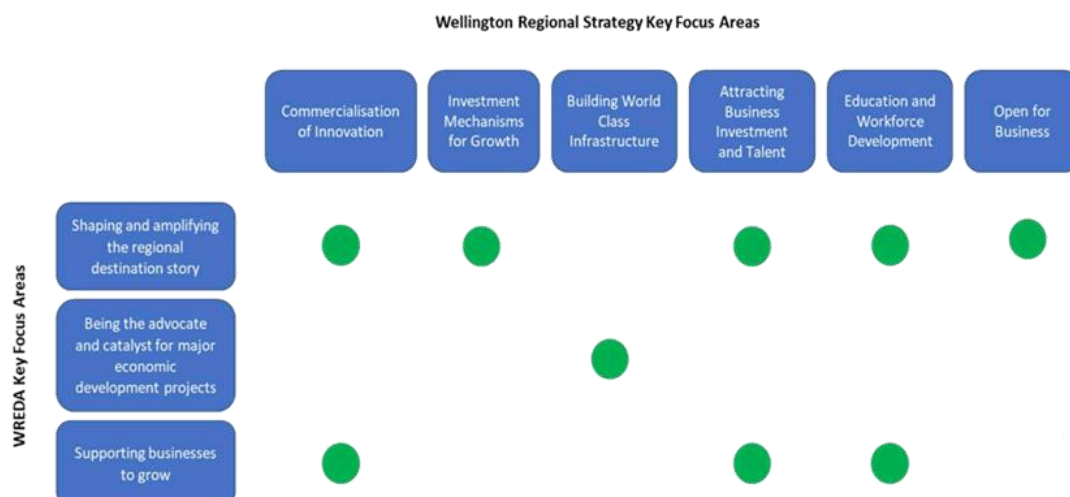
Big change-making projects provide impetus to economic development. In the next horizon there are significant development projects which have the potential to transform the region. By supporting these and, where appropriate, being involved as a partner, we can create step changes in the economy.

Supporting
businesses to upskill
and grow

Through very specific and targeted programmes we assist businesses to grow in the Wellington region – with a particular emphasis on supporting the start up eco-system, early stage growth businesses, and assisting with workforce talent and skills enhancement. This is also the area of specific focus for CreativeHQ’s activities

WREDA STATEMENT OF INTENT 2019-2020

These three key focus areas align with the Wellington Regional Strategy (2012) which seeks to build a resilient, diverse economy which retains and creates jobs, supports the growth of high-value companies and improves the regions overall economic position.



Under the funding agreements with WCC, WREDA also has specific requirements in relation to Wellington city including:

- Wellington city tourism and visitor marketing;
- Management of the WCC Major Events Investment Fund (attraction and investment into major events within Wellington city);
- Management of the Wellington City Civic Venues (under the **Venues Wellington** brand) – the TSB Arena, Shed 6, Michael Fowler Centre, St James Theatre, The Opera House. These are operated under a Venues Management Agreement with Wellington City.

These 3 areas also fall within our broader priority focus of “shaping and amplifying the regional destination story”.

We also note:

- the Wellington Regional Investment Plan (WRIP) is still under development, but that specific projects coming out of that may also fall under WREDA’s remit;
- the Wairarapa Economic Development Strategy was launched in November 2018. We are supporting the activation of this strategy.

1.4 Creative HQ

The Boards of WREDA and CreativeHQ are working together to grow and scale the CreativeHQ business over the next three years.

WREDA STATEMENT OF INTENT 2019-2020

Since its formation, CreativeHQ has worked with over 250 start ups and high growth ventures to develop their business concepts and commercialise opportunities. In addition to CreativeHQ's strong track record in start up innovation, incubation and acceleration, the company has also established a leadership position in structured innovation programmes (eg corporate accelerators). Creative HQ has also led the charge on GovTech – defined as breakthrough innovation in Government and the public service - with CreativeHQ pioneering the first acceleration programme for Government in 2014 and establishing Wellington as a global GovTech hub.

Based on this foundation, CreativeHQ is embarking on a growth strategy supported by WREDA, that will see the scale of the company grow in terms of size, scope of activities and the markets it operates in (locally, nationally and internationally). This will also see CreativeHQ's revenue grow during this period, which is reflected in WREDA's revenue projections.

In doing this, Creative HQ will contribute to WREDA's wider purpose of making the Wellington region wildly famous both through its direct activities in the region but also its contribution to growing Wellington's reputation nationally and globally as a source of innovation and entrepreneurship expertise.

The focus for CreativeHQ growth during this next SOI period will be in 3 core areas;

- Innovation management and innovation services;
- Entrepreneurial and innovation training and upskilling;
- Public sector innovation through GovTech services, including the establishment of a GovTech hub in Wellington.

From a market perspective, CreativeHQ is seeking to grow:

- Regionally – by exploring opportunities to expand its current operational footprint across the Wellington region;
- Nationally – by expanding innovation services to both the public and private sector;
- Internationally – through the promotion of GovTech services in association with other partners, including NZTE and the G2G programme.

Importantly, any growth outside of the region will be funded by 3rd party and commercial partners, and will be designed to reinforce Wellington's leadership position in innovation, collaboration and GovTech services.

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2. Programme of Activity

The following section lists and describes WREDA's key programmes of intended activity in the next 12 months (including those of CreativeHQ).

2.1 Shaping and amplifying the regional destination story

WREDA will continue to focus strongly on core activities that are related to the promotion of both Wellington City and the wider Wellington region as a destination for visitors, events, students, film makers, businesses, investors, migrants. These include:

- **Wellington City tourism** and **visitor marketing** campaigns – including (but not limited to) specific summer and winter city attraction campaigns;
- Wellington city and wider regional **Destination Marketing and Travel Trade Marketing** activities (marketing campaigns (off and online), media/PR, content creation, trade and media familiarisation visits) with a particular focus on domestic marketing, Australia and China;
- Operating **WellingtonNZ.com** as our core destination website;
- Operating the **Wellington City iSite** (visitor information centre) and associated **Cruise Ambassador** volunteer programme;
- Management of the **Wellington convention bureau** which attracts conferences, conventions and business events to Wellington (under the **Business Events Wellington** brand);
- Operation of the **Wellington regional film office** which has a dual role of supporting the attraction of screen activity to the region and running regional film permitting services (under the **Screen Wellington** brand);
- Delivery of the **Wellington International Student Growth Programme** (WISGP) in partnership with educational intuitions across the region to attract international students to study in Wellington;
- Attraction, investment in, and marketing of, **Major Events** (WCC Major Events) and **Performance Events** for Wellington city;
- Managing the operation of the **Wellington city venues** under the **Venues Wellington** brand – including sales, facilities management, event operations.

In this SOI period key new programmes of work will include:

Regional Destination Plan Development	Development of a Destination Plan for the region that is designed to provide a coordinated framework for promoting the Wellington region as a more attractive destination for visitors, events, students, investors, businesses.
Regional Brand Proposition	Development of a regional destination proposition/brand and associated marketing assets that can be used and leveraged to promote the Wellington region in its entirety, but links with existing activity centred around promotion of Wellington city.
WellingtonNZ.com redevelopment	Kicked off in the 2018/19 year but continuing into 2019/2020, with a focus on ensuring that WellingtonNZ.com is the premier destination website in New Zealand, and has a stronger regional focus.

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iSite Redevelopment	The Wellington iSite refurbishment will be complete by June 30. There will however be an ongoing programme of work to ensure that this investment is leveraged for the benefit of the region. We will also be looking at options to provide further commercial opportunities through the iSite
WISGP refocus	International Students remain a key focus for the region. In partnership with the WISGP funding partners we will be refocussing this programme to ensure that it continues to deliver value to those partners, and also provides wider benefits for attraction/retention of domestic students. We are also mindful of the potential impacts of proposed changes to the Polytech (ITP) sector as a result of the recent Government review.
Wellington City Major Events	<p>We will continue to support and invest in a programme of Major Events for Wellington City. As part of this we will work closely with the headline events that Wellington is famous for to grow their impact. We also be launching two new signature events, Second Unit (June/July 2019) and WLG-X (September 2019).</p> <p>We will also continue to work with other partners, including the Wellington Regional Stadium Trust, promoters and national sporting bodies, to attract new event products which both add to the vibrancy of the region and boost the economy through out of town visitation. As part of this, a new Major Events strategic framework will be implemented in 2019 which will ensure that the Major Events portfolio continues to evolve and that new opportunities are identified to further boost Wellington's reputation in this area.</p>

2.2 Being an advocate and catalyst for major economic development projects

There are a number of major development projects that WREDA will be involved in during the next SOI period, either directly or indirectly, which have an impact on the regional economy. We also acknowledge that more of these may emerge from the Wellington Regional Investment Plan, and as a result of the action planning coming out of the Wairarapa Economic Development Strategy. We also recognise that both Wairarapa and Kapiti have the ability to apply for PGF funding so we will be supporting both TA's in this regard.

Wellington Convention and Exhibition Centre Development	While this work has commenced in 2018/19, it will continue to be a major focus in 2019/20 and beyond. WREDA's involvement during this period will be both as a delivery and design partner alongside WCC, as well as taking responsibility for sales and marketing activity as the proposed operator of the Centre.
Wellington Regional Trails Framework	Continuing to be the facilitation and project management lead on execution of the Regional Trails Framework under the Find Your Wild brand
Wellington City Venues Strategy	A review of the future of Wellington City's current Venues and how these are best utilised and developed, especially in the context of a 3-5 year future that sees not only the new Convention Centre opening, but also the refurbished Town Hall and St James Theatre.
TSB, MFC and Opera House	Working alongside WCC to ensure that existing venues continue to be fit for purpose and

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Developments and Venue Maximisation	able to meet the needs of our customers during a time of constrained venue capacity .
Screen Sound Stage Developments	Working alongside local councils and developers to assess opportunities for future sound stage developments to create greater capacity for screen production work in the region
Porirua Adventure Park	Working alongside the Porirua City Council and developers on realising the Porirua Adventure Park opportunity.
Indoor Entertainment Arena	Working with WCC to continue to advocate and build the case for a new Indoor Entertainment Arena in Wellington City.

We also recognise that there are some projects and opportunities that arise during the year for which WREDA could provide the impetus or seed funding to activate (or in some other way contribute to) their development. Our ability to do this in the past has been limited by all budget being allocated to programmes at the start of the year. For this new SOI period we will be seeking to create a Development Project Budget which is designed to provide us with the ability, and the agility, to both seek new opportunities and respond to those that are created.

In tandem with this we will be developing a set of criteria to:

- Assess opportunities to ensure that they have a sound business case/rationale, and align with key focus areas for WREDA and the region;
- Have appropriate co-funding/contribution;
- Have a clear development pathway.

2.3 Supporting businesses to upskill and grow

Our focus in this area will be on specific projects and programmes that directly impact on businesses in the region.

Most of this work will continue to be focused on businesses with growth potential in the start-up and scale-up phase, with a particular focus on (although not limited to) those in the creative, tech and knowledge intensive sectors, and on providing support in the area of skills development. The objective in doing this is to assist these businesses to grow more quickly than would have been possible without the support of WREDA.

The activities of **CreativeHQ** are particularly important in this regard (their start up incubation and acceleration services and wider enterprise innovation activities), as is the **Regional Business Partnership (RBP)** programme, by which we provide business support, innovation, capability funding, and facilitation of R&D funding for growth businesses across the region, under contract from NZTE and Callaghan Innovation.

CreativeHQ will continue to provide:

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- Incubation programmes for start-up businesses, particularly those in the tech/knowledge intensive industries;
- Start Up community support and upskilling programmes, including Start Up Garage;
- Acceleration programmes under the Lightning Lab brand;
- Innovation services.

In this SOI period key new programmes of work will include:

Regional Workforce/Skills Development Plan	A Regional Workforce Plan will be delivered in the 2018/19 year. This will provide guidance on specific skills/workforce development projects and/or programmes of work that are appropriate for WREDA to execute in the new SOI period.
Wider Business Engagement	While WREDA has always had strong involvement in certain sectors, this has tended to be with businesses in start up and early growth stages. We acknowledge a need to engage with larger businesses in the region to ensure that we understand their perspectives and needs
Creative HQ Regional Expansion	We will be working with CreativeHQ to determine ways to scale their incubation and acceleration services across the region – with a particular focus on the potential in Kapiti and Wairarapa and the potential for accessing central government funding to facilitate this
Wairarapa Food and Bev Tech Accelerator	One of the priority projects from the Wairarapa Economic Development strategy was the creation of a Food and Beverage Tech Accelerator for the Wairarapa. We will be working with CreativeHQ to both scope and establish this, subject to funding.
Maori Business Support and Accelerator	The Maori Economy is a priority focus for the region. In addition to bringing on a new Maori Business support resource we will be working with CreativeHQ to establish an accelerator programme for Maori business, subject to funding. We will also continue to work with iwi, the WRS Office and Ara Tahi in their development of a Maori Regional Economic Development Plan.
Gov Tech Expansion	A key focus for CreativeHQ is continued expansion of its GovTech services and the positioning of Wellington as the international hub for GovTech. In addition to a new Lightning Lab GovTech Accelerator, CreativeHQ will be creating a GovTech Hub in Wellington and scaling its services both nationally and internationally (via G2G)

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3. Performance Metrics

Over the past year WREDA has been reviewing it's performance framework with the aim of:

- Reducing the number of metrics;
- Ensuring metrics are linked to factors WREDA can control and which measures WREDA's direct impact;
- Measuring outcomes as well as outputs;
- Providing greater clarity on the region's return on investment.

This is challenging given the range of activities undertaken by WREDA and the varying levels of influence that WREDA has over ultimate outcomes. It is further complicated by specific measures that our council shareholders require us to track.

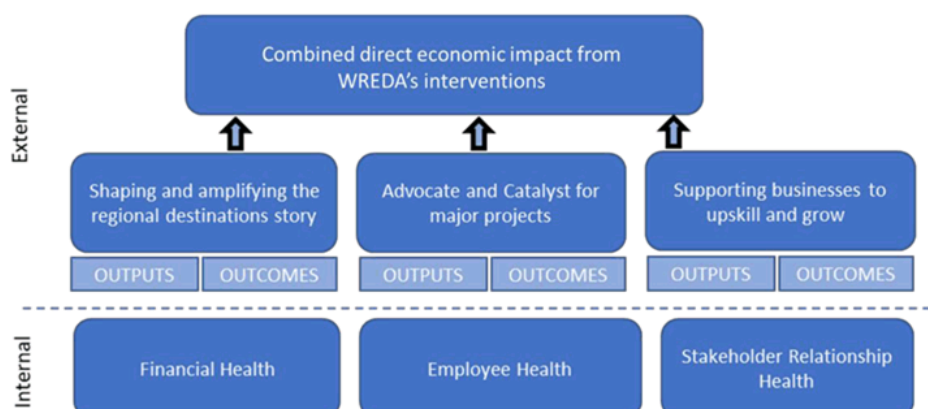
Moving forward we are proposing a new Performance Framework that is summarised in the diagram below. The key features are:

- Development of a headline measure that seeks to put an economic value on WREDA's total direct contribution (inclusive of CreativeHQ) such that an ROI on our shareholders investment can be assessed. This will be a collective formula based measure, and will be something that we work on to develop in the next SOI period;
- Measures aligned to our three key focus areas, with both outputs and outcomes measured where possible;
- Measures that are more internally focused, to measure the health of the organisation from an internal perspective.

Note that in addition to this framework:

- we will be continuing to measure previous KPI's at a business unit level to maintain continuity;
- we will have a separate set of measures directly related to our WCC, Major Events and Venues Wellington funding (aligned to the expectations of the Funding Agreements);
- we will continue to monitor regional indicators of economic performance in association with the WRS office (noting that these are indicators of overall regional performance, not necessarily directly WREDA's performance).

Performance Framework



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Key Performance Indicators

The following table indicates the specific KPI's in line with this framework. It is noted that some of these are new and some are existing (or based on existing) measures. Sources are provided where possible.

		18/19 Forecast	19/20	20/21	21/22
WREDA is delivering direct value/ROI on our shareholders investment	<i>Combined direct economic impact from WREDA's interventions expressed in dollar terms. [NEW] (1)</i>	N/A	Create Benchmark	Grow	Grow
WREDA is shaping and amplifying the regional destination/brand story	Outputs <i>Storytelling Content generated (across all sectors) [EXISTING] (2)</i> <i>Total subscribed audience across social media and eDMs (reach) [NEW] (3)</i> <i>Unique WellingtonNZ.com sessions [EXISTING] (4)</i> <i>Total Number of Events in Venues Wellington [EXISTING] (5)</i>	1250 455,000 2.7m 450	1250 475,000 2.9m 450	1250 500,000 3m 450	1250 525,000 3.2m 500
	Outcomes <i>Equivalent Advertising Value (EAV) from media activity [NEW] (6)</i> <i>Visitor nights contributed to from WREDA activity/interventions [NEW] (7)</i> <i>ROI from Major Events invested in [EXISTING] (8)</i> <i>Value of out of region venue and event expenditure [EXISTING] (9)</i> <i>Value of business events secured [EXISTING] (10)</i>	NA NA 20:1 \$115m \$19m	\$50m Benchmark 20:1 \$125m \$19m	\$50m Grow 20:1 \$115m \$30m	\$50m Grow 20:1 \$135m \$40m

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WREDA is being an advocate and catalyst for the big projects and developments	Agreed key projects are on track/agreed deliverables met [NEW] (11)	NA	TBD	TBD	TBD
WREDA is supporting businesses to upskill and grow	<u>Outputs</u> Number of businesses impacted by a WREDA intervention or programme [EXISTING/NEW] (12) Number of Wellington region based businesses incubated or accelerated through CHQ [EXISTING] (13)	NA 40	Benchmark 55	Grow 60	Grow 65
	<u>Outcomes</u> Growth rates of businesses who have had been through a WREDA/CHQ programme (vs national average) [NEW] (14) Investable companies created by CHQ [EXISTING] (15)	NA TBC	Benchmark 9	Grow 10	Grow 11
INTERNAL					
Financial Health	Budget on target. [EXISTING] (16) % of revenue from commercial/non council funding and commercial activity (combined WREDA and CHQ) [EXISTING] (17)	On Target TBC%	On Target 30%	On Target 35%	On Target 38%
Employee Health	Staff Engagement [EXISTING] (18) Lost Time Injuries [EXISTING] (19)	53% 0	60% 0	65% 0	70% 0
Stakeholder Relationship Health	Stakeholder Satisfaction [EXISTING] (20))	80%	85%	90%	95%

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Indirect Measures of Impact

We will continue to measure and monitor a range of metrics which indicate how the region is performing in key areas of WREDA interest, but for which WREDA only has a partial or no direct impact. These include measures that are specifically requested as part of the WCC funding agreements:

Measure	2019/20	2020/21	2021/22
Visitor Numbers International (21)	824,382	832,626	849,278
Visitor Numbers Australia (22)	277,440	281,602	285,826
Visitor Spend (23)	\$2.755m	\$2.874m	\$2.998m
Australian Visitor Arrivals through Wellington Airport (24)	153K	155K	157K
Commercial Guest Nights (25)	3.190m	3.222m	3.254m
Share of multi-day conferences (26)	19%	17%	16%
Net permanent and long-term arrivals (27)	2,605	2,605	2,605
International Student Market Share (28)	7%	7.2%	7.35%

Separate to this we will work with the WRS Office of the GWRC to monitor a range of macro economic measures for how the region is performing economically.

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Notes and Sources

- 1 This is a new measure that is designed to estimate the dollar value economic impact of WREDA activities and interventions which generate a measurable direct economic output. It will be designed around a formula and methodology that makes assumptions around the impact of activities and the degree to which WREDA's activities/interventions can be attributed to those outcomes. In some cases we have very strong evidence based data to support this (eg value out of town spend from events, value of business events attracted, value of facilitated film production) in other cases there is less direct evidence or attribution. We note that ATEED will also be using a similar measure as their headline KPI so we will be working with them to ensure alignment on the methodology. In this first year we will look to establish a benchmark with supported methodology.
- 2 The number of articles/pieces of content published in New Zealand and internationally on third party media channels covering leisure, events, tourism, lifestyle, business.
- 3 The number of people who choose to actively engage with WellingtonNZ promotional content across all audiences via following us on social media channels and selecting to receive email newsletters, using internal and external digital tracking and analytics tools.
- 4 The number of unique visits to WellingtonNZ.com, VenuesWellington.com, KapitiCoastNZ.com, HuttValleyNZ.com and any other subsites built and hosted during the SOI period, as measured by our digital tracking/analytics software.
- 5 Number of events hosted in Venues Wellington (performance and business). Note that with the St James Theatre being closed for longer than expected, potential developments at TSB Arena and MFC, impacts from Town Hall development and pressure on conference business while the new Convention Centre is built, we have assumed that maintaining current volumes during this period is a prudent target, with the situation addressing itself in the outer years.
- 6 Equivalent Advertising Value (EAV) is an accepted industry estimate of the value of media coverage that results from public relations and media activity. EAV is based on the equivalent cost to purchase the same reach and coverage results.
- 7 WREDA has always measured visitor nights. Moving forward we will be attempting to measure visitors nights that can be attributed to by WREDA marketing activity and other interventions. We note that this measure is also being used by ATEED so will be working with the to ensure alignment on methodology.
- 8 This is the target set by WCC and is based on the value of new spend in the region from visitors resulting from WREDA's investment in Major Events. It is calculated using agreed methodology that is consistent across New Zealand
- 9 This is a combined value of new spend in the region from visitors attending events in Venues Wellington and attendance at Major Events for which WREDA is an investor. It is calculated using agreed methodology that is consistent across New Zealand. Note that the drop from 19/20 to 20/21 reflects the fact that 19/20 is a New Zealand Festival year and 20/21 is not.
- 10 Measures the estimated value of business events and conferences attracted to Wellington (domestically and internationally) using the agreed MBIE formula used by convention bureau's/EDA's across New Zealand. This is flat going into 19/20 with constrained venue space, but grows as new Convention Centre capacity starts to be booked in advance of opening.
- 11 Agreed key projects are on track. The set of Projects to be measured will be agreed at the start of the new SOI period but will include the Convention Centre, WISGP, Regional Trails Project.
- 12 This will be a combined count of the number of businesses who have received support via the RBP programme, the number of businesses who have been through other WREDA business support activity (eg Pop Up Business Clinics), the number of businesses who have been through a CreativeHQ acceleration, incubation or innovation support programme, and the number impacted by other programmes targeted at business advice and skills development
- 13 The number of start up ventures and early stage businesses on the CHQ start up platform who are based in the Wellington region.
- 14 We will be seeking to compare the growth rates of businesses who have had a WREDA intervention vs the average growth rates of a similar sample cohort. The methodology for this measure is still to be determined and will be worked on to create a benchmark and target using available business growth data.
- 15 The number of businesses exiting a CHQ incubator who are defined as investable (meaning one or more of the following: the company has received an investment offer from an external party; or has validated their value proposition and has gathered evidence that supports a compelling investment case and is ready to pitch to external investors; or has articulated a

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- compelling vision and a clear roadmap for an ambitious commercial endeavour that will create substantial returns for investors, and has demonstrated its ability to execute on the vision)
- 16 Financial profit and loss performance to within budget as monitored and reported on a monthly basis by our finance team
- 17 Measure of the percentage of revenue/income that comes from non-council shareholder funding across WREDA and CHQ
- 18 Measure of engagement from WREDA's annual Culture Amp engagement survey
- 19 Measure of any time lost from work/sick leave taken as a result of an avoidable workplace injury/incident (tracked using our DoneSafe health and safety system)
- 20 Measure of satisfaction by a range of stakeholders and key business partners. Note that the methodology used to date has been an annual survey. We will be reviewing this moving forward to ensure it provides the right level of insight.
- 21, 22 International Visitor Survey
- 23 Monthly Regional Tourism Estimates report
- 24 International Visitor Arrivals Survey
- 25 Commercial Accommodation Monitor
- 26 Business Events Activity Survey - MBIE
- 27 International Visitor Arrivals Survey
- 28 Education NZ

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4. WREDA Operations

4.1 Diversified Revenue Sources

WREDA receives its primary funding from its shareholding councils. It also receives funding from commercial and government partners. Examples of this include:

- NZTE for the RBP programme;
- Educational institutions for the WISGP programme;
- Partnerships with tourist operators and hotels to support destination marketing.

As well as supplementing core funding, commercial funding partnerships connect us more directly with relevant sectors and ensures the work we do is relevant and accountable to those sectors.

In this next SOI period we will continue to look for opportunities to grow funding partnerships outside of our core funding, and to commercialise our own activities as appropriate. This may include (for example) moving to a more commercial model for the iSite and seeking to introduce new fees for services.

4.2 Te Reo

In line with the WCC Te Tauihu policy – and Wellington’s aim to be a Te Reo Maori City – WREDA will be seeking opportunities to support and raise the presence of Te Reo Maori through our storytelling activities and our own day to day operations. This includes:

- a commitment to facilitating the upskilling of our team in both Te Reo and Tikanga Maori so that we can lead the way;
- introducing Te Reo into communications and marketing material as appropriate;
- incorporating a Maori perspective into our business development work with the appointment of a specific Maori Business Development/Engagement role;
- continuing to work with Ara Tahi through the GWRC.

4.3 Sustainability and Climate Change

As an economic development agency, we are very mindful of the need to pursue sustainable growth strategies and consider the impacts of climate change. We are also aware that this commitment needs to start at home. To that end, we are committed to minimising our own environmental impact through sustainable practices, waste reduction, appropriate procurement practices and reducing carbon emissions through our own operations – particularly in our Venues.

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We have established an internal Sustainability Committee to develop an organisation wide policy that will address 3 key areas of Sustainability:

- Our people
- Our environment
- Our business.

In addition:

- As a member of the Tourism Industry Association we are signed up to the New Zealand Tourism Sustainability Commitment;
- We are supporter of the Tourism New Zealand “Tiaki – care for New Zealand initiative”;
- We will participate in the Wellington Region Climate Change Working Group.

4.4 Health, Safety and Wellbeing

WREDA has a commitment to the Health, Safety and Wellbeing of our employees and, given that we operate public venues, the Health and Safety of our venue hirers and patrons.

This is reflected in the following policy statement which has been signed by the WREDA Board:

WREDA will take every reasonably practicable step to ensure the health and safety of all our employees, contractors, visitors and venue hirers and patrons.

WREDA recognises that effective health and safety leadership involves an integrated framework of values, operating procedures and behaviours across the whole organisation. The role of the WREDA Board is to ensure that a positive and robust governance culture is in place to provide a strategic and structured health and safety management system that aligns to the organisational goals of WREDA.

Through monitoring the performance of WREDA health and safety practices, the WREDA Board will guide the CEO and Senior Leadership Team to ensure WREDA operates both ethically and morally in meeting its compliance obligations with respect to New Zealand laws and regulations. The Board will undertake an annual review of how they are meeting their accountabilities and legal responsibilities based on established best practise guidelines.

To ensure a safe and healthy work environment management has developed and maintains Health and Safety Management systems to:

- Set health and safety objectives and performance criteria for all work areas;
- Review health and safety objectives and performance annually;
- Actively encourage the accurate and timely reporting and recording of all accidents, incidents and hazards;
- Investigate all reported accidents, incidents and hazards to ensure all contributing factors are identified and, where appropriate, plans are formulated to take corrective action;
- Actively encourage the early reporting of any pain or discomfort;
- Participate in rehabilitation of employees to ensure an early and safe return to work;

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- Identify all existing and new hazards and take all practicable steps to eliminate, isolate or minimise the exposure to any hazards;
- Ensure that all employees are made aware of the hazards in their work area and are adequately trained to enable them to perform their duties in a safe manner;
- Encourage employee consultation and participation in all matters relating to health and safety;
- Promote a system of continuous improvement in Health and Safety practises;
- Meet our obligations under the Health and Safety at Work Act 2015 and its associated regulations, codes of practise and any relevant standards or guidelines

A Health and Safety Report is prepared for each Board meeting, and the Board Audit Committee also undertakes an annual deep dive review of management practices.

In addition to the above, WREDA is reviewing its policies in relation to Workplace Wellbeing and Flexible Working Arrangements.

4.5 Harassment

WREDA is committed to maintaining a safe and discrimination-free environment that encourages respect for the dignity of each individual. We endeavour to maintain an environment free from harassment based on gender, race, colour, religion, national origin, ancestry, age, marital status, sexual orientation, pregnancy, physical or mental disability, or citizenship.

We are particularly aware of the risk of harassment of patrons at events that are managed in our venues. To that end we have developed new Standard Operating Procedures which addresses this issue, including communications to patrons, specific training for staff on how to handle incidents, and incident response procedures.

4.6 People and Culture

Our people are our greatest asset. We are committed to creating a positive environment that allows our people to thrive personally and professionally, and which enables them to bring their full selves to the workplace.

Key initiatives which have started in 2018/19 and will continue into 2019/20 include:

- New recruitment practices to remove any risk of unconscious bias;
- A focus on diversity;
- New wellbeing policy;
- New flexible working policies;
- New leadership development programme.

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4.7 Operational Efficiencies

In keeping with best management practice, WREDA seeks continuous improvement in its operational management.

A focus in the next SOI period will be the consolidation of the different IT platforms used in our Venues Wellington operation with our core WREDA systems (including core infrastructure, HR/Payroll and Finance). This will enable more seamless management and reporting. We will also look to continue to find ways to share services with CreativeHQ as appropriate.

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5. Financial Summary

STATEMENT OF FINANCIAL PERFORMANCE			
	2019/20	2020/21	2021/22
REVENUE			
Revenue from Shareholders	21,330,626	21,674,569	21,919,426
Other Revenue	9,281,292	11,744,421	13,767,550
TOTAL REVENUE	30,611,918	33,418,990	35,686,976
EXPENDITURE			
Cost of Goods Sold in iSITE	360,000	396,000	435,600
Personnel Costs	13,854,801	14,466,171	15,264,825
Investment in Projects and Events	12,833,979	14,859,311	16,076,043
Other Expenditure	3,418,508	3,547,508	3,760,508
TOTAL EXPENDITURE	30,467,288	33,268,990	35,536,976
SURPLUS	144,630	150,000	150,000
STATEMENT OF FINANCIAL POSITION			
	2019/20	2020/21	2021/22
SHAREHOLDER FUNDS	2,733,745	2,883,745	3,033,745
ASSETS			
Current Assets	5,053,232	5,216,099	5,342,797
Investments	685,175	685,175	685,175
Other Non Current Assets	1,090,041	1,188,834	1,180,429
TOTAL ASSETS	6,828,448	7,090,108	7,208,401
CURRENT LIABILITIES	4,094,703	4,206,363	4,174,656
NET ASSETS	2,733,745	2,883,745	3,033,745
STATEMENT OF CASHFLOWS			
	2019/20	2020/21	2021/22
OPENING CASH	2,100,000	2,654,630	3,004,630
Operating Cash Receipts	30,611,918	33,418,990	35,686,976
Operating Cash Payments	30,467,288	33,268,990	35,536,976
Other Receipts/Payments	410,000	200,000	- 100,000
NET CASHFLOW	554,630	350,000	50,000
CLOSING CASH	2,654,630	3,004,630	3,054,630

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Notes:

- Financial Summary is a consolidated view (Parent and Subsidiary)
- Revenue forecasts from our Shareholders are reflective of CPI Increases only.
- Increase of Other Revenue reflects the intention to actively pursue opportunities to increase revenue from private and public partnerships and commercial activity, and the growth in revenue achieved by CreativeHQ resulting from its growth strategy.
- Personnel costs and programme/project costs increase as overall activity increases. Allowance has also been made within the Projects line for the Project Development Budget
- Investments represents the value of the investments from CreativeHQ in the companies that it incubates and retains a shareholding. The value of that holding has decreased into 2019/20 as a result of divestments made in 2018/19 to fund growth. We have assumed that the value of the remaining holdings will be consistent during the rest of the SOI period.

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6. Risks to KPI achievement

There are a number of risks which could impact on WREDA's success. Many of these are outside of our direct control, such as the impact of geo-political factors, changes to government policy settings, or macro-economic factors which impact on the economy as a whole.

In terms of being successful in our 3 key areas of focus and achieving our Key Performance Indicators, we note the following specific risks and how these will be mitigated:

Area of Risk	Risk Description	Mitigation
Availability of shareholder and partner funding	Partner funding is provided for a number of WREDA and CHQ programmes of activities – from shareholders, and from other public and private sources. This funding is subject to agreements of various lengths and criteria which may or may not be renewed depending on a range of factors that may or may not be within WREDA's direct control.	<ul style="list-style-type: none"> • Ensure delivery is in line with partner expectations • Maintain a regular schedule of communications with and reporting to partners • Engage major partners in planning sessions to ensure programmes meet their expectations • Review partner funding arrangements on a regular basis • Seek new commercial revenue sources
Human Resource Allocation	WREDA has limited human resources to allocate to the wide scope of activities that it is involved in or asked to be involved in.	<ul style="list-style-type: none"> • Ensure that resources are appropriately allocated to activities that contribute to building the regional story and/or those which deliver specific projects and programmes of work that have tangible outcomes and impacts on the region • Ensuring that interventions that are made are targeted and timebound and are in situations where there is a specific ability to create an impact or to kickstart an opportunity.
Health, Safety and Wellbeing	Given that a large part of WREDA's activity is operational – especially within the Venues Wellington operation - there are inherent health and safety risks which could impact on the wellbeing of our people.	<ul style="list-style-type: none"> • WREDA has an appropriate fit for purpose Health and Safety programme in place, which is governed by the WREDA Board.
Venue Availability and Suitability	During much of this SOI period the St James Theatre will remain closed, and existing venues will be under pressure (including the MFC once work on the Town Hall begins). We will therefore be working with constrained and aging venue inventory.	<ul style="list-style-type: none"> • WREDA will work with WCC to ensure appropriate capex is allocated to renewals within existing venues so that they remain fit for purpose during this period • WREDA will work proactively with core hirers to find solutions that meet their needs, both within existing venues and other venues in the city. • WREDA will communicate proactively with the market on the status of Venues. • WREDA will work with WCC on a Venues Strategy.
Maintaining strong working relationships across the Wellington	As an organisation that is invested in and works for the whole Wellington region it is critical that WREDA maintains appropriate stakeholder engagement processes	<ul style="list-style-type: none"> • WREDA will work with both its shareholders and the other Councils within the region in a structured and proactive manner such that both elected officials and officers of these organisations are well informed of WREDA's

WREDA STATEMENT OF INTENT 2019-2020

region		<p>programme of activities at all times</p> <ul style="list-style-type: none">• WREDA will participate in appropriate work groups across the Wellington region to support economic development activity.
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In addition to the above, WREDA has developed a strategic and operational risk framework which is governed by the Risk and Audit Committee of the WREDA Board.

WREDA STATEMENT OF INTENT 2019-2020

Appendices:

Appendix 1 - Governance and Accounting

WREDA is a Council Controlled Organisation as defined by the Local Government Act 2002. WREDA is owned 80% by the Wellington City Council and 20% by the Greater Wellington Regional Council.

Governance Board

The Board is responsible for the strategic direction of WREDA's activities. The Board guides and monitors the business and affairs of WREDA, in accordance with the Companies Act 1993 and the Local Government Act 2002, the Company's constitutions and this Statement of Intent.

All current Board directors are independent and appointed by our shareholders. The Board meets 5 to 6 times a year. The Board has 2 sub-committees, Risk and Audit; and People & Culture.

Wellington Regional Strategy Committee (WRSC)

The WRSC is made up of ten local body elected members.

The role of the WRSC is to:

- Review the performance of WREDA and the Board, and report to the Shareholders on that performance on a periodic basis,
- Make recommendations to Shareholders as to the appointment, removal and replacement of directors;
- Make recommendations to Shareholders as to any changes to policies, or the SOI, requiring their approval.

The Board aims to ensure that the WRSC and the Shareholders are informed of all major developments affecting WREDA's state of affairs, while at the same time recognising that commercial sensitivity may preclude certain information from being made public. WREDA will adhere to a 'no surprises' approach in its dealings with its Shareholders and WRSC.

Reporting

By 1 March in each year WREDA will deliver to the Shareholders its draft **Statement of Intent** for the following year in the form required by Clause 9(1) of Schedule 8 and Section 64 (1) of the Local Government Act 2002.

Having considered any comments from the WRSC received by 30 April, the Board will deliver the completed SOI to the Shareholders on or before 30 June each year.

By 31 October and 30 April each year, WREDA will provide to the Shareholders a **quarterly report**. The quarterly report will include WREDA's commentary on operations for the relevant quarter and a comparison of WREDA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.

By the end of February each year, WREDA will provide to the Shareholders a **Half Yearly Report** complying with Section 66 of the Local Government Act 2002.

WREDA STATEMENT OF INTENT 2019-2020

By the end of September each year, WREDA will provide to the Shareholders an **Annual Report** on the organisations operations during the year. This will include audited financial statements prepared in accordance with New Zealand Generally Accepted Accounting Practice and that also comply with Public Benefit Entity Standards. The Annual report shall also contain an Auditor's report on both those financial statements and the performance targets and other measures by which performance was judged in relation to that organisation's objectives.

Accounting Policies

WREDA has adopted accounting policies that are in accordance with New Zealand Generally Accepted Accounting Practices and Public Benefit Entity Standards. The detailed policies are as disclosed in WREDA's 2017/18 Annual Report.

REVIEW OF QUARTER TWO REPORTS FOR THE COUNCIL CONTROLLED ORGANISATIONS FOR THE PERIOD ENDING 31 DECEMBER 2018

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 Subcommittee 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 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 stakeholders jointly monitor the company via the Wellington Regional Strategy Committee.
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.

Discussion

5. 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

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

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- Wellington Museums Trust
 - Wellington Regional Economic Development Agency Limited
 - Wellington Zoo Trust
6. The second quarter reports have been reviewed by officers to assess any risks or issues and where any significant issues were identified these have been discussed with the relevant entity.
 7. 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.
 8. **BASIN RESERVE TRUST**

ACTIVITY SUMMARY

The Basin Reserve hosted a large number of domestic and community cricket games and trainings during the quarter and the bulk of the domestic Twenty20 cricket programme also took place in quarter two.

A test match between the Blackcaps and Sri Lanka was held in December with a total attendance of 10,000 spectators over four days (the match lost one day to rain). Despite an imposing total set by New Zealand in their first innings (578 runs), Sri Lanka batted well to foil the Black Caps chances of victory in the shortened test match.



Tom Latham 264 not out (1st innings)



Sri Lanka celebrate match drawn on Day 4



Lunchtime at the Sri Lanka Test

The Lifestyle Sports Scottish Night of Miles is an annual event organised by Wellington Scottish Running Club and was held on 8 December. This is a unique event and features races over the rarely run distance of one mile. The afternoon consists of a mix of children's, senior and junior races, fun social events and serious events. Highlights are the mile races and there are several different mile races including elite men's and women's races and an all-comers mile that anyone can participate in.

Beers At The Basin was again hosted at the Basin Reserve in early December 2018. This event continued to build its reputation that began strongly following its first event in 2017. The event showcased some of the best craft breweries, local wineries, street food and music in the Wellington region and was again attended by 5,800 people.



Beers at the Basin 2018

The first corporate cricket match held on the Basin Reserve (in recent memory) was a Twenty20 match held on 22nd January.

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE 3 APRIL 2019

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Master Plan

The Players' Pavilion was completed for the Sri Lanka test match on 15 December. The building and player, umpire, physiotherapist and other team amenities were all welcomed as significant improvements to the previous facilities which were substandard for a venue of the Basin Reserve's standing.



Players' Pavilion completed Dec 2018



Team viewing rooms

The project to renew the wooden terraces on the western side of the ground was also completed in quarter two and was widely commented as another significant improvement to the facilities at the

Basin Reserve.

SUMMARY FINANCIALS

Variance (Actual minus Budget). ✓ Favourable variance to budget ✗ Unfavourable variance to budget

FINANCIAL PERFORMANCE (\$000)	Budget Q2	Actual Q2	Variance Q2	Budget YTD	Actual YTD	Variance YTD	Budget FYE
Total Revenue	201	249	48 ✓	467	565	98 ✓	1,005
Total Expenses	272	294	22 ✗	446	490	44 ✗	798
Net Surplus (Loss)	(71)	(45)	26 ✓	21	75	54 ✓	87
FINANCIAL POSITION							
Total Assets	723	932	209 ✓				796
Total Liabilities	57	256	199 ✗				63
Equity	666	676	10 ✓				732
CASH FLOWS							
Total Net Cash Flows	(155)	(100)	55 ✓	(42)	32	17 ✓	10
Opening Cash	163	224	--	50	92	--	50
Closing Cash	8	124	--	8	124	--	60

A naming rights sponsor for the Basin Reserve has not been secured causing the Trust to reforecast its year end result. The forecast revenue from naming rights was \$80k in 2018/19 and the original surplus was \$87k in the 2018/19 SOI. As a result the Trust now forecasts a budget surplus of \$70k versus a surplus of \$87k (negative variance \$17k). This is a modest deterioration and does not materially impair the Trust's financial position.

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	YTD	3 Year
MEASURE		31 Dec 17	31 Dec 18	31 Dec 18	Trend
Cricket Events	Actual	11	24	26	→
	Target	9	21	21	
The early preparation of the wicket block has enabled cricket to be played at the Basin much earlier in the season increasing overall usage.					
Other Sports Events	Actual	1	2	13	↗
	Target	1	3	10	
Community Events	Actual	1	4	4	↗
	Target	0	3	2	
Beers at the Basin event had a sold-out crowd of 5,800 in December.					
Function Bookings	Actual	3	11	19	↗

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

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

	Target	3	6	12	
Significant increase in functions being held in the refurbished RA Vance Stand.					
Practice Facility Usage (days)	Actual	41 ✓	53 ✓	64 ✓	↗
	Target	41	45	55	
Increased usage of practise facilities particularly by Cricket Wellington's amateur teams including the Blaze.					
Numbers Attending Events	Actual	22,000 ✗	24,500 ✗	27,000 ✓	↗
	Target	25,000	25,000	26,000	
Slightly less due to the Sri Lanka Test Match only going 4 days and a washout of the Domestic T20 fixture on Boxing day in addition to poor weather on match days. The longer term attendance trend is improving.					

ISSUES & OUTLOOK

Despite its long running commitment to secure a naming rights sponsor for the Basin Reserve, the Trust has still not been able to secure a deal.

Key upcoming events include;

- Blackcaps v Bangladesh test match – March 8-12, 2019
- Night noodle markets from April 2-16, 2019

The Basin Reserve project team is currently finalising the design for the seismic strengthening and refurbishment works for the Museum Stand. The project will be tendered during the current quarter (Q3) and works are intended to begin in Q4 with the aim of having the grandstand operational by February 2020.

9. KARORI SANCTUARY TRUST

ACTIVITY SUMMARY

During the quarter, ZEALANDIA welcomed 36,190 visitors to the valley, a similar result to last year's record number of 36,524. 76% of visitors were from outside the Wellington region and 51% were international visitors. Education visits are slightly behind target but tracking well, despite a very wet start to the summer that saw several schools having to cancel or rebook during the Q2 period.

ZEALANDIA's resident takahē, Nio and Orbell, successfully hatched a chick in mid-November. By New Year this chick emerged from its most vulnerable period and was starting to be spotted by visitors and volunteers.



ZEALANDIA launched two new electric passenger minibuses, a New Zealand first for the application of this technology. The buses run between the i-Site, the Cable Car precinct and ZEALANDIA. At the end of the summer season ZEALANDIA aims to retire its diesel minibus.

During the quarter Wellington hosted 38 cruise ship visits, up from 25 last year, contributing to a 30% increase to-date in tours sales this season. This summer ZEALANDIA has focused on the increased number of tour bookings from cruise ships and upselling visitors onto paid day tours. The number of people experiencing ZEALANDIA through a guided tour has increased by 28% on the same time last year, to 7,091 visitors. The Trust has seen growth across all tours products.

Delivery of the Predator Free Wellington Schools Miramar programme began, after the successful delivery of a pilot programme earlier in 2018. Schools will carry out a range of conservation and engagement activity around the peninsula, supported by a dedicated ZEALANDIA educator.

After detecting weasel prints in the sanctuary on 1 October 2018, ZEALANDIA successfully trapped the predator just two weeks later and declared the sanctuary weasel free again in November.

In November ZEALANDIA moved into its new staff accommodation building, named Pukeahu House (previously the Brierley Pavilion).

At the end of December 2018 Denise Church completed her second term as Chair of the Board, a role she fulfilled with significant achievement over a total period of 6 years. Phillip Meyer, former

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

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Deputy Chair, took over as Board Chair from 1 January 2019. Council appointed Dr Libby Harrison to the Board from 1 January 2019.

SUMMARY FINANCIALS

* Variance (Actual minus Budget). ✓ Favourable variance to budget ✗ Unfavourable variance to budget

FINANCIAL PERFORMANCE (\$000)	Budget Q2	Actual Q2	Variance Q2	Budget YTD	Actual YTD	Variance YTD	Budget FYE
Total Revenue	1,336	1,600	264 ✓	2,195	2,639	445 ✓	4,815
Op. Exp. before Depn & Int.	1,148	1,305	157 ✗	2,237	2,363	126 ✓	4,491
Earnings before Depn & Int.	188	295	107 ✓	(42)	277	319 ✓	329
Net Surplus (Loss)	39	215	176 ✓	(336)	124	460 ✓	(269)
FINANCIAL POSITION							
Total Assets	4,296	5,233	936 ✓				4,300
Total Liabilities	818	1,082	263 ✗				750
Equity	3,478	4,151	673 ✓				3,550
CASH FLOWS							
Total Net Cash Flows	101	(333)	434 ✗	(15)	160	175 ✓	276
Opening Cash	114	2,130	--	114	1,637	--	230
Closing Cash	215	1,797	--	99	1,797	--	506

Overall, revenue performance (excluding Council's grant funding) is \$2.1m against a budget of \$19m. Revenue year to-date is \$336k (19%) higher than the same period last year.

The quarter two year to-date earnings before depreciation is tracking favourably by \$319k mainly due to higher than budgeted tour income of \$108k retail sales of \$3k and EECA funding of \$103k for two new electric minibuses.

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

^ denotes annual target.

		Q2	Q2	YTD	3 Year
MEASURE		31 Dec 17	31 Dec 18	31 Dec 18	Trend
Full costs to Council*	Total	\$371k	\$378k	\$752k	n/a
	\$/visit	\$10.15	\$10.47	\$12.74	
* Council operating grant plus property related cost. This measure is required by Council and includes property costs which the Trust does not control.					
Council Subsidy (\$/visit)	Actual	\$6.95 ✓	\$7.25 ✓	\$7.25 ✓	↗
	Target^	\$9.07	\$8.80	\$8.80	

A steadily improving trend in reducing the Council subsidy per visitor to ZEALANDIA. Council's operating grant (excluding living wage funding) is projected to be 16% of forecast revenue for 2018/19, which compares favourably with 17% for the 2017/18 year and 20% for the 2016/17 year.

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

Average Revenue** (\$/visit)	Actual	\$29.40 ✓	\$33.91 ✓	\$33.91 ✓	↗
	Target [^]	\$26.22	\$26.48	\$26.48	
** Revenue per visit excludes interest, Council and other grants. Average revenue earned per visitor shows a steadily improving trend which strengthens the financial sustainability of ZEALANDIA and reduces its dependence upon Council support.					
Non-Council Funding	Actual	\$96,606	\$228,259	\$324,865	↗
	Target [^]	\$265,000	\$270,000	\$270,000	
Annual target already exceeded.					
Membership Subscription Revenue^^	Actual	\$93,929	\$69,247	\$163,176	↗
	Target [^]	\$306,000	\$312,100	\$312,100	
^^ Not a KPI – this is a management target.					
Visitors	Actual	36,524 ✓	36,190 ✓	59,137 ✓	↗
	Target	31,295	32,203	46,520	
Zealandia's popularity as a visitor destination continues to be strong.					
Students & Education Visits	Actual	2,836 ✗	3,038 ✗	5,272 ✗	↗
	Target	3,409	3,468	5,350	
Below Q2 target but expected to meet the full year target of student and education related visitors.					
Individual Members	Actual	11,245 ✓	10,832 ✓	10,832 ✓	↗
	Target [^]	10,600	10,800	10,800	
The Trust has a strong membership base and is ahead of the full year target.					

ISSUES & OUTLOOK

No issues to note.

Rather than delivering its own holiday programmes, ZEALANDIA is now open to school holiday providers to bring in their programme groups to the valley. The increase in demand for this programme is a positive validation of the new format, which has the goal of increasing the diversity of young people visiting the sanctuary and increasing our reach into Māori and Pasifika young people.

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SUBCOMMITTEE**
3 APRIL 2019

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JOIN US AT
ZEALANDIA
THIS JANUARY
FOR A VARIETY OF
WILDLY FUN
ACTIVITIES!

SUMMER IN THE
SANCTUARY

10. WELLINGTON CABLE CAR LIMITED

ACTIVITY SUMMARY

The company has completed the physical decommissioning of the overhead network and is now in the project close-out period with the final cessation of premises and staff transition taking place in March 2019.

During the quarter the overhead network was transferred to Council (effective 1 November 2018). The company has assisted Council in the transition of the pole network and administration as required.



Removal of 82km of double-tracked wires started in November 2017. The project began with taking down the network in the city centre and moving outwards to the suburbs.

The work was carried out by a specialist company, Broadspectrum. The project ran very smoothly and was completed within time and budget.

From a Cable Car perspective, along with positive tourism results, there has been a continued focus on events (including Halloween and a Christmas Party) which has attracted local residents to the Cable Car. More events are planned to be held during the year.

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3 APRIL 2019

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The Cable Car's Point Of Sale financial system integration is now fully operational and will result in efficiencies moving forward and will aid the audit processes. The Company has also been liaising with Snapper regarding further integration to reduce the processing time by kiosk staff.

Work on the structural assessment of the tunnels and the maintenance work for the 2019 year is progressing as planned.

Many visitors to Wellington and residents of the city celebrate with posts on social media. The Cable Car experience continues to feature very prominently in many visitors photos of Wellington. The Wellington Cable Car sits at No.5 on Trip Advisor's Top Attractions, behind Te Papa (No.1), Mt Victoria (No.2) and Zealandia (No.3).



SUMMARY FINANCIALS

* *Variance (Actual minus Budget).* ✓ *Favourable variance to budget* ✗ *Unfavourable variance to budget*

FINANCIAL PERFORMANCE (\$000)	Budget Q2	Actual Q2	Variance Q2	Budget YTD	Actual YTD	Variance YTD	Budget FYE
Total Revenue	1,718	1,584	134 ✗	2,941	3,164	223 ✓	6,282
Total Expenditure	1,389	1,121	268 ✓	2,778	2,720	58 ✓	5,778
Net Surplus (Loss) after tax	236	313	77 ✓	116	298	182 ✓	504
FINANCIAL POSITION							
Total Assets	n/a		n/a		12,279		n/a
Total Liabilities	n/a		n/a		1,891		n/a
Equity	n/a		n/a		10,388		n/a
CASH FLOWS							
Total Net Cash Flows	n/a		n/a		49		n/a
Opening Cash	n/a		n/a		4,096		n/a
Closing Cash	n/a		n/a		4,047		n/a

The financial result for the second quarter ended 31 December 2018 show a pre-tax surplus of \$461k compared to a budgeted surplus of \$313k, a positive variance of \$148k. The year to date result is also positive, with a pre-tax surplus of \$444k compared to a budgeted surplus of \$131k, a positive variance of \$313k. The key factors in the results include:

- Strong fare income, being \$49k ahead of budget for the quarter, assisted by a positive start to the cruise ship season;

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

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SUMMARY FINANCIALS

- Operational expenses tracking under budget, which is partially due to a conservative budget and the timing of marketing expenditure for the year;
- External income was \$63k ahead of budget for the quarter, which is due to the final transfer of the pole network to Council and also releasing the accruals for maintenance work and pole replacements that were not required;
- Administrative expenses were \$58k under budget due to careful expense management and costs being less than expected for the move to the new head office in Lambton Quay.

As noted in prior reports, the Company is maintaining higher cash reserves to fund its future replacement programme for the cable cars. It remains the Company's intention to manage income (via fare changes) and expenditure as well as debt fund its future capital expenditure to minimise the need for Council funding support.

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.

MEASURE		Q2	Q2	YTD	3 Year
		31 Dec 17	31 Dec 18	31 Dec 18	Trend
Passenger Trips	Actual	330,011	341,982	558,331	→
	Target	293,010	325,642	515,911	
The 2019 cruise ship season has been positive with 43,000 additional trips for the year compared to budget.					
Fare Income	Actual	\$882,835	1,076,583	1,659,991	↗
	Target	\$808,556	1,028,047	1,561,364	
The trend for fare income and average fare per passenger is improving.					

Passenger trips and fare income remain strong and are tracking ahead of budget for the current year. This is due to the cruise ship season and strong tourism to Wellington and also the potential negative impact of the fare increases (on passenger numbers) being less than envisaged.

ISSUES & OUTLOOK

No issues to note.

11. WELLINGTON MUSEUMS TRUST

ACTIVITY SUMMARY

Performance highlights

- The Wellington Museum Suffrage 125 project, *A Cameo Affair* by artist Genevieve Packer, opened on 28 November 2018. The project shows silhouettes of prominent women of New Zealand.
- A short-term exhibition focused on the Nissan Mobil 500 (*Racing the Wellington 500*) opened at Wellington Museum in mid-December 2018.
- Space Place is presenting Mandarin screenings of planetarium shows to a growing number of Chinese groups.
- Capital E delivered the inaugural *Maker Faire* in Wellington, a family-friendly festival focused on invention, creativity and resourcefulness. It encompassed technology, education, science, arts, crafts, sustainability, and making of all kinds with more than 30 Makers sharing their stories. More than 2,500 people attended the one-day event.
- Capital E's National Theatre for Children showcased *Story Studio Live* in Parliament to celebrate the four talented young authors.
- The second quarter of 2018-19 saw two fundraising successes for the Capital E team - securing \$80k from The Lion Foundation to support the 2019 Capital E National Arts Festival and \$117k from the *Tuia 250: Encounters* fund to support *Story Studio Live* and *A Series of Encounters*.
- The summer season of exhibitions at City Gallery Wellington: *From Scratch: 555 Moons*; *Cao Fei #18*; and *Yona Lee: In Transit* were opened on 7 December 2018. The opening event included a performance by From Scratch and Orchestra of Spheres.
- City Gallery Wellington's retail performed strongly during the second quarter, doubling sales for the same period last year.
- City Gallery secured \$120,000 support from WREDA and the City Growth Fund for the upcoming 'double feature' exhibitions *Semiconductor: The Technological Sublime* and *Eva Rothschild: Kosmos*.

SUMMARY FINANCIALS

* Variance (Actual minus Budget). ✓ Favourable variance to budget ✗ Unfavourable variance to budget

FINANCIAL PERFORMANCE (\$000)	Budget Q2	Actual Q2	Variance Q2	Budget YTD	Actual YTD	Variance YTD	Budget FYE
WELLINGTON MUSEUMS TRUST (EXCL. SPACE PLACE)^							
Total Revenue	2,816	3,180	364 ✓	5,720	6,179	459 ✓	12,022
Total Expenses before Depn	2,645	3,015	370 ✗	5,688	5,896	208 ✗	11,518
Depreciation	135	115	20 ✓	269	222	47 ✓	537
Net Surplus (Loss)	36	50	14 ✓	(237)	61	298 ✓	(33)
SPACE PLACE^							
Total Revenue	241	232	9 ✗	503	488	15 ✗	1,134
Total Expenses	284	252	32 ✓	596	523	73 ✓	1,134
Net Surplus (Loss)	(46)	(23)	23 ✓	(93)	(35)	58 ✓	(11)
FINANCIAL POSITION Both Activities							
Total Assets	5,765	6,182	417 ✓	5,765	6,182	417 ✓	6,080

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

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SUMMARY FINANCIALS

Total Liabilities	1,585	1,688	103 ✗	1,585	1,688	103 ✗	1,610
Equity	4,180	4,494	314 ✓	4,180	4,494	314 ✓	4,470
CASH FLOWS							
Both Activities							
Total Net Cash Flows	(2,605)	(1,974)	631 ✓	2,010	107	1,903 ✗	(50)
Opening Cash	3,120	3,025	--	880	944	--	880
Closing Cash	515	1,051	--	2,890	1,051	--	830

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

Experience Wellington is ahead of budget, mainly due to timing differences, after the second quarter and expects to meet its full year budget at year end 30 June 2019.

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

MEASURE		Q2	Q2	YTD	3 Year
		31 Dec 17	31 Dec 18	31 Dec 18	Trend
Full Costs to Council*	Total	\$2.3m	\$2.3m	\$4.6m	n/a
	\$/visit	\$12.83	\$11.49	\$13.16	

* Council operating grant plus property related cost (including rental grant paid for Capital E). Figures recognise the gross operating grant, not allocated among the various activities. This measure includes property costs which the Trust does not control.

This is a Council metric, not controlled by the Trust.

MEASURE		Q2	Q2	YTD	3 Year
		31 Dec 17	31 Dec 18	31 Dec 18	Trend
Council Grant (\$/visit)	Actual	\$9.93 ✓	\$10.64 ✗	\$10.91 ✗	↗
	Target^	\$10.85	\$10.05	\$10.05	

Subsidy per Visit forecast is based on the probable percentage of the operating grant received from Council as follows:

- City Gallery – 30%
- Museums Wellington (Wellington Museum, Cable Car Museum and Nairn Street Cottage) – 26%
- Capital E (including the Hannah Playhouse) – 22%
- Space Place – 4.9% plus the cash underwrite
- Trust's Executive Office – 17.1%

City Gallery	Actual	\$14.39	\$14.19 ✗	→
	Target^	\$12.50	\$12.65	
Museums Wellington Wellington Museum, Cable Car Museum & Nairn St Cottage	Actual	\$3.91	\$4.99 ✓	↘
	Target^	\$5.18	\$5.00	
Capital E	Actual	\$10.46	\$16.21 ✗	↗
	Target^	\$14.53	\$10.76	
Space Place	Actual	\$6.48	\$6.85 ✓	→
	Target^	\$9.89	\$9.72	

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

These metrics are based on an allocation (as above). Targets are full year figures. The actual subsidy per visit is expected to align with full year target by year end.

MEASURE		Q2 31 Dec 17	Q2 31 Dec 18	YTD 31 Dec 18	3 Year Trend
Average Spend (\$/visit)	Actual	\$2.56 ✗	\$3.65 ✓		↗
	Target [^]	\$2.98	\$3.40		
City Gallery	Actual	\$2.14 ✓	\$2.58 ✓		↗
	Target [^]	\$1.57	\$1.80		
Museums Wellington <i>Wellington Museum, Cable Car Museum & Nairn St Cottage</i>	Actual	\$2.47 ✓	\$2.90 ✓		→
	Target [^]	\$1.41	\$2.28		
Capital E	Actual	\$4.68 ✓	\$4.64 ✓		↘
	Target [^]	\$3.84	\$3.12		
Space Place	Actual	\$9.93 ✗	\$10.40 ✓		→
	Target [^]	\$10.12	\$9.85		

Average spend per visitor is increasing due changes instituted following a specialist review of the Trust's retail services. As noted above, City Gallery Wellington's retail performed strongly during the second quarter, doubling sales for the same period last year.

MEASURE		Q2 31 Dec 17	Q2 31 Dec 18	YTD 31 Dec 18	3 Year Trend
Non-Council Revenue (\$000s)	Actual	\$0.98m	\$0.77m	\$1.73m	→
	Target [^]	\$3.52m	\$4.08m	\$4.08m	

VISITATION		Q2 31 Dec 17	Q2 31 Dec 18	YTD 31 Dec 18	3 Year Trend
Total Visits	Actual	184,748 ✓	197,238 ✓	344,945 ✓	↗
	Target	162,100	174,150	310,550	

Total visitor numbers tracking ahead of both Q2 and YTD targets, led by the Cable Car Museum.

Cable Car Museum	Actual	78,503 ✓	87,113 ✓	129,920 ✓	↗ →
	Target	59,800	65,500	96,000	

Tracking well ahead of YTD target and also ahead of the same period last year supported by strong cruise ship numbers to Wellington this summer.

City Gallery	Actual	35,023 ✓	37,411 ✗	77,590 ✗	↗
	Target	20,000	40,000	85,000	

Attendance at the City Gallery is above the same period last year noting that the Gallery closed on 19 November 2017 so that building works could be completed, but falls below the Q2 target, however prior year visitation figures are comparable.

- Q2 Dec-2018 37,411 | From Scratch: 555 Moons; Cao Fei #18; and Yona Lee: In Transit opened 7 Dec-2018
- Q2 Dec-2017 35,023 | closed 19-Nov-2017 for alterations
- Q2 Dec-2016 34,728 | Cindy Sherman (and Nov 2016 earthquake)
- Q2 Dec-2015 45,205 | Demented Architecture & a massive family Archi-Lego battle

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

3 APRIL 2019

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

- Q2 Dec-2014 38,930 | Seung Yul Oh: MOAMOA A Decade

Capital E	Actual	21,561	22,669	49,814	↗
	Target	28,500	21,150	42,750	
A 38% increase in numbers in the digital studios and a 55% increase in public programmes attendance, largely due to <i>Maker Faire</i> has contributed to the Q2 target being achieved.					
Wellington Museum	Actual	35,511	36,641	60,568	→
	Target	40,000	35,000	62,000	
The opening of <i>A Cameo Affair</i> and the <i>Racing the Wellington 500</i> exhibition contributed to record visitation in December ensuring that the Q2 target was achieved.					
Space Place	Actual	13,742	12,866	26,258	↗
	Target	13,500	12,000	24,000	
Tracking well against target and on par with the same period last year.					
Nairn Street Cottage	Actual	408	538	813	↗
	Target	300	500	800	
The Cottage re-opened to the public in September 2018 after a refresh of the visitor experience and has seen a steady increase in visitation since. Extended summer opening hours began in January 2019.					

ISSUES & OUTLOOK

No issues to note.

- Construction at the Town Hall and the recent closure of the Wellington City Library could impact City Gallery.
- A business case to support funding allocated in the 2018-28 LTP to earthquake strengthen and upgrade the Wellington Museum will be developed.
- The lease on Capital E's accommodation on 4 Queens Wharf expires during 2019 and accommodation options including moving Capital E to a new site are under investigation.
- The 2019 Capital E National Arts Festival will run from 9 March to 23 March 2019. Acts feature a wide range of art forms and breadth of styles and genres from New Zealand and Japan, Denmark and Australia. This is the 9th Festival.
- City Gallery will present two exhibitions as part of our high value contemporary art strategy. Semiconductor: The Technological Sublime will open at City Gallery on 23 March 2019 and Eva Rothschild: Kosmos will open on 6 April 2019.

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

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12. WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LIMITED

EXECUTIVE SUMMARY

Events and Experience

- Delivered 65 conferences and business events including the NZ Principals, Kiwicon IT and the united Fire Brigade conferences.



- The Michael Fowler Centre hosted 14,500 graduating students over the period.
- There were 58 events with 80 performances attended by 150,209 people.
- Highlights included 12 shows for WOW, sold out performances for Bill Bailey, David Byrne Shihad, the Royal NZ Ballet, Catherine Tate and the Silver Ferns versus Australia.
- WREDA won 8 international and national bids to host business events in the region over the next few years, estimated economic value to the region is in the order of \$2.8m.
- For the year ending December 2018 Wellington had a 22% market share of the convention and events business in NZ, up 2% on the previous year.
- Worked closely with WCC in developing a robust Convention Centre business case and assisting in the detailed design.

Marketing and Communications

- JV campaign with Te Papa for the Terracotta Warriors with opening of the exhibition in December



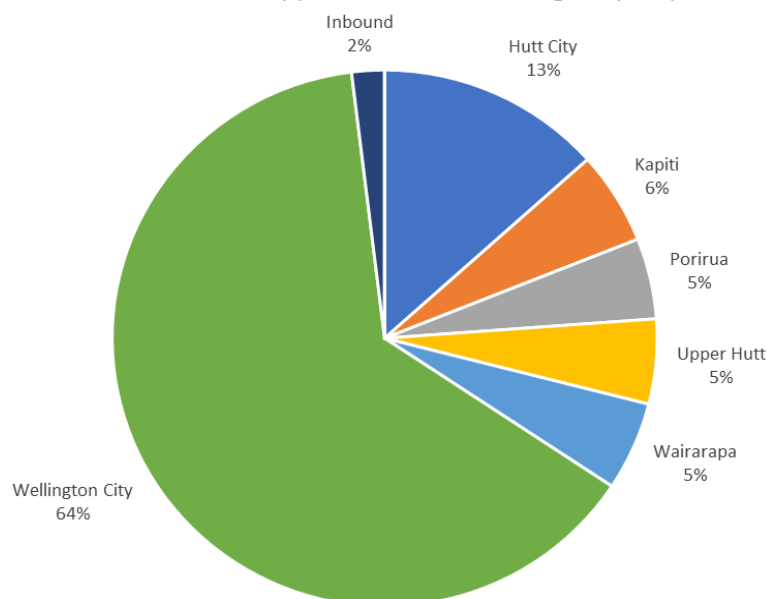
- Partnered with Air NZ to promote travel to Wellington this summer, resulting in a 7% increase in bookings over the campaign period
- Journalists were hosted from amongst others Forbes, USA Today, National Geographic, Readers Digest, resultant coverage included Lonely Planet, Tatler, Australian Women's Weekly, Brisbane News and Forbes
- WREDA's media coverage reached in excess of 15m people
- WellingtonNZ.com received 539,886 visits, of these 368,000 were unique users
- Over 92,000 vouchers were downloaded from the annual Advent calendar, a 7% increase on last year, with direct spend of \$173k from voucher redemption
- Launch of Your Alternative Summer marketing campaign centered on Wellington as a getaway destination with world class dining, stylish shopping and deluxe hotels.
- Find Your Wild regional trails campaign launched including an interactive website (www.wellingtonregionaltrails.com)



Regional Development, Destination and Attraction

- Launch of the Wairarapa Economic Development Strategy. The, Provincial Growth Fund along with the Wairarapa councils, GWRC and WREDA are funding a programme manager to help implement the strategy.
- Worked with the Kapiti Coast District Council on review of their ED strategy and development of Kapiti story .
- 411 businesses supported via the Regional Business Partner Programme, including 231 receiving direct support. NZTE and Callaghan have reappointed WREDA to deliver the programme for another 2 years.
- The businesses supported by the programme are spread across the region as follows;

Businesses Supported Across the Region (YTD)



- Supported the Porirua PopUp Business School along with Porirua City Council and the

Ministry for Social Development.

- A number of promotional campaigns were held regarding the Wellington International Student Growth Programme including meeting with 26 education agents and an awareness campaign in China.
- 171 students (last year 147) have been placed with 62 organisations for summer internships, 11% of these placements were international students.
- 295 screen permits processed for a variety of projects including a NZ feature film, advertising/promotional material, student films.
- Signing of a new partnership with Immigration NZ to share knowledge, skills and resources to boost visitors and students and investment in the region.

Creative HQ

- 61 start ups from the region are currently on the CHQ platform
- Delivery of the GovTech Accelerator which is an opportunity to rapidly build, test, validate and experiment with new approaches and technologies to improve government. The Ease of Doing Business plus programs with Beca (acceleration) and Transpower (innovation) were also delivered.
- Inaugural running of Experience Week, which involved 23 events including a series of design workshops, Design Sprints and networking events. The success of this week was measured by the number of registrations, enquiries, attendees and follow up projects is ensures it will become an annual event
- CHQ has matched WREDA's core funding by an 8:1 ratio for the year to date, the target for the year is a 4:1 ratio

SUMMARY FINANCIALS

* Variance (Actual minus Budget). ✓ Favourable variance to budget ✗ Unfavourable variance to budget

FINANCIAL PERFORMANCE (\$000)	Budget Q2	Actual Q2	Variance Q2	Budget YTD	Actual YTD	Variance YTD	Budget FYE
Total Revenue	6,688	8,135	1,447 ✓	14,871	16,335	1,464 ✓	28,733
Total Expenses	8,758	9,210	452 ✗	16,645	16,527	118 ✓	28,685
Net Surplus (Loss)	(2,070)	(1,075)	995 ✓	(1,774)	(192)	1,582 ✓	48
FINANCIAL POSITION							
Total Assets		5,235			5,235		5,564
Total Liabilities		3,222			3,222		3,500
Equity		2,013			2,013		2,064
CASH FLOWS							
Total Net Cash Flows	(1,600)	(1,590)	10 ✓	(100)	11		109
Opening Cash	3,600	3,512	(88) ✗	2,100	1,911		2,100
Closing Cash	2,000	1,922	(78) ✗	2,000	1,922		1,991

Revenue was up due to additional shareholding revenue (Decade of Culture), increased partner income from CHQ clients, Team Wellington, Cycletrails. Operating expenditure for 6 months is in line with budget resulting in a lower than expected loss.

For the year WREDA is forecasting to make a higher surplus than budget.

[illegible]

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

→ Steady ↗ Improving ↘ Declining

MEASURE	Q2		Budget	Trend	Comments
		2018	2018/19		
Unique visitors to Wellingtonnz.com	Actual	1,404,606		↗	On track to achieving target
	Target		2,700,000		
Weekend hotel guest occupancy	Actual	80%		↗	On track to achieving target
	Target		80%		
International travel trade interactions	Actual	1,468		↗	On track to achieving target
	Target		3,750		
Number of start ups on CHQ platform	Actual	61		↗	On track to achieving target
	Target		70		
Interns placed in priority sectors	Actual	261		↗	On track to achieving target
	Target		275		
Number of companies becoming investable	Actual	6		↗	On track to achieving target
	Target		5		
Value of Business Events	Actual	\$11m		↗	On track to achieving target
	Target		\$25m		
Number of International bids submitted	Actual	14		↗	On track to achieving target
	Target		35		
Proportion of successful business events submitted	Actual	87%		↗	On track to achieving target
	Target		60%		
Number of events	Actual	344		↗	On track to achieving target
	Target		440		
Value of facilitated screen	Actual	\$6.2m		↗	A mixture of screen

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

production	Target	\$65m		productions taking place in the region throughout Q3 and Q4 will see the annual target met, this includes another season of Wellington Paranormal and a NZ feature film.
Major Event attendance	Actual	194,886	→	Events planned for Q3 and Q4 are expected to bring attendances in line with the target, these include the Eminem concert, Homegrown, CupaDupa
	Target	700,000		

A number of WREDA's KPIs are measured on an annual basis, at this stage, based on the Q2 trends it is expected that the majority of the KPIs will be achieved including those relating to Screen Production and Major Events attendances.

ISSUES & OUTLOOK

- Visitor spend continues to increase, international spend is up 6.6% for the year to December 2018 with Australian spend up 9.4%, this is despite international visitor arrivals through the airport being relatively flat. However, Australian visitor arrivals for January 2019 (month) are up 10.4% on the previous January
- Overall, guest nights are up 1.1% for the calendar year although international guest nights being down 10.5% year on year. However, the increasing impact of Air BnB on the commercial accommodation sector is making comparison between years more difficult.

Looking forward to Q3;

- Launch of Virtual Wellington which allows people to immerse themselves in Wellington.
- Redevelopment of the I-SITE (commencing May)
- New international student attraction campaign.
- Te Matatini promotion
- Autumn campaign for Australia
- Strong events programme in Q3, in particular;
 - Terracotta Warriors Exhibition (continued)
 - Cricket tours by India and Bangladesh
 - Eminem Concert, 46,000 tickets sold
 - Jim Beam Homegrown
 - Cuba Dupa

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

3 APRIL 2019

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13. WELLINGTON ZOO TRUST

ACTIVITY SUMMARY

Wellington Zoo was named the winner of the inaugural World Association of Zoos and Aquariums (WAZA) Environmental Sustainability Award at the WAZA Conference 2018 in Bangkok. Also at the WAZA Conference, Karen Fifield was appointed to the WAZA Conservation and Environmental Sustainability Committee and will Chair the Sustainability Sub Committee which focuses on the fight against global warming by implementing sustainable applications and operations in zoos and aquariums.



The Zoo again achieved Qualmark Gold which is an independent validation of a quality tourism business.

Wellington Zoo has maintained carbonZero certification for the sixth year running.

The Zoo passed its MPI audit which is undertaken six monthly and checks the prescribed requirements for building, maintaining and operating zoo facilities.

\$34,678 was received in grants during the quarter from One Foundation, Koala Trust, Winton and Margaret Bear Charitable Trust, Thomas George Macarthy Trust and Nikau Foundation. This funding enables the Zoo to contribute to its educator and ranger salaries, The Nest Te Kōhanga operational costs, Bush Builders Learning Programme and salaries associated with the Wellington Green Gecko breeding project.

Green Gecko and Ngahere Gecko searches on Matiu Somes Island have restarted with two trips undertaken in November and December. This programme is supported by DOC and led by Wellington Zoo.

The new Chimp Park was officially opened by Mayor Justin Lester on 17 December. Many of the new features inside the new habitat are sustainable, such as the hammocks which are made from recycled fire hose from New Zealand Fire Service, the ropes have come from C3 and Centreport

and the additional poles have come from Wellington Cable Car Company and Transpower. The new glass viewing area helps visitors to connect with the Chimpanzees and the children's playground is inspired by Chimpanzees and how they play.



During the quarter, Zoo staff attended the:

- International Zoo Educators (IZE) Board Meeting and Conference at El Ain Zoo, United Arab Emirates. At the IZE Conference Amy Hughes (also an IZE Board member) presented on developing the interpretive journey for Meet the Locals He Tuku Aroha.
- ICZ (International Congress of Zookeepers) conference in Argentina. Animal Care Manager, Jo Richardson's presentation, "The Individual in the Bigger Picture", focused on the wellbeing of individual animals rather than the welfare of a species in general. WZT is hosting the Congress in 2021 and we can expect between 200-400 delegates to attend.

SUMMARY FINANCIALS

* Variance (Actual minus Budget). ✓ Favourable variance to budget ✗ Unfavourable variance to budget

FINANCIAL PERFORMANCE (\$000)	Budget Q2	Actual Q2	Variance Q2	Budget YTD	Actual YTD	Variance YTD	Budget FYE
Total Revenue	2,115	2,059	56 ✗	3,775	3,908	133 ✓	7,527
Total Expenses	1,903	2,012	109 ✗	3,780	3,875	95 ✗	7,527

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

3 APRIL 2019

SUMMARY FINANCIALS

Net Surplus (Loss)	212	47	165 ✗	(5)	33	38 ✓	0
FINANCIAL POSITION							
Total Assets	3,006	4,124	1,118 ✓				2,494
Total Liabilities	816	2,015	1,199 ✗				798
Equity	2,189	2,109	80 ✗				1,696
CASH FLOWS							
Total Net Cash Flows	(616)	(488)	128 ✓	(20)	(379)	359 ✗	(528)
Opening Cash	3,486	3,777	--	3,486	3,668	--	2,890
Closing Cash	2,869	3,289	--	3,466	3,289	--	2,362

The Zoo's YTD revenue exceeds budget by \$133k and its surplus is \$38k ahead of target. The Trust is on target to 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
^ denotes annual target. The Trust reports against its annual targets each quarter.

MEASURE		Q2	Q2	YTD	3 Year
		31 Dec 17	31 Dec 18	31 Dec 18	Trend
Full costs to Council*	Total	\$1.3m	\$1.3m	\$2.6m	n/a
	\$/visit	\$19.24	\$20.17	\$22.83	
* Council operating grant plus property related cost. This measure is required by Council and includes property costs which the Trust does not control.					
Council Subsidy (\$/visit)	Actual	\$11.75 ✓	\$12.76	\$14.43	→
	Target^	\$13.57	\$13.58	\$13.58	
The impact of Council's funding of its living wage policy was not forecast in the SOI budgets.					
Average Revenue** (\$/visit)	Actual	\$18.97 ✓		\$19.44 ✓	→
	Target^	\$16.26	\$17.21	\$17.21	
** Revenue per visit excludes interest, Council and other grants.					
Percentage Operating Costs Generated by the Trust	Actual	69% ✓		57% ✓	→
	Target^	54%	56%	56%	
Trust Generated Income as Percentage of the Council's grant	Actual	161% ✓		135% ✓	→
	Target^	120%	127%	127%	

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

Visitors	Actual	68,970 ✓	65,033 ✓	115,006 ✓	↗
	Target	61,060	64,639	112,773	
843 visitors ahead of target YTD and 16,917 visitors ahead of the same period last year.					
Zoo School (LEOTC) Visits	Actual	3,572	4,535	7,844	→
	Target^	10,500	10,500	10,500	
LEOTC figures are tracking well- this is an annual measure for MOE.					
Percentage of native patient successful released to the wild after treatment in the Nest Te Kōhanga	Actual	82% ✓		57.4% ✓	→
	Target^	>55%	>70%	>70%	

ISSUES & OUTLOOK

No issues to note.

Attachments

Attachment 1.	Basin Reserve Q2 Report 31-Dec-2018	Page 101
Attachment 2.	Karori Sanctuary Trust Q2 Report 31-Dec-2018	Page 134
Attachment 3.	Wellington Cable Car Q2 Report 31-Dec-2018	Page 165
Attachment 4.	Wellington Museums Trust Q2 Report 31-Dec-2018	Page 178
Attachment 5.	WREDA Q2 Report 31-Dec-2018	Page 197
Attachment 6.	Wellington Zoo Trust Q2 Report 31-Dec-2018	Page 241

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COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

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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
Report to the Wellington City Council
CCO Committee

Second Quarter ending 31 December 2018



1. Highlights

Quarter two highlights are outlined below

- Beers at the Basin – in its second year, Beers at the Basin has quickly become an iconic Wellington summer event. The event, which showcases the best craft breweries, local wineries, street food and music sold out to a record crowd of 5,800
- Blackcaps vs Sri Lanka Test – the BRT hosted the first Test Match of the summer with an aggregate crowd over four days (one day's play lost to rain) of 10,877 people. We received extremely positive feedback from New Zealand Cricket (NZC), the International Cricket Committee (ICC), players and umpires on the new players pavilion
- A successful Wellington Scottish Athletics Club Night of Miles event was held further demonstrating the Basin Reserves diverse use to a wide range of sports
- Positive engagement with the various local residents' groups with a meeting held between key community leaders and the BRT – an opportunity for closer working relationships exists. A follow up meeting will be conducted in quarter four
- A wide range of corporate functions and conferences were held including events for Sport Wellington, Sport New Zealand, Institute of Directors and Victoria University
- A significant amount of domestic and community cricket games and trainings have been held during quarter two providing access to the hallowed Basin Reserves turf for male and female cricketers from amateur to professional levels



2. Statement of Intent KPI Performance

The Basin Reserve continues to be one of the most used community and sporting venues in New Zealand. As highlighted in the table below the end of quarter two 2017 to 2018 comparison shows a significant increase in events and function bookings and the BRT's three-year trend across all KPI's is positive.



✓ Achieved ✗ Not Achieved. The 3 Year Trend = year on year performance → Steady ↗ Improving ↘ Declining

		Q2	Q2	3 Year	
MEASURE		31 Dec 17	31 Dec 18	Trend	Comments
Cricket events	Actual	11✓	24✓	↗	The early preparation of the wicket block has enabled cricket to be played at the Basin much earlier in the season increasing overall usage
	Target	9	21		
Other sports events	Actual	1✓	2✗	↗	Wellington Scottish Athletics Club Night of Miles Event held
	Target	1	3		
Community events	Actual	1✓	4✓	↗	Beers at the Basin event had a sold-out crowd of 5800
	Target	0	3		
Function bookings	Actual	3✓	11✓	↗	Significant increase in functions being held in the refurbished RA Vance Stand
	Target	3	6		
Practice facility usage days	Actual	41✓	53✓	↗	Increased usage of practise facilities represented by broader access to CW amateur teams including the Blaze
	Target	41	45		
Numbers attending events	Actual	22000✗	24,500✗	↗	One days play of cricket lost to rain during the Sir Lanka Test impacting attendance numbers
	Target	25,000	25,000		

Cricket Events and Practise Facility Usage

As the home ground of Cricket Wellington during quarter two a large volume of domestic cricket games were held. The Wellington Firebirds featured in the Plunket Shield and Ford Trophy with the Wellington Blaze competing in the Hallyburton Johnston Shield. The Basin also accommodates Cricket Wellington development and community teams (clubs and schools) with an increase in use of the practise wickets due to a more diverse usage of these facilities.



During quarter two the BRT also hosted International Cricket with the Blackcaps first Test Match of the summer played at the Basin vs Sri Lanka, 15 – 19 December. The Basin pitch received a good rating from the ICC and NZC were happy with the event delivery, venue presentation and aggregate attendance (10,877 spectators over four days). NZC, the ICC and opposition were very complimentary about the recently upgraded players pavilion.



Other Sports and Community Events

The Basin continues to feature a wide range of sporting and community events. A successful Wellington Scottish Athletics Club Night of Miles event was held on 8 December. This popular event is now an annual feature at the Basin. Another annual feature, Beers at the Basin was also held during December. This event is in its second year and showcases Wellingtons craft beer industry. The 2018 event sold out to a record crowd of 5800 event goers.



Functions

Through its contract with Black and Gold Events who manage and promote the recently refurbished Norwood Room and Long Room in the RA Vance Stand as a venue for conferences, meetings, weddings, celebrations, Christmas functions and team building workshops the BRT is pleased to report a significant increase in functions during quarter two. In total 11 functions were held, this is up from three functions at the same time in 2017.

3. Master Plan Redevelopment

The Trust continues to work with Council and architects Tennent-Brown in progressing the vision of the Masterplan. An update on this project is as follows

- Completion of the northern entrance enhancing the entry to the Basin Reserve and improving spectator safety whilst also providing a functional area for the sale of food and beverage
- Completion of the players pavilion providing world class viewing and changing facilities for players and umpires. The new pavilion also contains physio and drug testing rooms. The pavilion was officially opened by Mayor Justin Lester before the Sri Lankan Test
- Installation of new netting in the off-field practice cage improving safety at trainings for players and coaches
- Completion of stage one of the southwest terraces with the removal of the Brierley Pavilion and levelling of the area to create a flat grassed area for children to play on. It is anticipated that this area will be developed into a permanent children's play area with new designs being investigated. New timber bleachers were also installed with the surrounding area re-



asphalted.

- The redevelopment of Museum Stand is progressing well. Enabling works will commence in February 2019 with construction planned to commence in April 2019. We are aiming for completion in January 2020
- Council's plans for the upgrade of the embankment, toilet blocks and the perimeter fence and ground entrances is currently on hold pending outcomes from the Get Welly Moving project
- The BRT is progressing initial planning for replacement floodlights and are confident of securing funding so that the consenting process for replacement floodlights can commence in 2019

4. Sponsorship and fundraising

Sponsorship

Despite the work of HT Group (Independent Stadium sponsorship expert) as well as the BRT's own attempts we have been unsuccessful in securing a naming rights partner and / or venue signage partners for the 2018/19 season. The \$80K of revenue budgeted for sponsorship / signage has been removed from the yearend forecast.

The BRT will continue to focus on securing revenue from either a naming rights partner or multiple venue signage partners. Securing the India Test Match in February 2020 opens up the Indian market – should the BRT secure this game (bidding will commence in March 2019) we are continuing our discussions with India's premier Sports Marketing & Management, company Twenty First Century Media. A site inspection of the Basin Reserve is being conducted on 2 February 2019 with representatives of Twenty First Century Media

Fundraising

Positive relationships have been built with leading community funding trusts and opportunities exist for the BRT to secure community funding – this is evidenced by the BRT's success in securing funding for the installation of new netting in the off-field practice cage

5. Basin Reserve Trust Meeting

The BRT Trustees met on 16 November. The meeting schedule for the remainder of this reporting year is outlined in the table below

Friday 13 May 2019	10am	Norwood Room, Basin Reserve
Friday 17 September 2019	10am	Norwood Room, Basin Reserve

6. Financial Performance



The BRT have completed a yearend reforecast that considers the year to date actuals. The Trust is forecasting a yearend surplus of \$70K against a budgeted surplus of \$87K a negative variance of \$17K.

We are forecasting yearend income of \$1,051M against budgeted income of \$1,005M a positive variance of \$46K. Key drivers of this variance are as follows

- \$8K increase in WCC Grants
- \$35K increase in Other Grants (Four Winds)
- \$40K increase in Ground Hire International Cricket
- \$43K increase in Ground Hire Other Events (includes \$35K contra for Noodle Night Markets)
- \$80K decrease in Other Income (removal of signage / sponsorship income)

We are forecasting yearend expenses of \$981K against budgeted expenses of \$917K a negative variance of \$63K. Key drivers of this variance are as follows

- \$5K increase in Building Expenses (Fire and pest control)
- \$5K increase in Ground Expenses (Turf management costs)
- \$21K increase in Occupancy Costs (Water, power, gas, consumables)
- \$6K increase in Admin Costs (Increased management costs and reduced consultants' fees)
- \$25 increased Other Expenses (Increased marketing costs as a result of Noodle Night Markets contra)

A year to date summary of financial performance is outlined below (Please refer to the attached Statement of Financial Performance for the period ending 31 December 2018 for further information)

Variance (Actual minus Budget). ✓ Favorable variance to budget ✗ Unfavorable variance to budget

	Budget	Actual	Variance	Budget	Actual	Variance	Budget
FINANCIAL PERFORMANCE	Q2	Q2	Q2	YTD	YTD	YTD	FYE
(\$000)							
Total Revenue	201	249	✓48	467	565	✓98	1,005
Total Expenses	272	294	✗ (22)	446	490	✗ (44)	918
Net Surplus (Loss)	(71)	(45)	✓26	21	75	✓54	87
FINANCIAL POSITION							
Total Assets	723	932	✓209				795
Total Liabilities	57	256	✗ (199)				63
Equity	666	676	✓10				732
CASH FLOWS							
Total Net Cash Flows	(155)	(100)	✓55	(42)	32	✓17	10
Opening Cash	163	224	✓61	50	92	✓42	50
Closing Cash	8	124	✓116	8	124	✓116	60



7. Outlook

Key events planned for quarter three and four are as follows

- Super Smash featuring women's and men's double headers and the 'Fill the Basin' campaign
- Various community matches, covering club cricket, wanderers and charity fundraising events – approximately 10 matches
- Functions and conferences
- Blackcaps v Bangladesh Test Match – March 8-12, 2019
- Noodle Night Markets from April 2-16, 2019

8. Issues / Risks

- Museum Stand - unforeseen cost escalation and time delays may arise due to the potential risk of discovering asbestos within the stand after testing is undertaken
- An organic layer has developed on the turf that is causing a build-up of dead organic grass. The build-up is reducing the water infiltration rates and leading to Poa (a weed) growth. A full turf renovation is required at the end of the cricket season to resolve this issue
- We have been advised that during the 2019 winter Seddon Park will have new lights installed and that plans are in place to install lights at Hagley Oval in Christchurch before the Women's World Cup in 2021. To ensure the Basin regains its position as the premier cricket venue in New Zealand it is vital that we install floodlights to enable day / night cricket (and other evening events).

**BASIN RESERVE TRUST
STATEMENT OF FINANCIAL PERFORMANCE
For the period ended: 31 December 2018**

	Actual	Budget	Variance	Annual Budget
	\$	\$	\$	\$
Revenue				
Council funding	331,146	323,483	7,663	658,967
Grants other	35,186	823	34,363	823
Sales of goods and services	198,911	143,150	55,761	345,100
Interest revenue	129	80	49	160
Total Revenue	565,371	467,536	97,835	1,005,050
Expenses				
Depreciation of property, plant and equipment	58,634	60,000	1,366	120,000
Costs related to providing goods and services	351,518	330,500	(21,018)	673,100
Other expenses	80,096	55,295	(24,801)	124,570
Total Expenses	490,248	445,795	(44,453)	917,670
Surplus/(Deficit) for the Year	75,123	21,741	53,382	87,380

BASIN RESERVE TRUST
STATEMENT OF FINANCIAL POSITION
As at 31 December 2018

	Actual	Budget	Variance	Annual Budget
	\$	\$	\$	\$
Assets				
Current Assets				
Bank accounts and cash	123,548	8,388	115,160	60,468
Debtors and prepayments	250,319	145,000	105,319	165,000
Total Current Assets	373,867	153,388	220,479	225,468
Non-Current Assets				
Property, plant and equipment	558,122	570,100	(11,978)	570,100
Total Non-Current Assets	558,122	570,100	(11,978)	570,100
Total Assets	931,989	723,488	208,501	795,568
Liabilities				
Current Liabilities				
Creditors and accrued expenses	256,332	56,867	(199,465)	53,308
Income received in advance	-	-	-	10,000
Unearned income	-	-	-	-
Total Current Liabilities	256,332	56,867	(199,465)	63,308
Total Liabilities	256,332	56,867	(199,465)	63,308
Total Assets less Total Liabilities	675,657	666,621	9,036	732,260
Trust Equity				
Contributed capital	100	100	-	100
Accumulated surpluses	675,557	666,521	9,036	732,160
Total Trust Equity	675,657	666,621	9,036	732,260

**BASIN RESERVE TRUST
STATEMENT OF CASH FLOWS
For the period ended: 31 December 2018**

	Actual	Budget	Variance	Annual Budget
	\$	\$	\$	\$
Cash Flows from Operating Activities				
Receipts of council funding	338,718	334,000	4,718	668,000
Receipts of grants other	35,857	823	35,034	823
Receipts from sale of goods and services	72,617	180,000	(107,383)	355,000
Interest receipts	129	80	49	160
Payments to suppliers and employees	(354,946)	(485,000)	130,054	(870,000)
GST (net)	(11,814)	(12,000)	186	(24,000)
Net Cash Flows from Operating Activities	80,561	17,903	62,658	129,983
Cash Flows from Investing and Financing Activities				
Payments to acquire property, plant and equipment	(48,491)	(60,000)	11,509	(120,000)
Net Cash Flows from Investing and Financing Activities	(48,491)	(60,000)	11,509	(120,000)
Net Increase/(Decrease) in Cash for the Year	32,070	(42,097)	74,167	9,983
Add opening bank accounts and cash	91,478	50,485	40,993	50,485
Closing Bank Accounts and Cash	123,548	8,388	115,160	60,468

**BASIN RESERVE TRUST
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE PERIOD ENDED 31 DECEMBER 2018**

Income	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Annual Budget</u>
Grant Income				
Grant Wellington City Council	331,146	323,483	7,663	658,967
Grant Other	35,186	823	34,363	823
	<u>366,332</u>	<u>324,306</u>	<u>42,026</u>	<u>659,790</u>
Ground Hire Income				
Ground Hire International Cricket	85,300	65,000	20,300	130,000
Ground Hire Domestic Cricket	32,500	32,500	-	65,000
Ground Hire Winter Sports	1,200	500	700	1,800
Ground Hire Other Events	63,800	10,000	53,800	38,000
	<u>182,800</u>	<u>108,000</u>	<u>74,800</u>	<u>234,800</u>
Other Income				
Concession Income	15,000	15,000	-	30,000
Sponsorship	-	20,000	(20,000)	80,000
Picket Fence Income	1,111	150	961	300
	<u>16,111</u>	<u>35,150</u>	<u>(19,039)</u>	<u>110,300</u>
Interest Income				
Interest income	129	80	49	160
Total Income	<u><u>565,371</u></u>	<u><u>467,536</u></u>	<u><u>97,835</u></u>	<u><u>1,005,050</u></u>
Expenditure				
Building Expenses				
Repairs & Maintenance	4,620	6,000	1,380	15,000
Cleaning	666	2,000	1,334	4,000
Electrical Services	2,207	1,500	(707)	3,000
Fire System	6,194	4,500	(1,694)	9,000
Painting	-	1,000	1,000	2,000
Pest Control	3,534	4,000	466	8,000
Plumbing	2,873	1,500	(1,373)	3,500
Other	142	150	8	300
	<u>20,235</u>	<u>20,650</u>	<u>415</u>	<u>44,800</u>

BASIN RESERVE TRUST
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE PERIOD ENDED 31 DECEMBER 2018

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Annual Budget</u>
Ground Expenses				
Electrical Services	354	1,500	1,146	3,500
Equipment Hire	-	200	200	400
Cleaning	1,756	1,800	44	3,500
Irrigation	686	400	(286)	800
Painting	570	1,250	680	2,500
Plumbing	2,517	3,750	1,233	7,500
Rubbish Removal	5,141	8,000	2,859	16,000
Structures Repairs & Maintenance	14,080	14,000	(80)	28,000
Turf	162,696	159,000	(3,696)	320,000
	187,800	189,900	2,100	382,200
Occupancy Expenses				
Gas	3,426	1,750	(1,676)	3,500
Electricity	12,666	10,000	(2,666)	20,000
Rates	16,526	16,400	(126)	32,800
Security	7,238	6,750	(488)	13,500
Telephones	2,540	1,300	(1,240)	2,600
Water Rates	14,452	11,000	(3,452)	22,000
Television	-	-	-	5,100
Insurance	531	-	(531)	1,100
Consumables Laundry & Toilet	8,038	6,000	(2,038)	12,000
	65,418	53,200	(12,218)	112,600
Event Running Expenses				
Event Running	74,679	62,500	(12,179)	125,000
Casual Staff	3,386	4,250	864	8,500
	78,064	66,750	(11,314)	133,500
Administration Expenses				
Audit	-	-	-	14,000
Accounting	6,000	6,000	-	12,000
Bank Fees	61	75	14	120
Consultants	4,557	10,000	5,443	20,000
Management Fee	34,000	34,000	-	68,000
	44,619	50,075	5,456	114,120
Other Expenses				
Interest Expense	-	-	-	-
Marketing	35,000	5,000	(30,000)	10,000
Miscellaneous	252	100	(152)	200
Picket Fence Expenses	225	120	(105)	250
	35,477	5,220	(30,257)	10,450

BASIN RESERVE TRUST
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE PERIOD ENDED 31 DECEMBER 2018

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Annual Budget</u>
Depreciation Expense				
Depreciation Expense	58,634	60,000	1,366	120,000
	58,634	60,000	1,366	120,000
Total Expenditure	<u>490,248</u>	<u>445,795</u>	<u>(44,453)</u>	<u>917,670</u>
Net Surplus (Deficit) for the Period	<u>75,123</u>	<u>21,741</u>	<u>53,382</u>	<u>87,380</u>

**BASIN RESERVE TRUST
CAPITAL EXPENDITURE
For the period ended: 31 December 2018**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Power Pit Covers & Socket Leads	7,551	8,000	449
Panasonic HD LED TV's - 5	1,848	2,000	152
Tuscany 155 Litre Chest Freezer	312	500	188
Tuscany 300 Litre Chest Freezer	496	500	4
2 Seater Couches - 4	1,804	2,000	196
2-4 Seater Couches - 2	259	500	241
Portable Massage Tables - 3	2,610	3,000	390
Bar Fridges - 3	1,068	1,000	(68)
Haier Fridges - 2	1,150	1,500	350
Fence Mesh displaying History of ground	2,953	3,000	47
Upgrade of Cage Netting	30,256	34,250	3,994
Other	-	3,750	3,750
	<u>50,307</u>	<u>60,000</u>	<u>9,693</u>

**BASIN RESERVE TRUST
CASH FLOW PROJECTION
As at 31 December 2018**

Current Assets

Bank accounts and cash	123,548
Debtors	229,859
	<hr/> 353,407

To Be Applied As Follows:

Creditors and accrued expenses	256,332
Unearned income	-
	<hr/> 256,332
	97,075

Commitments

Turf Management 2018/19	10,000
Karori Park Operating Contribution	10,000
	<hr/> 20,000

Funds Available (Deficit)	<u><u>77,075</u></u>
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BASIN RESERVE TRUST
MANAGEMENT ACCOUNTS COMMENTARY
FOR THE PERIOD ENDED 30 SEPTEMBER 2018

Income

1. Grant Wellington City Council - Operating Grant was slightly higher than budgeted
2. Grant Other - Didn't budget to receive Grant from Four Winds Foundation of \$34,300
3. Ground Hire International Cricket - Hire charge for Test Match was higher than budgeted for
4. Ground Hire Other Events - Didn't budget for the Night Noodles Market income of \$35,000 and the other variance is due to timing differences
5. Sponsorship - Haven't secured naming rights sponsorship yet

Expenditure

1. Event Running - Costs of hosting events is larger than budgeted for
2. Marketing - Didn't budget for the Stuff Advertising cost.

**BASIN RESERVE TRUST (INCORPORATED)
EXPENDITURE OVER \$7,500 REQUIRING
TRUSTEES APPROVAL TO 31 DECEMBER 2018**

<u>Date</u>	<u>Supplier</u>	<u>Amount</u>	<u>Work Performed</u>
21/9/2018	Audit New Zealand	13,676.00	Audit Fee for Y/E 30 June 2018
19/11/2018	Wellington Regional Stadium Trust	76,696.47	Turf management services for September 2019 quarter
19/11/2018	Wellington City Council	8,263.10	Rates No. 2 2018/19
31/12/2018	Perennial Sport & Turf	30,256.00	Upgrade of Cage Netting



Report to the Wellington City Council CCO Performance Committee Second Quarter ending 31 December 2018

LIVING WITH NATURE



A PLACE THAT TREASURES
HE WĀHI TAONGA



A PLACE THAT ENGAGES
HE WĀHI HUIHUINGA



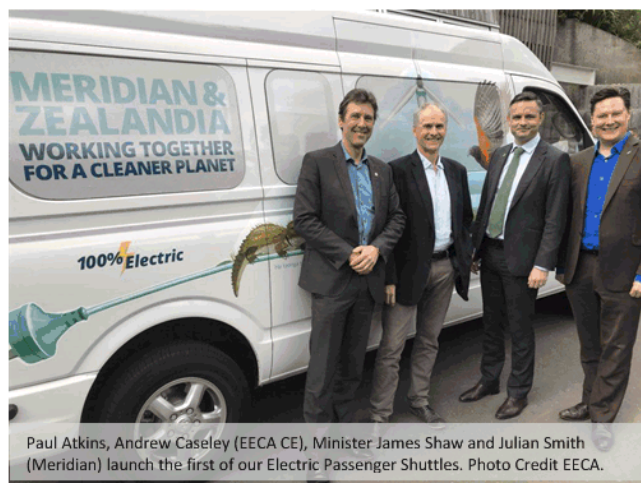
A PLACE FOR LEARNING
HE WĀHI MĀTAURANGA



A PLACE THAT EMPOWERS
HE WĀHI WHAKAMANA

Highlights

- A takahē chick hatched at ZEALANDIA on 14 November 2018. This is a unique event and an extremely exciting contribution to an important conservation programme.
- We launched our two new electric passenger minibuses, a New Zealand first for the application of this technology.
- During the quarter Wellington hosted 38 cruise ship visits, up from 25 last year, contributing to a 30% increase to-date in our tours sales this season.
- Delivery of the Predator Free Wellington Schools Miramar programme began, after the successful delivery of a pilot programme earlier in 2018.
- After detecting weasel prints in the sanctuary on 1 October 2018, we successfully trapped the predator just two weeks later. We declared the sanctuary weasel free again in November.
- In November we moved into our new staff accommodation building, named Pukeahu House (previously the Brierley Pavilion).
- We successfully implemented a major IT project that included moving our document management system to the cloud and upgrading our computers to Windows 10.



Paul Atkins, Andrew Caseley (EECA CE), Minister James Shaw and Julian Smith (Meridian) launch the first of our Electric Passenger Shuttles. Photo Credit EECA.

VISITOR EXPERIENCE

In the second quarter we hosted 36,190 visitors to ZEALANDIA, up 12% on our SOI target. During this quarter Wellington has hosted 38 cruise ships in port, up from 25 last year. The greater number of cruise ships in port has helped to drive a 30% increase in our tour sales this season.



A PLACE THAT ENGAGES
HE WĀHI HUIHUINGA

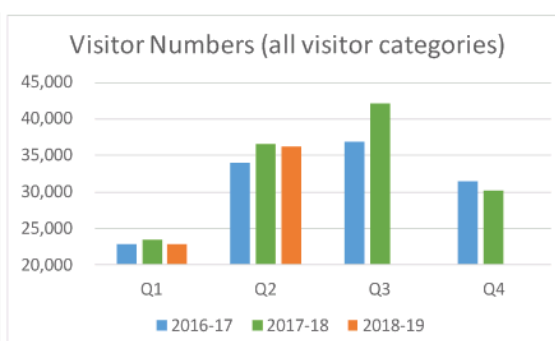
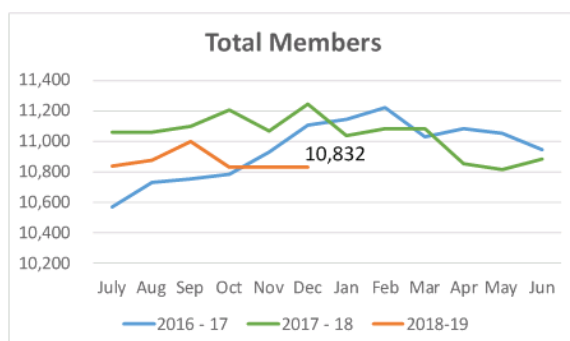
A new weekend programme for visitors has been tested and launched for the summer season. General admission visitors on weekends and public holidays will be able to enjoy zone talks by our valley guides on a range of topics including Parrot Tales, Ancient Species and Wonders of the Wetlands.

In October, we launched New Zealand's first fully electric passenger minibuses. With the support of Meridian and EECA, we purchased two fully electric vehicles to run between the i-Site, top of the Cable Car and ZEALANDIA. At the end of the summer season we will look to retire our diesel minibus. The launch was attended by Julian Smith (Meridian), Andrew Caseley (EECA CE), Minister James Shaw, National MP Nicola Willis and a number of City Councillors.

Visitor Comments – enjoyed most

"Go up the cable car to the Botanic Gardens in Wellington NZ, for a great view. Then catch the free shuttle bus to Zealandia. You will be rewarded with feeling like you are in the NZ of 500 years ago, before man caused catastrophic damage to the birds and native fauna, by introducing foreign predators, which still destroy up to 65,000 birds PER DAY. You will mainly see and hear dozens of native NZ birds, flying, nesting and eating at feed stations. They include the Tūi, Kākā, Saddleback, and many more. There is a lovely stream running between the two main paths, a suspension bridge and a dam. You can also enjoy good food and drinks at the café and also see informational videos, etc." – Trip Advisor November

"This place is amazing. We went early on a beautiful sunny day. Firstly the staff are so nice, interested and helpful. You can tell they love their jobs. Then there is the wildlife. We saw lots of wonderful birds, too many to mention as we walked round. The paths are so easy and clearly signed to navigate. A real jewel in the heart of Wellington. Lastly the café was brilliant. We had a delicious breakfast, our best so far on our visit to Wellington. Oh and I almost forget AJ and his amazing electric shuttle bus. These guys offer a free shuttle service from the CBD to the sanctuary. AJ couldn't have been more friendly. Well done the whole team" – Trip Advisor October



Visitor Demographics Q2	%
Local	24%
Rest of North Island	17%
South Island	8%
Australia	14%
Asia Pacific	4%
Europe	20%
United States & Canada	11%
Rest of the World	2%

Tours

As a key Wellington visitor attraction, during summer the number of visitors to ZEALANDIA increases considerably, principally driven through a greater number of international visitors. Over this time our guided tours aim to connect our visitors to nature, provide insights into New Zealand's history and inspire people to action when they return to their home.



A PLACE THAT ENGAGES
HE WĀHI HUIHUINGA

This summer we have focused on the increased number of tour bookings from cruise ships and upselling visitors onto paid day tours. The number of people experiencing ZEALANDIA through a guided tour has increased by 28% on the same time last year, to 7,091 visitors. We have seen growth across all tours products.

PUBLIC PROGRAMMES AND EVENTS

This quarter saw the delivery of our *Living with Nature Seminar Series*, with 283 people attending across the series, it featured a range of research topics.

- Living with Wellington's wildlife
- Fostering culturally and socially responsive landscapes for health and wellbeing
- People, Cities and Nature: Lizard conservation in New Zealand cities
- Wild Intelligence: researching animal cognition in the wild and its urban conservation applications
- Engaging with Urban Nature: exploring the impact of connection to nature and pro-environmental behaviour.



For Heritage Week 2018, in October, talks were delivered looking at the history of the sanctuary valley. These covered Wellington's early history and colonisation, including a brief story about the huia that once flourished in the region. Despite very inclement weather, 31 people attended over the four sessions.

A special tour co-hosted by ZEALANDIA and the Blind Foundation for Blind Week was also a highlight this quarter, the tour provided a multi-sensory experience for those with vision impairments.

MEDIA

This quarter was significant for media coverage, with over 24 stories, featuring or talking about ZEALANDIA, across all major outlets.

The majority of this coverage was due to the weasel incursion response. We received an overwhelmingly positive and supportive reaction from this coverage.

Other stories of note featured the newly hatched takahē chick, and the sanctuary's impact on bird populations following the Wellington City Council's annual bird count.



FINANCIAL SUSTAINABILITY

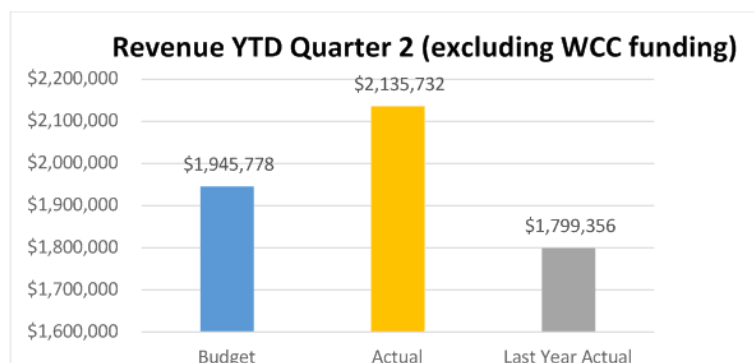
Revenue

Overall, revenue performance (excluding the WCC funding) is \$2,135,732 against a budget of \$1,945,778. Revenue year to-date is \$336,375 (19%) higher than last year at the end of quarter two.

The annual WCC grant (excluding living wage funding) is projected to be 16% of forecasted revenue for 2018/19, this compares favourably with 17% for the 2017/18 year and 20% for the 2016/17 year.



A PLACE THAT TREASURES
HE WĀHI TAONGA

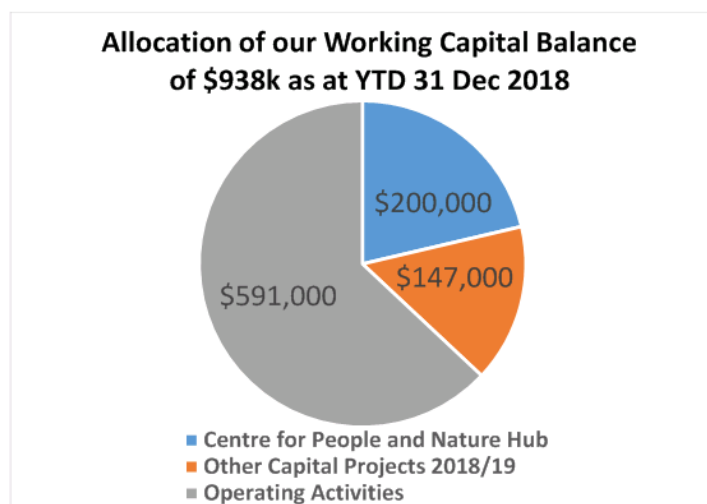


Operating Surplus (Deficit)

The quarter two year to-date result for Operating Surplus (Deficit) before Depreciation is tracking favourably to budget by \$235,315 mainly due to higher than budgeted tour income of \$108,116, retail sales of \$52,570 and EECA funding of \$103,204 for our two new electric minibuses.

Working Capital

As at 31 December, we have a working capital balance of \$938,000 and these funds are earmarked to support the following key areas:



COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE 3 APRIL 2019

Absolutely Positively
Wellington City Council
Me Heke Ki Pōneke

Retail

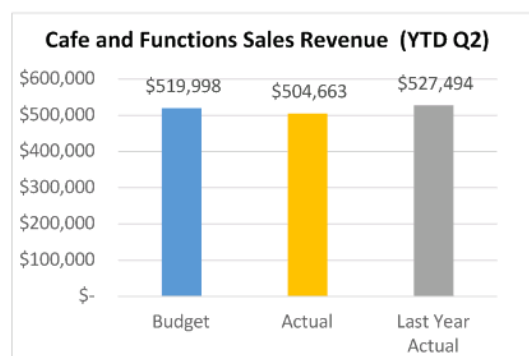
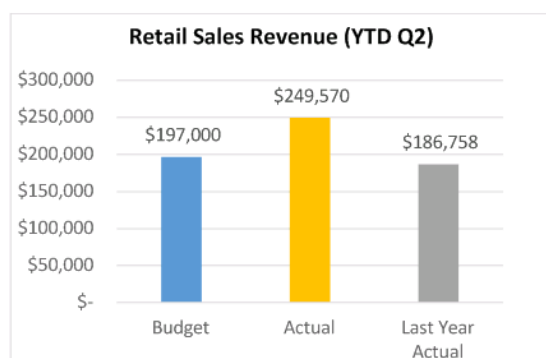
A strong focus on stock selection in the Gift Shop, as well as exclusive shopping opportunities for members has helped retail sales increase by 34% to \$249,570 compared to last year.

Café and Functions

Café and functions sales revenue is down 3% on last year, however we expect to meet the budget by the end of the year.



**A PLACE THAT TREASURES
HE WĀHI TAONGA**



STRATEGY & GOVERNANCE

In November we moved into our new staff building, named Pukeahu House (previously the Brierley Pavilion). The relocation of this building from the Basin Reserve has involved the hard work of many people from Wellington City Council, Cricket Wellington and ZEALANDIA, and we are grateful to all. Pukeahu House provides essential office space for our people and is already transforming our work environment.

In the second quarter we completed the implementation of a major IT project that included moving our document management system to the cloud and upgrading our computers to Window 10. This project has future-proofed our IT system by removing our dependence on an ageing and high-cost server, as well as enabling significantly greater flexibility in the way we work, with staff now able to access our system from anywhere in the world.

At the end of December 2018 Denise Church completed her second term as Chair of the Board, a role she fulfilled with significant achievement over a total period of 6 years. Two events were held in December for people to express thanks to Denise for her hard work, commitment and positive impact on behalf of ZEALANDIA. Phillip Meyer, former Deputy Chair, took over as Board Chair from 1 January 2019. Wellington City Council appointed Dr Libby Harrison to the Board from 1 January 2019. She brings key experience in environmental science and governance.

VOLUNTEERS

A new modular training programme for valley guides, biosecurity volunteers and boat skippers has been developed and rolled out for the first time. New resources and materials for this training and induction programme have been developed and will start to be rolled out to other volunteers over the next year.



A PLACE THAT EMPOWERS
HE WĀHI WHAKAMANA

EDUCATION

Education visits are tracking well, despite a very wet start to the summer that saw several schools having to cancel or rebook.



A PLACE FOR LEARNING
HE WĀHI MĀTAURANGA

Delivery of the Predator Free Wellington Schools Miramar programme formally began this quarter, after the successful delivery of a pilot programme earlier in 2018. This programme is delivered under contract to Predator Free Wellington Ltd and reflects our reputation for quality conservation education. The focus for this two-year programme is to connect Miramar schools with the value of nature and support them to take conservation action in their own special areas. Schools will carry out a range of conservation and engagement activity around the peninsula, supported by a dedicated ZEALANDIA educator.

Bookings are solid for our summer school holiday programme activity. Rather than delivering our own holiday programmes, we now open to school holiday providers to bring in their programme groups to the valley. The increase in demand for this programme is a positive validation of the new format, which has the goal of increasing the diversity of young people visiting the sanctuary and increasing our reach into Māori and Pasifika young people.



CONSERVATION

A new addition to our ZEALANDIA whanau

ZEALANDIA's resident takahē, Nio and Orbell, successfully hatched a chick in mid-November. By New Year this chick emerged from its most vulnerable period and was starting to be spotted by visitors and volunteers. Whilst the chick is still vulnerable, it should grow to contribute to a species that still has fewer than 400 individuals remaining. It marks a special moment for the ZEALANDIA community, representing a considerable contribution to global conservation efforts. As the chick and parents become more confident, visitors will also increasingly have the chance to spot this very rare sight right in the middle of Wellington.

The chick will go through a health check and be banded in February and is likely to be relocated to another site where it can make the best contribution to the population as a whole.



The new takahē chick at ZEALANDIA.
Photo Credit: Chris Helliwell



**A PLACE THAT TREASURES
HE WĀHI TAONGA**

Review of our Restoration Strategy

The draft of our ZEALANDIA Te Māra a Tāne Conservation and Restoration Strategy has been endorsed by our Board for further engagement with our panel of experts. This final process is now underway. The core guiding principles are already informing much of what we do in the restoration of the valley, for example, mātauranga Māori provided the foundation for our recent kākahi (freshwater mussel) translocation into the upper lake Roto Mahanga.

Why biosecurity matters at ZEALANDIA

Our biosecurity systems were put to the test in the last quarter, with a weasel detected in the valley through a routine pest audit on 1 October 2018. The response included the deployment of approximately 170 traps in total. This was made possible through the support of Wellington City Council, who diverted traps destined for another location for deployment within the sanctuary. We also received significant advice on our approach and key strategies for rapid capture from Greater Wellington Regional Council, Department of Conservation and Zero Invasive Predators.

Our efforts led to first the camera detection of a single adult female within the sanctuary three days in a row. We later caught and humanely killed that animal in a trap just under two weeks after the response began, on 12 October 2018.

The incursion sparked significant support and interest from the general public. The event was covered by media both within New Zealand and internationally, with many outlets asking for updates throughout the two-week incursion period. This coverage allowed us to communicate about the impacts of predators on New Zealand species, as well as the ongoing mission to protect them.

The fence has been checked repeatedly to determine how the animal got in, and no obvious points of entry have been found. At this point we expect the animal may have accessed the sanctuary via another means, for example, it could have been carried by a large bird (e.g. a harrier or falcon). While bird drop cannot be avoided, we have revisited all our biosecurity protocols to ensure they remain best practice.

Our response to the weasel was exceptionally fast, and very effective. We now have high value infrastructure in the valley so that future responses can be equally rapid. The event offered a unique opportunity to communicate with the public about the threats that face our wildlife and received significant positive media attention.

CENTRE FOR PEOPLE AND NATURE



A PLACE FOR LEARNING
HE WĀHI MĀTAURANGA

A key strategic objective for the ZEALANDIA Centre for People and Nature (ZCPN) is to produce and disseminate key research that explores how we 'live with nature', particularly in cities. Some of the most recent research authored by ZCPN staff focuses on why organisations invest considerable resource on conservation in cities, both here, and across the Oceania region. The article formed part of a special issue of the international scientific journal *Pacific Conservation Biology*. The article highlights how, despite the obvious impacts of urbanisation on nature itself, cities are great places for conservation. Ultimately this is because people in cities spend a lot of time volunteering for nature so the outcomes can be quite impressive (Wellington is a great case study for this), and because it enables more people to engage with (and support) nature conservation more broadly. This kind of study will become ever more crucial for ensuring the Centre's leadership in research on the link between people and nature.

Internships continue to be a core focus of learning and engagement at ZEALANDIA, we are currently hosting three interns and two Victoria University of Wellington summer scholars. These students are working on projects from redesigning the takahē lawn area and mapping visitor flow, to monitoring tīeke/saddleback within the sanctuary. This work directly contributes to our organisational objectives while also providing unique learning opportunities focused on the interactions between people and nature.

ZEALANDIA continues to provide leadership for the research stream for Predator Free Wellington. This work is gaining in momentum to support the eradication of rats from Miramar peninsula in June/July 2019. A core focus of this research is people and the benefits they derive from being predator free, as the key point of difference for this eradication is the urban setting.

Key next steps for the Centre include a focus on communication, to ensure that the results of our research (and the research we support) are disseminated effectively to interested audiences. Naturally this includes peer reviewed articles, but also other mainstream avenues such as social media.

Sanctuary to Sea-Kia Mauriora te Kaiwharawhara

ZEALANDIA hosted the 7th Sanctuary to Sea meeting in November. The meeting initiated a fruitful discussion on the ecological and cultural values for the Kaiwharawhara estuary. The group is now working toward producing a document that can be used to inform any future submissions or key communications as plans for the estuary emerge.

RISK MANAGEMENT

We regularly monitor our known and potential risks using the standard risk methodology, as detailed in the following table.

Probability of Risk	Impact of Risk					
	2	3	4	5	6	7
1	3	4	5	6	7	8
0	2	3	4	5	6	7
-1	1	2	3	4	5	6
-2	0	1	2	3	4	5
-3	-1	0	1	2	3	4

MEASUREMENT AGAINST TARGETS IN THE SOI 2018/19

Non-Financial Performance Measures (Quarterly Targets)

Measure	2018/19 Quarter 2		2018/19 Annual	
	Actual	Target	Actual (YTD)	Target (YTD)
Visitation	36,190	32,203	59,137	46,520
Education Visits*	3,038	3,468	5,272	5,350

* Education visits are also included in total visitation numbers above.

Non-Financial Performance Measures (Annual Targets)

Measure	Actual YTD	Annual Target 2018/19
Individual Members	10,832	10,800
Number of Volunteers	611	450
Volunteer Satisfaction Survey	83%	80%
Percentage of Satisfied Visitors	100%	95%

Financial Performance Measures

Measure	Actual YTD	Annual Target 2018/19
Full cost per visitor (including WCC costs)	\$12.71	\$18.84
Average subsidy per visit (Total WCC operating grant/all visitors)	\$7.25	\$8.80
Average revenue per visitation (excludes Council & Government grants)	\$33.91	\$26.48
Non-Council Donations/Funding	\$324,865	\$270,000
Net surplus (deficit) before depreciation and tax	\$276,578	\$324,600
Non-WCC grant revenues as a % of overall revenue	83%	75%
Membership subscription revenue	\$163,176	\$312,100

MEASUREMENT AGAINST TARGETS IN THE SOI 2018/19

Conservation Programme (Annual Targets)

Conservation Measures	Actual YTD	Annual Target	Commentary
Restore missing species to the wild in accordance with the Restoration Strategy			
% transferred animal species regarded as self-sustaining	70%	73%	Two species of kākahi (freshwater mussel) were reintroduced this year and will take some years to become self-sustaining. As such, 14/20 species are regarded as self-sustaining (assuming ongoing current management). Of these, two transfers failed (tomtit, weka) and two (bellbird, Long-fin eels) are not regarded as self-sustaining.
Number of new species transferred or 'topped up'	2	1	Two new species of kākahi (freshwater mussel) were reintroduced this year.
Maintain or improve the population status of nationally threatened species present			
Number of threatened fauna species present and breeding successfully	4	4	Hihi, Maud Island frog; Cook Strait giant weta; tuatara; excludes takahē held primarily or temporarily for advocacy purposes
Manage species held for captive breeding purposes to ensure they remain healthy and breed successfully			
Number of species breeding in captivity	2	2	Maud Island frogs and barking geckos
Monitor animal pest status, control mice & successfully respond to any incursions			
Mice maintained to target levels (abundance per 100 trap nights)	6.6	<10	This index was calculated in November 2018.
Percentage of incursions successfully eradicated	100%	100%	A weasel incursion was dealt with in October 2018.
Monitor plant pest status and reduce distribution of environmental weeds (currently 123) within and near the fence perimeter			
Number of pest plant species actively controlled or surveyed	16	44	The Weed team started in December, and is on track for all targets.
Number of pest plant species where control has achieved a decline to low levels of infestation in the sanctuary	120	53	This number is improving over time as the weed team works across successive years.

Measures against Strategy Areas

MEASURE against Strategy Areas	TARGET 2018/19	TRACKING 2018/19
Restoring Te Māra a Tāne and its extending halo of biodiversity		
Grow the Sanctuary to Sea project through the development and implementation of a three-year strategic plan.	Sanctuary to Sea establishment strategy developed.	On track. The draft strategy has been discussed by the Board and is now in a process of finalisation.
Finalise the draft Restoration Strategy (including operational objectives) for the period 2018 to 2028.	Restoration Strategy 2018 to 2028 finalised.	On track. Draft ZEALANDIA Te Māra a Tāne Conservation and Restoration Strategy is currently being circulated amongst key stakeholders.
Progress planning and permits for the lower lake restoration.	Lower lake restoration operational plan and fish management plan completed.	A high level operational plan has been delivered, and the fish management plan is completed.
Grow involvement of iwi in restoration and conservation approaches within the sanctuary.	Conservation and restoration hui for iwi held, and elements incorporated into day-to-day practice.	On track. Additional hui are being planned to finalise the restoration strategy, and to support cultural health monitoring.
Building our organisation's capacity to drive transformation		
Building our organisation's capacity to drive transformation	A net surplus before depreciation and tax of \$324,600	The quarter two year to-date result for Operating Surplus (Deficit) before Depreciation is tracking favourably by \$235,315 mainly due to higher than budgeted tour income of \$108,116, retail sales of \$52,570 and EECA funding of \$103,204 for our two new electric minibuses.
	Non-WCC grant revenues equating to >75% of overall income	On track. We currently have Non-WCC grant revenues equating to 83% as at end of quarter two.
	10,800 members	On track. We currently have 10,832 members.
	Membership subscriptions \$312,100	Year to date income of \$163,176 and expected to meet target by year end
	Full cost per visitor (including WCC costs) \$18.84	Tracking favourably to target at \$12.71 for the second quarter
	Average WCC subsidy per visitor \$8.80	Tracking favourably to target at \$7.25 for the second quarter
	Average revenue per visit \$26.48	Tracking favourably to target at \$33.91 for the second quarter
	Non-Council Donations/Funding \$270,000	Achieved with YTD income of \$324,865 at 31 Dec 2018

Creating inspiring, accessible experiences and change through example and shared passion for action		
Develop new tours experiences that enable visitors to build a deeper understanding of our conservation and restoration activities, and our natural heritage.	Visitor numbers – 99,300 separate visitations with breakdown of visitor demographics	On track to achieve.
	8,800 education visitors	On track to achieve.
	Visitor experience – ZEALANDIA achieves a satisfied visitor rating of 95% or greater	On track to achieve.
	Continue to improve accessibility and work to attain the Be.Accessible Gold rating.	A pilot tactile guided walk was held in October. Funding being sought for further accessibility improvements.
Continue development and delivery of signage and interpretation upgrades alongside overall visitor experience planning.	Maintain > 450 volunteers, with the establishment of new avenues for people to volunteer	611 volunteers either active or in training, and new comprehensive valley guide training programme launched.
	> 80% of volunteers are satisfied with their relationship with ZEALANDIA	2018 volunteer survey completed and shows 83% of volunteers satisfied with their experiences volunteering at ZEALANDIA
Forming strong and enduring local, national and international partnerships based on shared goals		
Significant progress has been made in 2017/18 in strengthening partnerships with Māori and building-in to our structure and practice greater recognition of the importance of mātauranga Māori and te ao Māori. This work is ongoing and forms a key element of our relationship-based activity.	Capability developed to enable closer partnerships with iwi and integration of mātauranga Māori.	Relationship with Taranaki Whānui as mana whenua continues to strengthen. Iwi members have now been offered discounted membership to increase access, and several events and activities are being planned for the next few months. We are working on developing a cultural health indicator project that is being led by mana whenua.
We will build our sanctuary-based research in collaboration with other sanctuaries to address key conservation management issues.	Continue to grow our relationship with VUW, the University of Waikato, and Manaaki Whenua Landcare Research among others, as the basis of our Centre for People and Nature.	On track. We have substantial numbers of researchers involved in work associated with the sanctuary, and sanctuary staff currently hold the leadership role in coordination of Predator Free Wellington research.
We will cement our emerging international networks that help strengthen New Zealand's influence in the world in restoring people's connection with our natural heritage.		
We will grow and develop our core partnership with Wellington City Council to make an outstanding biophysical, community, learning and economic contribution to Wellington.	Develop our partnerships with schools to deliver our Sanctuary to Sea outreach programme.	Piloted an approach that would be rolled out should funding be achieved for this project.
We will continue to play an active role in Predator Free Wellington, contributing to the delivery of school-based programmes and supporting the creation of nature-rich areas following pest eradication.	Delivery of education programmes as part of the Predator Free Wellington partnership.	Successfully delivered the pilot Predator Free Wellington Schools project, and now delivering an expanded two-year programme as part of the Predator Free Miramar project.

Embracing mātauranga Māori and other knowledge frameworks		
Continue to grow and integrate mātauranga Māori perspectives into all elements of ZEALANDIA project and programme development processes.	Mātauranga Māori and iwi engagement incorporated into planning processes for ZEALANDIA projects.	An internal mātauranga Māori working group has been established, and we have received funding to increase our organisational capacity in te Reo and tikanga, support the development of further bicultural content, and develop and deliver public programmes and activities for Matariki and Māori Language Week.
Develop our national strategic position in research through co-leadership of the international Society for Conservation Biology Oceania conference, 2018, being held in Wellington.	Delivery of the 2018 Conference of the Society for Conservation Biology Oceania in Wellington, as co-organiser with VUW.	Complete. The international Society for Conservation Biology Oceania conference, held 2-6 July 2018, was a success and provided significant exposure for ZEALANDIA's research.
Build on and broaden the content emerging from the Centre for People and Nature with a primary focus on supporting our activities with exceptional evidence.	Support the ZEALANDIA team in giving talks and participating in other initiatives such as workshops that enable the broader communication of our knowledge for use in other locations.	The communication about Centre activities has expanded substantially, for example through the Living with Nature seminar series. A priority for the next several months is planning documents to support this growth.
Identify the range of avenues available for communicating our learnings to other sanctuaries and other conservation/restoration initiatives.	Increase the number of schools and departments (university or polytech) that are engaged with the sanctuary.	Complete. An additional school has engaged with sanctuary research this year (data informatics).
	Maintain (and grow where possible) the number of peer-reviewed science publications emerging from the ZEALANDIA team.	On track. The Centre for People and Nature is increasingly producing research, with some notable articles scheduled for submission this year. For example, an article based on the sanctuary learnings about engagement with iwi through catchment-based restoration.
Being a hub where people of all ages can learn, create new knowledge and share their insights and understanding		
Continue the development and establishment of ZEALANDIA's Centre for People and Nature as announced in mid-2017/18.	Maintain the number of interns per year currently engaging with the sanctuary to provide learning experiences to students across a range of disciplines.	On track. The teams are currently all at capacity in terms of the number of interns holding positions in the sanctuary.
Develop a long-term Learning and Engagement strategy to activate people-led conservation through formal and informal learning and conservation opportunities both in the valley and in the community.	Learning and Engagement strategy developed that enables detailed and strategic long-term programme planning.	Completed and approved by the Board.
Continue to raise funds to support our education programmes, with a focus on opportunities for those less able to access conservation experiences and learning.	Deliver agreed education programmes under the partnership with Predator Free Wellington	Successfully delivered the pilot Predator Free Wellington Schools project, and now delivering an expanded two year programme as part of the Predator Free Miramar project
	Continue to deliver valley-based and outreach programmes under our Ministry of Education LEOTC contract.	On track for successful delivery.

Equipping people with experience and skills for a nature-rich future

Develop a long term visitor experience plan aligned with the restoration and valley management plans.	A long term visitor experience plan developed and delivered.	This project is in the 2019/20 business plan. Detailed visitor research is underway to inform this plan.
Review and develop ZEALANDIA's volunteer programme to provide learning and development opportunities that are applicable both inside and outside the sanctuary.	Greater diversity of learning opportunities and programmes offered to volunteers.	Regular lunchtime talks share staff learning, expertise and knowledge with other staff and volunteers. Additional te Reo Māori workshops are planned for staff and volunteers.
Increase the diversity of ZEALANDIA's partners and volunteers by working with and through a wider variety of community organisations.		
Develop and deliver visitor programmes and events that appeal to both current and potential new audiences.	Greater diversity in the audiences attracted by our visitor programmes and events.	The October/November evening seminar series attracted a significantly younger audience than previous, and post-event evaluation underway. Welcoming community school holiday programmes rather than running our own has increased the diversity of young people visiting during the holidays. Our summer series of youth and family activities is currently being delivered and will be evaluated upon completion.
	Improved signage and interpretation within the sanctuary.	Funding has been achieved for new visitor mapping, which will be informed by two research projects currently underway: visitor journey mapping, and visitor experience exit interviews.
	ZEALANDIA education programmes, resources and opportunities further developed.	Existing resources have been reviewed and enhanced. A VUW summer scholar is currently completing a research project looking at wetland resources and potential resource development opportunities.

FINANCIAL PERFORMANCE

Detailed financials are attached.

Profit & Loss

Karori Sanctuary Trust Inc. For the 3 months ended 31 December 2018

	Dec-18	Sep-18	YTD
Income			
Admissions	594,057	243,087	837,144
Care & Preservation Income	6,664	6,178	12,842
Education Appeal	1,618	6,979	8,597
Education Other Revenue	-	783	783
Government Grants	103,204	-	103,204
Interest Income	13,271	890	14,160
Kakariki Appeal	2,071	115	2,186
Kids Night Walks & Tours	87	2,174	2,261
Living Wage WCC Funding	37,247	37,247	74,494
Low Decile Education Donation	6,000	6,000	12,000
Major Donors	15,000	90,000	105,000
Membership Subscriptions	98,863	64,312	163,176
Non-LEOTC Sleepovers & Night Tours	1,100	965	2,065
Other Grants & Donations	35,443	53,680	89,123
Other Operating Revenue	18,946	9,790	28,736
Sales of Goods	452,031	302,997	755,028
Shipping Recoveries	45	11	57
WCC Grant	214,491	214,491	428,981
Total Income	1,600,138	1,039,698	2,639,837
Less Cost of Sales			
Posboss Unders & Overs	175	201	376
Total Cost of Sales	175	201	376
Gross Profit	1,599,963	1,039,497	2,639,461
Less Operating Expenses			
Additional Cruise Ship Shuttle Hireage	5,693	-	5,693
Administration & Management	137,281	105,822	243,103
Agents Commission	114	147	260
Ambassadors	1,793	78	1,871
Bad Debts	-	(17)	(17)
Biosecurity Consumables	1,357	65	1,422
Board Miscellaneous Expenses	4,209	776	4,984
CEO - Discretionary Fund	1,354	10	1,364
Colt Motor Vehicle Expenses	206	207	412
Cost of Goods Sold	201,062	124,466	325,528
Education Events	104	-	104
Electricity #2	298	39	337
Guide Expenses	289	32	320
Interpretation & Signage Maintenance	2,173	343	2,516
Kiwisaver Employer Contributions - Other	4,699	3,156	7,856
Low Engagement Schools Transport	1,009	1,261	2,270
Marketing - Membership	3,763	4	3,767

Profit & Loss

	Dec-18	Sep-18	YTD
Marketing Education	493	-	493
Marketing Equipment	1,417	254	1,671
Marketing Trade & Tourism	685	726	1,411
MOJ Checks for Volunteers	258	204	462
Operational Other	67	-	67
Other Operating Expenses	61,036	31,339	92,375
Partnership Development	97	67	164
Personnel	291,271	321,289	612,560
Playing Cards	-	6	6
Predator Free Wellington Schools	272	-	272
Public Programmes	150	1,705	1,855
Salaries & Wages - Cafe - Casual	22,561	15,772	38,333
Salaries & Wages - Cafe & Function - Outsourced	7,465	3,393	10,858
Salaries & Wages - Conservation - Other	31,276	16,757	48,033
Salaries & Wages - Corporate Services - Other	19,247	23,276	42,523
Salaries & Wages - Education - Casual	23,627	20,818	44,445
Salaries & Wages - Executive & SMT	198,947	190,105	389,052
Salaries & Wages - Guides	43,486	12,378	55,864
Salaries & Wages - Kitchen	62,845	54,320	117,165
Salaries & Wages - Kitchen Casual	3,794	2,177	5,971
Salaries & Wages - Retail & Admissions - Casual	32,473	25,866	58,339
Salaries & Wages - SCaP - Wknd Duty Ops & Casuals	23,155	15,214	38,368
Salaries & Wages - Shuttle Drivers - Casual	17,625	366	17,991
Salaries & Wages - Tourism & Trade	33,239	28,861	62,099
Salaries & Wages - VE - Casual	(69)	376	307
Salaries & Wages - Visitor Experience	19,972	25,056	45,027
Salaries & Wages - Weed Management	4,095	-	4,095
Sanctuary to Sea Project Expenses	811	1,530	2,341
SMT - Discretionary Expense Allowance	1,585	919	2,503
Tours Equipment	516	1,675	2,191
Trade, Tourism, Industry alliances	7,142	2,352	9,494
Transport Costs	527	35	563
Vend Unders & Overs	230	24	254
Website - site	4,782	2,359	7,141
Trustees Remuneration			
Board Expenses	24,047	22,750	46,797
Total Trustees Remuneration	24,047	22,750	46,797
Total Operating Expenses	1,304,527	1,058,355	2,362,882
Operating Profit	295,436	(18,858)	276,578
Non-operating Expenses			
Depreciation Expense	80,453	72,128	152,580
Total Non-operating Expenses	80,453	72,128	152,580
Net Profit	214,983	(90,986)	123,998

Balance Sheet

Karori Sanctuary Trust Inc. As at 31 December 2018

31 Dec 2018

Assets

Current Assets	
Accounts Receivable	108,182
Cash	1,797,181
Posboss Card Holding Account	-
Posboss Cash Holding Account	4,906
Posboss Other Card Holding Account	35
Prepayments	55,373
Stock on Hand	54,269
Total Current Assets	2,019,946
Fixed Assets	
Fixed Asset WIP (Work in Progress)	71,405
Fixed Assets	3,141,260
Total Fixed Assets	3,212,664
Total Assets	5,232,610

Liabilities

Current Liabilities	
Accounts Payable	124,657
Accrued Liability	(11,552)
GST	83,629
Holiday Pay Accrued	122,111
Payroll Taxes	74,269
Posboss Suspense Account	(273)
Project / Capex Fund	147,853
Suspense	(5,008)
Unearned income	196,121
Unearned Income - Building WIP Funding	350,000
Total Current Liabilities	1,081,807
Total Liabilities	1,081,807
Net Assets	4,150,803

Equity

Current Year Earnings	123,998
Retained Earnings	4,026,805
Total Equity	4,150,803

Statement of Cash Flows

Karori Sanctuary Trust Inc.

For the 3 months ended 31 December 2018

	OCT-DEC 2018	JUL-SEP 2018
Operating Activities		
Receipts from customers	1,341,862	855,039
Payments to suppliers and employees	(445,951)	(343,007)
Cash receipts from other operating activities	(63,116)	(25,897)
Net Cash Flows from Operating Activities	832,795	486,135
Investing Activities		
Proceeds from sale of property, plant and equipment	643,854	-
Payment for property, plant and equipment	(850,761)	(2,712)
Other cash items from investing activities	(47,193)	(39,335)
Net Cash Flows from Investing Activities	(254,100)	(42,047)
Financing Activities		
Other cash items from financing activities	(911,326)	48,540
Net Cash Flows from Financing Activities	(911,326)	48,540
Net Cash Flows	(332,630)	492,628
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	2,129,811	1,637,183
Cash and cash equivalents at end of period	1,797,181	2,129,811
Net change in cash for period	(332,630)	492,628



WELLINGTON CABLE CAR LIMITED

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1 February 2019

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

Dear Committee,

**WCCL QUARTERLY REPORT (SECOND QUARTER OF 2018/19, TO 31 DECEMBER 2018) FOR THE WCC
CCO COMMITTEE**

1. Executive Summary

The WCCL financial results are forwarded for the second quarter ended 31 December 2018. These show a pre-tax, net surplus of \$461k for the quarter compared to a budgeted surplus of \$313k, a positive variance of \$148k. The year to date result is also very positive, being a pre-tax, net surplus of \$444k compared to a budgeted surplus of \$131k, a positive variance of \$313k. The following outlines the major variances compared to budget during the quarter:

1. The second quarter has continued with the positive growth in Cable Car revenue shown in the first quarter, against a budget which was a stretch from the results achieved in the 2017/18 year. In the second quarter, revenue was ahead of budget by \$49k (giving a positive variance of \$99k for the year to date), which is also reflective of the positive tourism market in Wellington over the summer period;
2. Cable Car operational expenses are tracking \$48k under budget for the quarter and \$114k for the year. This consists of positive variances on both marketing costs and administrative/consumable expenses. In respect to marketing costs, the variance is timing in nature given the planned costs and events scheduled during the 2018/19 year. In relation to the administrative/consumable costs, a re-forecast will be made at Q3, as the expenditure incurred in the 2017/18 year was comparably high, and we had expected this to continue into the current year, but it hasn't incurred to date which is positive;
3. Cable Car maintenance work costs are tracking ahead of budget by \$56k for the quarter and \$80k for the year. As with operational expenses, a full re-forecast will be completed for Q3 given the increase in spending is both a factor of the timing and nature of the work being completed in the current year but also the maintenance team getting into a position to be a lot more pro-active and planning for the years ahead;
4. External Income for the quarter was ahead of budget by \$63k giving a year to date positive variance of \$42k. The significant portion of this relates to the transfer of the overhead network infrastructure to Wellington City Council and the resulting release



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

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WCCL Second Quarterly Report 2018/19

of remaining accruals for maintenance and pole replacements. Therefore, we expect the income position to stabilise for the remaining part of the year;

5. Administrative expenses were \$58k under budget for the quarter and are tracking at \$129k under budget for the year to date. This is a reflection of prudent expense management, but also the company's move into its new head office had been budgeted from the commencement of the year, and this did not happen until September. The budgeting also impacts the timing of the cessation of the overhead division, which will occur during Q3 but had been budgeted for an earlier period; and

From a cash flow perspective, the second quarter has continued from the positive start to the year, with cash reserves of \$4,047k (including the self-insurance fund of \$315k) noting a positive impact of \$126k in future periods from debtors/prepayments less payables and accruals; given the change in nature of the business, it has allowed the reduction of the accruals required which is pleasing.

As noted in prior reports, given the significant capital replacement costs required for the Cable Car in the coming years, which the asset management plan has highlighted a significant funding shortfall, the Company is maintaining higher cash reserves/investments to fund this. It is the Company's current intention to manage income (via fare changes) and expenditure as well as debt fund future capital cost requirements which will mitigate the requirement for Wellington City Council assistance.

2. SOI / Business Plan Targets

Financial Performance by Division – Quarter 2, 2018/19 (Excluding Tax)					
	Overhead Division	Cable Car	External Activities	Corporate	WCCL Total
Budget	(50,000)	466,000	55,000	(158,000)	313,000
Actual	(41,000)	485,000	117,000	(100,000)	461,000
Variance	9,000	19,000	62,000	58,000	148,000

Financial Performance by Division – Year to Date 2018/19 (Excluding Tax)					
	Overhead Division	Cable Car	External Activities	Corporate	WCCL Total
Budget	(100,000)	437,000	111,000	(317,000)	131,000
Actual	(100,000)	571,000	161,000	(188,000)	444,000
Variance	0	134,000	50,000	129,000	313,000

Cable Car Patronage Targets – 2018/19 Year					
	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	Full Year
SOI Target	190,269	325,642	375,856	243,479	1,135,246
Actual	216,349	341,982			
Variance	26,080	16,340			

Cable Car Reliability Statistics – 2018/19 Year					
	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	Full Year
SOI Target	>99%	>99%	>99%	>99%	>99%
Actual	99.89%	>99% ¹			

WCCL Second Quarterly Report 2018/19

Result	✓	✓			
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¹ The computer used to monitor the reliability and trip times stopped part way through November, so detailed data is not available for November and December. However, up to when it ceased to operate the reliability was 99.93%. Post this date, there were three significant events that have been noted in the logs that resulted in missed trips, however these would not take the result below 99%. It is noted that the system was fully operation for the start of Quarter 3.

3. Cable Car

The Cable Car division has continued on its extremely positive start to the 2018/19 year which shows the impact of the work that has gone into the marketing and branding of the Company.

The result which was achieved for the quarter, is \$19k ahead of the growth budget, in a period where there was additional expenditure incurred on maintenance work shows the hard work put in by all team members but also the vibrant Wellington economy. The Company is also continuing to work closely with Wellington City Council and other CCO's for opportunities to enhance the visitor experience in Wellington, specifically in relation to the Kelburn Precinct.

The 2019 cruise ship season has been positive and as the passenger numbers show (being 43,000 additional trips for the year compared to budget). With this in mind, we are still optimistic that passenger numbers could exceed 1.2 Million this year which would be a fantastic result.

In terms of other activities during the second quarter of the year, these include:

- The rollout of further events at the Cable Car, including both a Halloween Party and a Christmas Party, both of which were well received, and plans are in place for further events in Q3 which will be publicised both at the terminals and on our social media platforms;
- Continued work in relation to the structural assessment of the tunnels and work required on these and the further planned maintenance work for the 2019 year all progressing as planned;
- Re-organisation of the Cable Car maintenance team which has shown positive results and allowed for a more pro-active approach;
- Finalising the move to the new head office premises of the Company, including changes to the systems infrastructure and disaster recovery.

4. Trolley Bus Network

The actual expenditure incurred for the quarter is less than the budgeted amount. However this is due to the timing of the decommissioning project as all physical works were completed at the end of the prior quarter and we are now in the contractual close-out period.

The positive variance for the project continues to be two-fold, being the physical works, which tracked well against budget and asset and scrap income exceeding original expectations.

Tasks are underway and it is still expected that all aspects of the Overhead Division will be wound up by March 2019, and the remaining full-time staff member will transfer to the Cable Car team post the cessation of the Overhead Division.

WCCL Second Quarterly Report 2018/19

During the quarter the Overhead network was transferred to Wellington City Council on 1 November 2018. WCCL has assisted WCC in the transition of the pole network and administration as required.

5. External Activities and Corporate

There were minimal amounts charged to external parties for pole user licences for the quarter given the transfer to Wellington City Council on 1 November, but also during this quarter remaining accruals for maintenance and asset replacement expenses relating to the Overhead network were released post transfer on 1 November which has had a positive impact in the quarter.

6. Other Activities

- Point of sale / financial system integration – After this taking longer than expected, this system is now fully operational and will result in efficiencies moving forward but also aid in processes as part of external audit verification. The Company has also been liaising with Snapper regarding further integration that could take place which would reduce the time for processing by Cable Car kiosk staff;
- 2019/20 Statement of Intent – The Company has commenced work on this and also the three year budget, which is looking positive. This will be completed by the required deadline;
- 2018/19 Year-End Audit – the timetable for this has been agreed, which for this year provides for a more practical timeline for both interim and final audit dates and will allow the Company to achieve sign-off earlier than in the recent years. Given the positive relationship built with the Audit New Zealand team over the last two years, the Company is looking forward to the upcoming audit being completed efficiently and effectively.

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

Yours faithfully,



Simon Fleisher
Chief Executive

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

3 APRIL 2019

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Wellington Cable Car Limited
 Profit and Loss for the Period Ended 31 December 2018

	Actual 2019 - Qtr 2 \$000	Budget 2019 - Qtr 2 \$000	Variance 2019 - Qtr 2 \$000	Actual 2019 - YTD \$000	Budget 2019 - YTD \$000	Variance 2019 - YTD \$000	Budget 2018 / 2019 - Total \$000	Re-Forecast 2018 / 2019 - Total \$000	Variance 2018 / 2019 - Total \$000
OVERHEAD DIVISION									
Income	389	635	(246)	1,343	1,270	73	2,541	2,541	0
Contractor Operations Costs	0	0	0	0	0	0	0	0	0
Reactive Maintenance	0	0	0	0	0	0	0	0	0
Wellington Cable Car Operations Costs	0	0	0	0	0	0	0	0	0
Total Operating Expenses	0	0	0	0	0	0	0	0	0
Operating Surplus/Loss before Replacements	389	635	(246)	1,343	1,270	73	2,541	2,541	0
Special Works Replacement	0	6	6	0	11	11	22	22	0
Decommissioning	386	630	243	1,343	1,259	(84)	2,519	2,519	0
Total Replacements	386	635	249	1,343	1,270	(73)	2,541	2,541	0
Total Maintenance & Replacement Cost	386	635	249	1,343	1,270	(73)	2,541	2,541	0
Depreciation	44	50	6	100	100	0	150	150	0
Total Expenses	430	685	(255)	1,443	1,370	(73)	2,691	2,691	0
Overhead Overall Surplus / (Loss)	(41)	(50)	9	(100)	(100)	0	(150)	(150)	0
COMPANY ACTIVITIES DIVISION									
Cable Car Income	1,077	1,028	49	1,660	1,561	99	3,521	3,521	0
Cable Car Operations	275	323	48	530	644	114	1,288	1,288	0
Cable Car Maintenance	232	176	(56)	435	355	(80)	710	710	0
Depreciation - CC	84	63	(22)	125	125	0	250	250	0
	562	562	(30)	1,090	1,124	34	2,248	2,248	0
Cable Car Operating Surplus / (Loss)	485	466	19	571	437	133	1,273	1,273	0
3rd Party Services Net Contribution	0	0	0	9	0	9	0	0	0
External Pole Work Net Contribution	0	0	0	0	0	0	0	0	0
3rd Party Overhead Projects Net Contribution	0	0	0	0	0	0	0	0	0
Sundry External Income	118	55	63	152	110	42	220	220	0
External Activities Operating Contribution Surplus / (Loss)	118	55	63	161	110	51	220	220	0
Total Company Activities Operating Contribution Surplus / (Loss)	603	521	82	732	547	184	1,493	1,493	0
Administration Expenses	100	158	58	187	317	129	633	633	0
Revaluation of Property, Plant and Equipment							0		0
Company Activities Division Operating Surplus / (Loss)	502	363	140	544	231	313	860	860	0
WELLINGTON CABLE CAR - TOTAL SURPLUS / (LOSS) BEFORE TAX	461	313	148	444	131	313	710	710	0
Tax Expense	150	93	57	146	47	99	206	205	0
Subvention Payment	0	0	0	0	0	0	0	0	0
WELLINGTON CABLE CAR - TOTAL SURPLUS / (LOSS) AFTER TAX	311	220	91	298	84	214	504	504	0
The Total Surplus / (Loss) After Tax Consists of:									
Total Income	1,583	1,718	(135)	3,165	2,942	223	6,282	6,282	0
Total Expenditure	(1,273)	(1,498)	226	(2,866)	(2,858)	(8)	(5,778)	(5,777)	0
	311	220	91	298	84	214	504	504	0
	0	0	0	0	0	(0)	0	(0)	0

**Wellington Cable Car Limited
Statement of Financial Position
As at 31 December 2018**

	2019		2018	
	\$	\$	\$	\$
ASSETS				
Current Assets				
Bank Accounts Total	4,047,314		3,434,301	
Inventory	36,451		94,828	
WIP			8,322	
Accounts Receivable less Provision	296,014		320,381	
Sundry Debtors & Prepayments	246,207		184,314	
RWT Deductions	13,943		989	
Total Current Assets		4,639,929		4,043,136
Fixed Assets				
Cable Car & Civil Works				
Cable Car Equipment (2%)	7,721,058		7,721,058	
Cable Car Equipment (10%)	872,905		871,998	
Cable Car Tracks & Wires	1,363,778		1,363,778	
Furniture & Fittings	85,186		77,928	
Computer Equipment	298,003		279,074	
Computer Software	217,712		204,707	
Overhead Equipment	79,506		79,506	
Overhead Wire System				
Overhead Motor Vehicles	954,849		1,026,849	
Fixed Asset Clearing Account	8,476		3,636	
Accumulated Depreciation	(3,961,436)		(3,436,252)	
Total Fixed Assets		7,640,038		8,192,283
TOTAL ASSETS		12,279,967		12,235,419
LIABILITIES				
Current Liabilities				
Accounts Payable	77,375		54,266	
Accruals	338,127		735,747	
Purchases Received not yet Invoiced			107,584	
Social Fund			3,520	
Income Rec'd in Advance	452		10,485	
Ostendo Clearing Account				
GST TOTAL	84,240		154,319	
PAYE Suspense	35,014		38,856	
Revenue received in advance				
Prebilled charges TOTAL	245,514		262,477	
Credit Card Expenses				
Total Credit Card	3,045			
Current Portion of Term Liabilities				
Total Current Liabilities		783,767		1,367,254
Non Current Liabilities				
ANZ Bank Loan facility				
Provision for Income Tax	206,642		180,985	
Deferred Tax Liability	901,070		816,063	
Sundry Creditors				
Telecom Lease/Rentals				
Total Non Current Liabilities		1,107,712		997,049
Ostendo Clearing Accounts				
Total Ostendo Clearing Accounts				87
TOTAL LIABILITIES		1,891,479		2,364,389
NET ASSETS		10,388,488		9,871,030
SHAREHOLDER'S FUNDS				
Ordinary Shares	7,434,846		7,434,846	
Retained Earnings	2,749,713		2,384,304	
Revaluation Reserve				
Tax on Equity items				
Less: Dividend Paid	(94,306)		(94,306)	
Current Year Earnings	298,235		146,186	
TOTAL SHAREHOLDER'S FUNDS		10,388,488		9,871,030

Wellington Cable Car Limited
Statement of Cashflows
For the Period Ended 31 December 2018

	Year Ended 30 June 2019
Cash flows from operating activities	
<u>Cash was received from:</u>	
Operating receipts	3,049
<u>Cash was disbursed to:</u>	
Payments to suppliers and employees	(3,100)
Payment of Tax	(45)
Subvention Payment	-
GST	2
Net cash inflow / (outflow) from operating activities	(94)
Cash flows from investing activities	
<u>Cash was received from:</u>	
Investments	-
Interest received	13
Sale of Fixed Assets	
<u>Cash was applied to:</u>	
Purchase of fixed assets	32
Net cash inflow / (outflow) from investing activities	44
Cash flows from financing activities	
<u>Cash was received from:</u>	
Term Loan	-
<u>Cash was applied to:</u>	
Payment of Dividend	(0)
Term Loan	-
Net cash inflow/(outflow) from financing activities	(0)
Net Increase/(decrease) in Cash held	(49.42)
Opening Cash Balance	4,096.74
Closing Cash Balance	4,047.31

Wellington Cable Car Limited
Cashflow Reconciliation Statement
For the Period Ended 31 December 2018

	Year Ended 30 June 2019
Net Profit/(Loss) before tax	444
Add non cash items:	
Movement in provision for impairment of doubtful debts	-
Depreciation	225
Impairment/valuation	-
(Gain)/Loss on Assets sold/disused	-
	669
Add / (deduct) movements in Working Capital:	
(Increase) / Decrease in accounts receivable & other assets	(111)
Increase / (Decrease) in accounts payable & other accruals	(596)
(Increase) / Decrease in inventory	(6)
Add / (deduct) investing activities:	
Net (gain) / loss on sale of assets	-
Net (receipt) / payment interest income	(4)
Net receipt / (payment) withholding tax	(45)
Net receipt / (payment) Subvention Payment	-
Net (receipt) / payment Income Tax	
Add / (deduct) Financing activities:	
Net receipt / (payment) of Dividend	
Net (receipt) / payment of Finance Leases	-
Net cash inflow from operating activities	(94)

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE 3 APRIL 2019

Experience Wellington 2018-19

Quarter Two Visitor Numbers and Highlights Report to Council

as at 31 December 2018



Visitor Numbers

Institution	2018-19 Target	YTD Visitor Numbers (to 31 Dec. 2018)	% of Annual Target	Q2 Target	Q2 Visitor Numbers Achieved	% of Q2 Target
City Gallery Wellington	170,000	77,590	46%	40,000	37,411	94%
Wellington Museum	132,000	60,568	46%	35,000	36,641	105%
Capital E	157,500	49,814	32%	21,150	22,669	107%
Cable Car Museum	237,000	129,902	55%	65,500	87,113	133%
Space Place	55,000	26,258	48%	12,000	12,866	107%
Nairn Street Cottage	2,000	813	41%	500	538	108%
TOTAL	753,500	344,945	46%	174,150	197,238	113%

Commentary on variation against Target

- **City Gallery Wellington:** Attendance continues to be below target. Analysis of existing data and further research will be undertaken to inform mitigation strategies. Reduced access to Civic Square continues to be considered a barrier to visitation.
- **Wellington Museum:** The opening of *A Cameo Affair* and the Nissan Mobil 500 exhibition contributed to record visitation in December ensuring that the Q2 target was achieved.
- **Capital E:** A 38% increase in numbers in our digital studios and a 55% increase in public programmes attendance, largely due to *Maker Faire* has contributed to the Q2 target being achieved.
- **Cable Car Museum:** Tracking well against target.
- **Space Place:** Tracking well against target.
- **Nairn Street Cottage:** The Cottage re-opened to the public in September 2018 after a refresh of the visitor experience and has seen a steady increase in visitation since. Extended summer opening hours will begin in January 2019.

Highlights

- The Wellington Museum Suffrage 125 project, *A Cameo Affair* by artist Genevieve Packer, opened on 28 November 2018. The project shows silhouettes of prominent women of Aotearoa New Zealand.
- An exhibition focused on the Nissan Mobil 500 (commonly known as the Wellington 500) opened at Wellington Museum in mid-December 2018.
- We are presenting Mandarin screenings of planetarium shows at Space Place to a growing number of Chinese groups.
- A delegation of senior museum Directors and Curators from the Chinese province of Shaanxi (visiting as part of the *Terracotta Warriors* exhibition at Te Papa) were hosted at Wellington Museum in December 2018.
- Discussions are underway regarding the renewal of our Memorandum of Understanding (MOU) with City Archives. Under the current MOU City Archives stores relevant heritage documents including the records of the Union Steamship Company. We are exploring ideas including a shared database.
- Capital E delivered the inaugural *Maker Faire* in Wellington, a family-friendly festival focused on invention, creativity and resourcefulness. It encompassed technology, education, science, arts, crafts, sustainability, and making of all kinds with more than 30 Makers sharing their stories. We had more than 2,500 people attend the one-day event.
- We showcased Capital E's National Theatre for Children show *Story Studio Live* in Parliament to celebrate the four talented young authors. The pride of the young authors, their family and friends as they witnessed their stories being brought to life was inspiring to all.
- We reached 99% of audience target for the 2019 Capital E National Arts Festival – a testament to the quality of the curation, marketing, and the considerable work we're doing to understand and foster our schools relationships.
- The second quarter of 2018-19 saw two major fundraising successes for the Capital E team as we secured \$80k from The Lion Foundation to support the 2019 Capital E National Arts Festival and \$117k from the *Tuia 250: Encounters* fund to support *Story Studio Live* and *A Series of Encounters*.
- The summer season of exhibitions at City Gallery Wellington: *From Scratch: 555 Moons*; *Cao Fei #18*; and *Yona Lee: In Transit* were opened on 7 December 2018. The opening event included a lively performance by From Scratch and Orchestra of Spheres.
- City Gallery Wellington's retail performed strongly during the second quarter, doubling sales for the same period last year.

Pat Stuart

Chief Executive

Key Result Indicators 2018-19

Update on Progress against Targets, as at 31 December 2018 (Q2)



OUR CITY

City Residents' Awareness: The number of Wellingtonians who know about our institutions as assessed through the Annual Residents' Survey conducted by Council.

Residents' Awareness	2018-19 Target	2018-19 Result
City Gallery Wellington	95%	
Wellington Museum	97%	
Capital E	90%	
Cable Car Museum	97%	
Space Place	97%	
Nairn Street Cottage	60%	

OUR VISITORS

Physical Visitation: The total number of visits to institutions including general public, education and function attendees. The annual target is reviewed each year and benchmarked against the average visitation for the institution during the previous three years.

Visitor Numbers	2018-19 Target	2018-19 YTD Result	Q1 Target	Q1 Result	Q2 Target	Q2 Result	Q3 Target	Q3 Result	Q4 Target	Q4 Result
City Gallery Wellington	170,000	77,590	45,000	40,179	40,000	37,411	40,000		45,000	
Wellington Museum	132,000	60,568	27,000	23,927	35,000	36,641	40,000		30,000	
Capital E	157,500	49,814	21,600	27,145	21,150	22,669	56,800		57,950	
Cable Car Museum	237,000	129,902	30,500	42,789	65,500	87,113	90,500		50,500	
Space Place	55,000	26,258	12,000	13,392	12,000	12,866	15,500		15,500	
Nairn Street Cottage	2,000	813	300	275	500	538	750		450	
Experience Wellington Total	753,500	344,945	136,400	147,707	174,150	197,238	243,550		199,400	

Capital E will host the National Arts Festival for Children in 2018-19.

Capital E visitation includes the Hannah Playhouse.

City Gallery visitation may be affected by earthquake strengthening of the Town Hall.

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

3 APRIL 2019

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Key Result Indicators 2018-19

Update on Progress against Targets, as at 31 December 2018 (Q2)



Virtual Visitation: The total number of unique user visits to institutional web/mobile sites.

Virtual Visitation	2018-19 Target	2018-19 YTD Result	Q1 Result	Q2 Result	Q3 Result	Q4 Result
City Gallery Wellington	120,000	41,158	21,974	19,184		
Museums Wellington	88,000	67,633	35,833	31,800		
Capital E	45,000	20,809	11,872	8,937		
Experience Wellington Total	253,000	126,491	66,665	59,826		

Social Media Profile: A snapshot of Facebook friends, Instagram and Twitter followers.

Social Media Profile	2018-19 Target	2018-19 Result	Q1 Snapshot	Q2 Snapshot	Q3 Snapshot	Q4 Snapshot
City Gallery Wellington	26,000		35,726	36,165		
Museums Wellington	10,000		10,975	11,468		
Capital E	6,250		7,310	7,513		
Space Place	11,500		9,461	9,526		
Experience Wellington Total	53,750		63,472	64,672		

First Time Wellington City Visitors (New KRI for 2018-19): The number of visitors who are residents of Wellington visiting for the first time.

First Time Wellington City Visitors	2018-19 Target	2018-19 Result	Q1 Result	Q2 Result	Q3 Result	Q4 Result
City Gallery Wellington	33%		19%	16%		
Wellington Museum	80%		-*	3%		
Capital E	35%		11%	33%		
Cable Car Museum	85%		-*	6%		
Space Place	90%		-*	10%		
Nairn Street Cottage	90%		-*	-*		

*Wellington Museum, Cable Car Museum, Space Place and Nairn Street Cottage did not collect this information during Q1.

Key Result Indicators 2018-19

Update on Progress against Targets, as at 31 December 2018 (Q2)



Repeat Visitation: the number of visitors who have visited the institution at least once in the previous twelve months.

Repeat Visitation	2018-19 Result	Q1 Result	Q2 Result	Q3 Result	Q4 Result
City Gallery Wellington		68%	59%		
Wellington Museum		25%	21%		
Capital E		40%	47%		
Cable Car Museum		-*	12%		
Space Place		-*	13%		

NOTE: This KRI is not be included in the 2018-19 SOI but we will continue to monitor repeat visitation internally as a management tool.

*Cable Car Museum and Space Place did not collect this information during Q1.

Quality of Visit: Visitor feedback based on comfort, access, experience, knowledge gained, the friendliness of staff, the length of visit and overall enjoyment.

Quality of Visit	2018-19 Target	2018-19 Result	Q1 Result	Q2 Result	Q3 Result	Q4 Result
City Gallery Wellington	90%		88%	89%		
Wellington Museum	90%		94%	97%		
Capital E	90%		93%	97%		
Cable Car Museum	90%		-*	83%		
Space Place	90%		-*	90%		
Nairn Street Cottage	90%		-*	-**		

Capital E's Quality of Visit figures includes the Hannah Playhouse.

*Cable Car Museum, Space Place, and Nairn Street Cottage did not collect this information during Q1.

**Nairn Street Cottage did not collect this information during Q2.

Children & Young People Visiting for a Learning Experience: The number of students as part of a booked group visiting institutions for learning experiences. The delivery of LEOTC is part-funded by the Ministry of Education.

Children & Young People Visiting for a Learning Experience	2018-19 Target	2018-19 YTD Result	Q1 Result	Q2 Result	Q3 Result	Q4 Result
City Gallery Wellington	4,500	2,135	1,162	973		
Museums Wellington	7,000	2,594	1,238	1,356		
Capital E	50,000	18,251	12,035	6,216		
Space Place	8,250	2,925	1,493	1,432		
Experience Wellington Total	69,750	25,905	15,928	9,977		

Museums Wellington includes the Wellington Museum, Cable Car Museum and Nairn Street Cottage.

The Capital E National Arts Festival will be held in 2018-19.

Capital E Learning Experience figures includes the Hannah Playhouse.

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

3 APRIL 2019

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Key Result Indicators 2018-19

Update on Progress against Targets, as at 31 December 2018 (Q2)



OUR SUSTAINABILITY

Non-Council Revenue: The total amount of revenue generated from non-Council sources.

Non-Council Revenue (\$'000)	2018-19 Target	2018-19 Result	Q1 Result	Q2 Result	Q3 Result	Q4 Result
City Gallery Wellington	307		100	35		
Museums Wellington	845		208	132		
Capital E	509		132	66		
Space Place	542		134	118		
Sub Total	2,203		574	351		
Sub-letting, Interest & Other	275		38	72		
Experience Wellington Total	2,478		612	423		
Fundraising (\$'000)	2018-19 Target	2018-19 Result	Q1 Result	Q2 Result	Q3 Result	Q4 Result
City Gallery Wellington	274		52	81		
Museums Wellington	173		59	15		
Capital E	1,051		201	258		
Space Place	103		32	0		
Experience Wellington Total	1,601		344	354		

Museums Wellington includes the Wellington Museum, Cable Car Museum and Nairn Street Cottage.

The Capital E National Arts Festival will be held in 2018-19.

Capital E Non-Council Revenue figures include the Hannah Playhouse.

Spend per Visitor: Visitor related revenue (admissions and sales).

Spend per Visitor (\$)	2018-19 Target	2018-19 Result	Q1 Result	Q2 Result	Q3 Result	Q4 Result
City Gallery Wellington	1.80		2.49	2.58		
Museums Wellington	2.28		8.59	2.90		
Capital E	3.12		4.86	4.64		
Space Place	9.85		10.00	10.40		
Experience Wellington Total	3.40		3.89	3.65		

Museums Wellington includes Wellington Museum, Cable Car Museum and Nairn Street Cottage.

The Capital E National Arts Festival will be held in 2018-19.

Capital E Spend per Visitor figures include the Hannah Playhouse.

Key Result Indicators 2018-19

Update on Progress against Targets, as at 31 December 2018 (Q2)



OUR PEOPLE

	2018-19 Target	2018-19 Year-to-Date Result
Health and Safety	No preventable serious harm incidents involving workers or visitors as defined by the Health and Safety at Work Act 2015.	0

	2018-19 Target	2018-19 Result
Staff Satisfaction	At least 75% of staff are engaged with the organisation as indicated through the annual Staff Engagement Survey.	

OUR HERITAGE

Collection Development: Our Heritage Collections contribute to our understanding of Wellington's identity; its history, art and creativity which include visitors to some of Wellington's most important heritage sites (see visitor number KRI).

	2018-19 Target	2018-19 Result
New to the Collection	45	
Collection Assessment	1,875	
Collection Accessibility	7.5%	

New to the Collection: Commissions, acquisitions or donations of an item or a collection of items that have been accessioned into the collection.

Collection Assessment: The number of items (individual or type e.g. lifebuoys) that are reviewed for retention or disposal.

Collection Accessibility: The % of the Collection that is on display, on loan, used for research purposes or accessed through other mediums such as online.

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

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Key Result Indicators 2018-19

Update on Progress against Targets, as at 31 December 2018 (Q2)



COUNCIL'S SUBSIDY PER VISIT

The Council subsidy per physical visitor is calculated first by dividing the number of forecast visits into the operating grant received from Council (Table 1). Council's ownership costs such as insurance, maintenance and depreciation are then added (Table 2) to provide an estimate of the full subsidy per visit. The information regarding ownership costs is supplied by Council.

Table 1: Operating subsidy per visit

Subsidy per Visit (\$)	2018-19 Target	2018-19 Result	Q1 Result	Q2 Result	Q3 Result	Q4 Result
City Gallery Wellington	12.65		14.29	14.19		
Museums Wellington	5.00		7.12	4.99		
Capital E	10.76		13.82	16.21		
Space Place	9.72		6.72	6.85		
Experience Wellington Total	10.05			10.64		

Subsidy per Visit forecast is based on the probable percentage of the operating grant received from Council as follows:

City Gallery Wellington – 30%

Museums Wellington (Wellington Museum, Cable Car Museum and Nairn Street Cottage) – 26%

Capital E (including the Hannah Playhouse) – 22%

Space Place – 4.9% plus the cash underwrite

Experience Wellington Executive Office – 17.1%

Table 2: Full subsidy per visit inclusive of Council's ownership costs

Full Subsidy per Visit (\$)	2018-19 Target	2018-19 Result	Q1 Result	Q2 Result	Q3 Result	Q4 Result
City Gallery Wellington	16.05					
Museums Wellington	7.42					
Capital E	14.91					
Space Place	14.22					
Experience Wellington Total						

Council's estimated ownership costs are supplied by Council.

Strategic Projects 2018-19

Update on Progress against Targets, as at 31 December 2018 (Q2)



Strategic Priorities – have first claim on resources after the delivery of visitor experience programmes.

HIGH PROFILE, LARGE SCALE INTERNATIONAL EXHIBITIONS AT CITY GALLERY WELLINGTON					
Strategic Priority	2018-19 Milestones	What have we achieved during Q2 (Oct – Dec 18) of 2018-19	2019-20 Milestones	2020-21 Milestones	Project Sponsor
To present high profile, large scale international contemporary art exhibitions at City Gallery Wellington.	<ul style="list-style-type: none"> Schedule and present a high profile international contemporary art exhibition at City Gallery. Identify high value exhibition for presentation in 2020-21. 	<ul style="list-style-type: none"> Secured \$120,000 support from WREDA and City Growth for 'double feature' exhibitions Eva Rothschild and Semiconductor. Commenced development of strategic communications and marketing plan with agency Brown Bread and commissioned audience data survey with Morris Hargreave McIntyre. Continue planning of Hilma Af Klint exhibition with exhibition partners Heide Art Museum, Melbourne and Art Gallery of New South Wales, Sydney. Initial discussion for government indemnity commenced. 	<ul style="list-style-type: none"> Communications and fundraising plans for high value international exhibition <i>Hilma Af Klint</i> developed and fundraising commenced. Government indemnity secured. 	<ul style="list-style-type: none"> Present <i>Hilma Af Klint</i> exhibition. Future high value exhibition identified. 	Elizabeth Caldwell, Director City Gallery Wellington

WELLINGTON MUSEUM DEVELOPMENT					
Strategic Priority	2018-19 Milestones	What have we achieved during Q2 (Oct – Dec 18) of 2018-19	2019-20 Milestones	2020-21 Milestones	Project Sponsor
To complete the development of Wellington Museum.	<ul style="list-style-type: none"> Wellington City Council confirms its support for the project via business case. Fundraising & Communication strategy in place. Procurement policy and procedure are confirmed. 	<ul style="list-style-type: none"> Presentation to Council's Executive Leadership Team. Began preparations on business case & procurement plan/guidelines. Began preparations for communication & fundraising strategy. Further meeting with mana whenua representatives discussing opportunities for engaging in development. 	<ul style="list-style-type: none"> Master Plan describing fit-out confirmed. Building consent process completed. Fundraising achieved to go / no go level. Contracts awarded. 	<ul style="list-style-type: none"> Development project underway by late 2020 Dependent on close/ no close decision exhibition spaces emptied and staff relocated. Pop up space/s identified and preparations in place for having a presence during closure. 	Brett Mason, Director Museums Wellington

Strategic Projects 2018-19

Update on Progress against Targets, as at 31 December 2018 (Q2)



ENGAGEMENT WITH MĀORI					
Strategic Priority	2018-19 Milestones	What have we achieved during Q2 (Oct – Dec 18) of 2018-19	2019-20 Milestones	2020-21 Milestones	Project Sponsor
To ensure that there is a Māori dimension in all Experience Wellington plans and activities, and in what its visitors see, feel and experience.	<ul style="list-style-type: none"> A three year plan (Plan) for better engagement with Māori is agreed. Draft Key Performance Indicators (KPIs) are developed. 	<ul style="list-style-type: none"> Terms of reference for Te Rōpū Mahi Tiriti / The Treaty Work Group have been developed Te Rōpū Mahi Tiriti focus has been on organisational development including: <ul style="list-style-type: none"> Identifying Te Reo and tikanga courses for staff; Ways to use He Tohu as a formal staff resource; and. Reviewing recruitment practises. The Wellington Museum development has provided the opportunity to engage with Mana Whenua. A cultural advisor was employed to assist with mana whenua meetings. 	<ul style="list-style-type: none"> Business as usual Key Performance Indicators (KPIs) are in place and baseline data is gathered. Year One Plan targets are achieved. Training in Te Tiriti understanding and Māori dimension including Te Reo and tikanga is offered to all staff and targets are achieved Mana Whenua are engaged in the development of Wellington Museum. 	<ul style="list-style-type: none"> Our engagement with Maori and commitment to Te Tiriti o Waitangi has advances as assessed by a third party observation and report. Year Two Plan targets are achieved. Training in Te Tiriti understanding and Māori dimension including Te Reo & tikanga is offered to all staff. 	Brett Mason, Director Museums Wellington

Strategic Projects 2018-19

Update on Progress against Targets, as at 31 December 2018 (Q2)



FUNDRAISING					
Strategic Priority	2018-19 Milestones	What have we achieved during Q2 (Oct – Dec 18) of 2018-19	2019-20 Milestones	2020-21 Milestones	Project Sponsor
To grow revenue achieved through fundraising.	<ul style="list-style-type: none"> Strategic Fundraising Manager recruited. Wellington Museum Development Fundraising Strategy is developed by June 2019. Experience Wellington Fundraising Strategy is developed by June 2019. Endowment Fund is officially launched with Nikau Foundation. Capability Building initiatives are developed and implemented (Intranet, guides, workshops, coaching). 	<ul style="list-style-type: none"> Strategic Fundraising Manager started in October 2018 and inductions completed with each Institution's key staff. Fundraising capability building opportunities identified and preparations for workshops underway. 	<ul style="list-style-type: none"> Implement Fundraising Strategy with agreed Key Performance Indicators (KPIs) for Experience Wellington and each Institution. Increase Fundraising revenue annually and diversify fundraising methods. Capability Building initiatives continue to be implemented. 	<ul style="list-style-type: none"> Fundraising Strategy and KPIs are achieved with a continued annual increase in net income. Continue to build a more diverse and balanced fundraising portfolio across Experience Wellington. Capability Building initiatives continue to be implemented. 	Alice Montague, Strategic Fundraising Manager

Strategic Projects 2018-19

Update on Progress against Targets, as at 31 December 2018 (Q2)



BUSINESS EQUIPMENT AND SYSTEMS UPGRADE					
Strategic Priority	2018-19 Milestones	What have we achieved during Q2 (Oct – Dec 18) of 2018-19	2019-20 Milestones	2020-21 Milestones	Project Sponsor
To upgrade our IT equipment and systems.	<ul style="list-style-type: none"> Complete the IT hardware upgrade by January 2019. Introduce Office 365 by March 2019. Ensure full transfer from existing Internet Provider by 31 March 2019. CRM system ready for implementation by 30 June 2019. Ticketing and Memberships System ready for implementation by 30 June 2019. 	<ul style="list-style-type: none"> A number of servers have been replaced and consolidated. We are still working on replacing our ISP and upgrading all our sites to fibre. A recommendation paper has been presented to the Business Systems Stakeholder Group regarding the CRM system. Demonstrations of the recommended CRM system (Salesforce) and Ticketing and Memberships system (Passphere) are being arranged for early February 2019. We are on track to achieve the 2018-19 milestones. 	<ul style="list-style-type: none"> CRM, Ticketing and Memberships Systems fully functional by 31 December 2019. Retail System Identified and fully scoped by 31 December 2019. Retail System implemented by 30 June 2020. 	<ul style="list-style-type: none"> Other Business Systems identified for review and refreshing by 31 December 2020. 	Zofia Miliszewska, Executive Support Manager & James Unwin, Finance Manager

NEW TOOLS FOR AUDIENCE DEVELOPMENT					
Strategic Priority	2018-19 Milestones	What have we achieved during Q2 (Oct – Dec 18) of 2018-19	2019-20 Milestones	2020-21 Milestones	Project Sponsor
To develop and deliver better tools to monitor our audience profile that will enable us to programme, position ourselves and communicate more responsively.	<ul style="list-style-type: none"> The trial is evaluated, adjustments made and the system applied in the context of preparing the 2019-20 Statement of Intent. 	<ul style="list-style-type: none"> Included the project in the wider strategic planning discussion and agreed that it is an organisational priority. Met with Gayle Beck from Te Papa to discuss shared objectives Included Tamsin Falconer in our steering group. Set up a broader group, including the Strategic Fundraising Manager and Executive Services Manager to confirm a proposal for a new model for gathering visitor data in 2019-20 and beyond. 	<ul style="list-style-type: none"> Operationalise proposal from 1 July 2019. Test and feedback quarterly. Review and confirm model for 2020-21. 	<ul style="list-style-type: none"> Business as Usual. 	Sarah Rusholme, Director Children and Young People; and Elizabeth Caldwell, Director City Gallery Wellington

Strategic Projects 2018-19

Update on Progress against Targets, as at 31 December 2018 (Q2)



Business as Usual Projects

Project Name	Project Summary	Project Sponsor
THE CREATION OF FUTURE E	To define Capital E's core offerings, how these are delivered and from where within Wellington city.	Sarah Rusholme, Director Children and Young People
SPACE PLACE OPERATING MODEL REVIEW AND DEVELOPMENT	To ensure that Space Place's business model continues to grow visitation and revenue with a renewed visitor experience that widens the offer to more visitors.	Brett Mason, Director Museums Wellington
THE LOOK OUT! PUKEHINAU	To improve and expand what's on offer for visitors in the Cable Car Precinct by joining together with other organisations to develop <i>The Look out! Pukehinau</i> (Cable Car Precinct and surrounds).	Brett Mason, Director Museums Wellington
CHILDREN AND YOUNG PEOPLE	To realise our vision that the children and young people encountering us feel welcomed, included and important.	Sarah Rusholme, Director Children and Young People
ACCESSIBILITY AND INCLUSION	To develop a kaupapa of accessibility and inclusion for employees, volunteers and visitors whose access and inclusion may be compromised because of some form of physical impairment.	Accessibility and Inclusion Workgroup led by Rachel Ingram, Head of Learning & Programmes, Museums Wellington
DEVELOPING AND ADOPTING A RISK APPETITE STATEMENT	To develop and adopt a risk appetite statement.	James Unwin, Finance Manager

Deferred Indefinitely

Project Name	Project Summary	Project Sponsor
CITY GALLERY WELLINGTON BUILDING DEVELOPMENT	To refurbish City Gallery's entrance and orientation foyer (Phase 1); To undertake a scope of building works focused on access to, and functionality of, some spaces within the building (Phase 2).	Elizabeth Caldwell, Director City Gallery Wellington
CABLE CAR MUSEUM DEVELOPMENT	To increase the size of the Cable Car Museum visitor experience including an increase in the space for retail.	Brett Mason, Director Museums Wellington

SOI Statement of Financial Performance (Excl. SP)

Experience Wellington

For the 3 months ended 31 December 2018

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.

	DEC QTR ACT	DEC QTR BUD	YTD ACTUAL	YTD BUDGET
Trading Income				
Trading Income	544,927	448,053	987,288	898,357
WCC Operating Grant	1,743,774	1,743,774	3,487,548	3,487,548
WCC Rental Subsidy	442,245	442,332	884,490	884,664
Sponsorship and Donations	26,318	75,470	63,131	106,650
Grants Other	327,381	248,251	602,739	532,054
Investment Income	21,653	6,000	25,312	21,000
Other Income				
Leasing Income	21,016	20,337	32,505	40,477
Other Revenue	21,422	20,550	23,500	41,500
Wages On-charged	12,947	2,900	19,893	6,800
Contractors fees On-charged	-	5,500	179	12,400
Total Other Income	55,386	49,287	76,077	101,177
Intergroup Fees	18,750	-	52,500	-
Total Revenue	3,180,435	3,013,167	6,179,087	6,031,450
Cost of Sales				
Cost of Sales	210,495	167,732	316,997	272,134
Total Cost of Sales	210,495	167,732	316,997	272,134
Net Revenue	2,969,940	2,845,435	5,862,089	5,759,316
Operating Expenses				
Employee Costs	1,445,030	1,315,403	2,822,135	2,598,103
Council Rent	334,621	334,707	669,242	669,414
Exhibitions & Programmes	469,895	446,758	986,665	1,249,843
Marketing & Promotions	132,090	87,428	225,597	226,654
Occupancy Costs	262,335	283,134	560,811	590,458
Communication Costs	26,843	26,277	67,729	52,554
Trustee Fees and Expenses	20,405	21,300	40,793	42,600
Technology Costs	36,858	38,863	74,730	76,670
Professional Fees	27,762	18,425	43,058	47,186
Administration Fees	48,874	47,025	89,101	89,195
Depreciation	115,098	134,727	221,583	269,450
Total Operating Expenses	2,919,811	2,754,047	5,801,447	5,912,127
Net Surplus/(Deficit)	50,129	91,388	60,643	(152,811)

SOI Statement of Financial Performance Space Place

Experience Wellington
For the 3 months ended 31 December 2018

Institution is 26 Space Place.

	DEC QTR ACT	DEC QTR BUD	YTD ACTUAL	YTD BUDGET
Trading Income				
Trading Income	139,416	135,450	273,042	270,900
WCC Operating Grant	91,530	90,252	183,060	180,514
Sponsorship and Donations	658	249	896	498
Grants Other	-	25,499	31,209	50,998
Total Revenue	231,603	251,450	488,206	502,910
Cost of Sales				
Cost of Sales	10,396	11,380	20,768	22,756
Total Cost of Sales	10,396	11,380	20,768	22,756
Net Revenue	221,207	240,070	467,438	480,154
Operating Expenses				
Employee Costs	191,964	210,466	396,704	420,741
Exhibitions & Programmes	10,705	23,853	18,269	47,954
Marketing & Promotions	16,006	23,131	30,619	46,260
Occupancy Costs	15,625	18,037	35,585	36,074
Communication Costs	2,384	2,530	6,346	5,060
Technology Costs	2,302	600	3,618	1,200
Administration Fees	2,957	4,471	7,377	9,942
Depreciation	2,114	2,751	4,228	5,502
Total Operating Expenses	244,056	285,839	502,745	572,733
Net Surplus/(Deficit)	(22,849)	(45,769)	(35,307)	(92,579)

Statement of Financial Position

Experience Wellington
As at 31 December 2018

	31 DEC 2018	30 SEP 2018
Assets		
Fixed Assets		
Property, plant and equipment	1,957,742	1,923,917
Collections and Artefacts	2,338,816	2,338,816
Intangible assets	6,467	8,038
Total Fixed Assets	4,303,025	4,270,772
Non-Current Asset		
Legacy Investment with Nikau Foundation	235,000	-
Total Non-Current Asset	235,000	-
Current Assets		
Inventory	198,040	188,879
Trade and other receivables	394,614	450,802
Cash and Cash equivalents	1,051,020	3,024,874
Total Current Assets	1,643,674	3,664,555
Total Assets	6,181,700	7,935,327
Liabilities		
Current Liabilities		
Trade and other payables	1,383,072	3,164,914
Employee benefits	304,512	304,520
Total Current Liabilities	1,687,584	3,469,434
Total Liabilities	1,687,584	3,469,434
Net Assets	4,494,116	4,465,892
Equity		
Reserves	2,537,562	2,536,645
Retained earnings	1,956,554	1,929,248
Total Equity	4,494,116	4,465,892

Statement of Cash Flows

Experience Wellington

For the 3 months ended 31 December 2018

	2018	JUL-SEP 2018
Operating Activities		
Cash was provided from:		
Receipts from customers	1,092,465	1,216,560
Receipts from related parties	442,245	4,112,853
Total Cash was provided from:	1,534,710	5,329,413
Cash was applied to:		
Payments to suppliers and employees	(3,044,310)	(3,024,846)
Payments to related parties	(114,428)	(223,081)
Net GST received/(paid)	12,906	57,136
Total Cash was applied to:	(3,145,832)	(3,190,790)
Net Cash Flows from Operating Activities	(1,611,122)	2,138,623
Investing Activities		
Interest received	21,653	3,659
Payment for property, plant and equipment	(149,385)	(61,539)
Other cash items from investing activities	(235,000)	-
Net Cash Flows from Investing Activities	(362,731)	(57,880)
Net Cash Flows	(1,973,854)	2,080,743
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	3,024,874	944,131
Cash and cash equivalents at end of period	1,051,020	3,024,874
Net change in cash for period	(1,973,854)	2,080,743

SOI Statement of Cash Flows Experience Wellington



At the half way point in the 2018/2019 financial year, WREDA is on track to deliver positive outcomes for the Wellington region across all of its Statement of Intent key areas of focus.

Notable highlights in this last quarter include:

- Engagement in the Wairarapa and Kāpiti Economic Development strategies;
- Strong performance from the Regional Business Partnership programme (recognised through NZTE reappointing WREDA for a further 2 years);
- The International Students Excellence Awards;
- Young Enterprise and Summer of Tech programme delivery;
- Continued strong film/screen permitting activity;
- A successful programme of spring and summer destination marketing activity, international tourism trade engagements and digital marketing projects;
- The launch of the regional trails website;
- The work completed on the Wellington Convention and Exhibition Centre business case;
- A successful quarter for business, consumer and major events – highlighted by WOW;
- Signing a new partnership with Immigration NZ;
- The GovTech accelerator delivered by CreativeHQ.

Further details on these and other programmes of work are contained in this report.

Overview

October – December 2018

WREDA

WellingtonNZ.com



Wairarapa and Kāpiti Economic Development Strategies

On November 12th, the **Wairarapa Economic Development Strategy** was launched at an event which was attended by Minister for Regional Economic Development, Shane Jones, local MP's, councils and the business community.

- Minister Jones announced that the Provincial Growth Fund (PGF) would support a **programme manager** role to implement the strategy, which is to be co-funded by the PGF, the 3 Wairarapa councils and GWRC. This role will be employed by WREDA to ensure the role is able to utilise the greater WREDA resource to support Wairarapa outcomes.
- The WREDA CEO has been appointed as the chair of the **Wairarapa ED Steering Group** which is charged with overseeing the implementation of the strategy, including advising MBIE on the local perspectives of PGF applications.

WREDA has also been working closely with the **Kāpiti Coast District Council** to:

- Support the **economic development strategy** workshops which have been facilitated by Allen & Clarke
- Support MBIE and helping facilitate **PGF** community workshops
- Facilitate a **Brand Storytelling** workshop
- Sit on the **Kāpiti PGF advisory panel**
- Provide **Major Event** advice and recommendations
- Support **tourism product** development



WREDA facilitated Brand Storytelling workshop in Kāpiti

RBP and Business Growth

Regional Business Partner Programme

WREDA has supported **411 regional businesses in the year-to-date**, including 231 receiving hands-on support in the form of growth capability development, innovation support and mentorship. 64% of these businesses are located in Wellington city, while 36% are based in one of the region's other territorial authorities. We have delivered \$208,000 of Capability Voucher funding and \$3,333,000 of R&D funding to businesses in the region in the year-to-date. This funding helps businesses access growth advice, and invest in new technology development.

It has also been confirmed that Callaghan and NZTE have **extended WREDA's contract** for regional delivery of the RBP programme for another 2 years from June 2019.

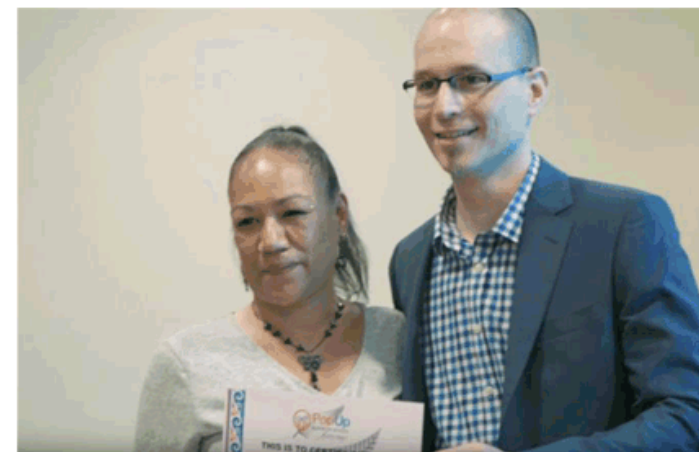
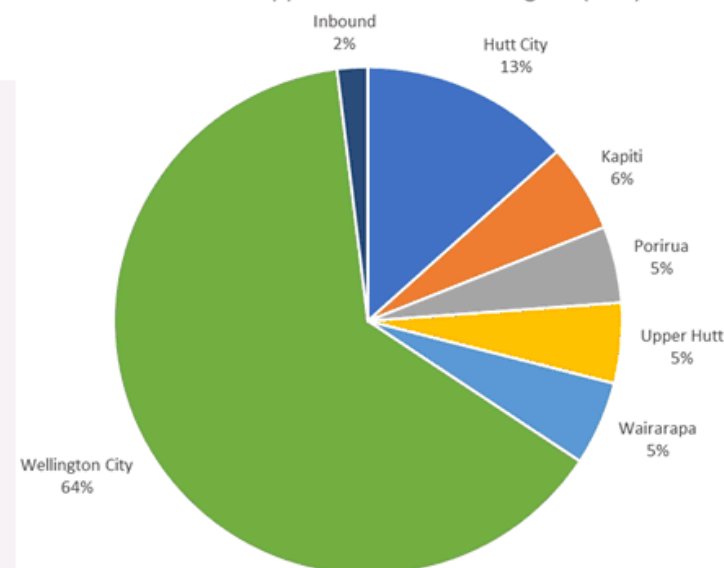
Business Growth

We supported the **Porirua PopUp Business School** in partnership with Porirua City Council and the Ministry for Social Development, which saw 45 participants turn their business idea into an actual business. The programme ran over two weeks and included workshops by business leaders from the community, a tradeshow, and training in areas of business such as online marketing. The attendees will continue to be supported through an alumni programme and the Business Mentors programme.

The Business Growth Team ran a business clinic in **Hutt City**, in partnership with the **Chamber of Commerce** which saw 3 new businesses attend. All had growth potential and will receive support to accelerate their growth.

WREDA and Callaghan Innovation facilitated a **business workshop** targeted at **ICT** companies, introducing automated test concepts and tools to build better software, faster. This very technical workshop had over 12 software people learning new concepts and bringing the capability back to their business.

Businesses Supported Across the Region (YTD)



Education & Workforce

Wellington International Student Growth Programme (WISGP)

- The **International Student Excellence Awards** were held at Parliament in November. New categories were introduced to reward the contribution of employers and Wellingtonians in improving the international student experience.
- We met with **26 education agents** during the quarter, hosting 6 of those for a week-long famil throughout the region.
- **China awareness campaign** ran in September 2018, generating 81,605 total video views (target 50,000), 150 student signups to edm nurture trail. In addition the key opinion leader posts created a combined reach of 690,000
- **Upcoming:** The '*Star in your own Wellington movie*' student promotional campaign, which will be our biggest for the FY. This competition will be used as a vehicle to create awareness of Wellington as a study destination to those interested in international study. It will target tertiary students (16-25 year olds) in Vietnam, India and USA with a 'Win a chance to star in your own film in Wellington!'

Talent & Skills

- **Summer of Tech & Summer of Biz** - 171 students have been placed with 62 Wellington organisations for 10 week long summer internships. This is up from 147 last year with the increase all in tech roles. 11% of placements were international students.
- **Callaghan Innovation R&D Experience internship grants** – With WREDA's support, Wellington organisations were approved 62 grants for students this year.
- **Young Enterprise** - As the lead regional sponsor, WREDA judged and presented the awards at this year's Regional Final of **Young Enterprise**, a youth entrepreneurial programme. St Mary's College, Wellington, won the National Social Enterprise award for their enterprise 'The Last Straw' at the national finals.



International Student Excellence Awards at Parliament



China Campaign



Young Enterprise regional finals

Screen Wellington

Attraction and Permits

Demand for screen permits in the region is high with 295 permits approved, which means we are on track to set another permitting record this year. We expect to process around 600 for FY 18/19.

We continue working closely with the NZ Film Commission on attracting more international projects to Wellington.

Studio Infrastructure

Screen Wellington has been working with multiple different developers around the region to assess options to address Wellington's lack of Sound Stage capacity. This is ongoing and a group visit to Stone Street Studios took place in Dec 2018 to better understand the buildings and the business.

Mortal Engines

Mortal Engines, a movie 100% made in Wellington and produced by Sir Peter Jackson and directed by Christian Rivers, was released in Dec 2018. Screen Wellington closely collaborated with the NZ Film Commission and Weta to deliver in-market events and key Wellington messaging around the film.



International Tourism Trade

- WREDA represented the **Wellington & Wairarapa International Marketing Alliance** at Tourism New Zealand's Training Roadshow in October 2018. The US market is Wellington's second largest international market, experiencing strong growth for the last three years. The event visited Jersey, Pittsburgh, Cincinnati and Minneapolis, aligned to the key feeder cities for Air New Zealand's new Chicago air service. Additional sales and training calls were undertaken with 83 agents and Product Managers in Los Angeles, Toronto, Chicago and San Antonio.
- Air New Zealand launched a new **Brisbane to Wellington** service in December. WREDA and Weta were invited to attend the Brisbane trade launch and created a memorable evening for Air New Zealand with a 'Scars & Scrapes' session.
- Fifty-eight agents and Product Managers were hosted during Q2 including German top selling agency DERTour and UK Flight Centre.
- Pre-season product updates and frontline training was delivered to 58 i-SITE staff in key locations throughout New Zealand.
- A new **Classic NZ Wine Trail** guide was delivered in Q2. This regional partnership has long been at the forefront of tackling regional spread, encouraging self-drive visitors to slow down and enjoy Hawke's Bay, Wairarapa, Wellington & Marlborough along the sign-posted Wine Trail touring route.

Q2 In-market training, Famils & Sales Calls	Total agents trained
TNZ New Zealand Journeys training roadshow	206
Air New Zealand Brisbane trade launch	68
Total agents trained	369
Decision maker appointments	16
Total Trade Famil participants	58
Total Trade Famil Itineraries	10



Team Wellington: China

- The **XiYangYang** consumer travel show was held in Auckland in October, attracting 17,000 Auckland-resident Chinese to the event. Influencing this resident market is important for attracting the visiting friends and family sector. Partnering with KiwiRail on the Wellington stand, WREDA leveraged interest in the Terracotta Warriors exhibition at Te Papa using a 'live Warrior' roaming the show.
- **Wellington Airport and 'Air New Zealand loves Wellington'** joint campaign to promote a free internal add-on flight to Wellington was supported by WREDA by collating a number of local operator incentives for travelers to use whilst in Wellington.
- Three **China famils** were hosted in Q2 including a TNZ West China Product Manager group.
- Sales calls to **28 FIT inbound** operators were undertaken with KiwiRail and Weta in Auckland and Christchurch, resulting in 65 staff trained.
- A **simplified-Chinese Wellington Map** was delivered in December for distribution in the Wellington i-SITE and through key partners.
- Chinese FIT inbound operator **Travelmore** has added Wellington to its destinations.
- WREDA is a member of the central government agency working group for the **China NZ Year of Tourism (CNZYot)** which will host the opening ceremony at Te Papa alongside the Terracotta Warriors exhibition. WREDA has developed an exclusive Welcome Gift for high value Chinese visitors to Wellington in 2019 which includes a Welcome Letter from the Mayor of Wellington, tourism offers and an official CNZYot badge



Business Events Wellington

Business Events Wellington (BEW) team were successful in winning 8 International, Australasian and National bids to be hosted in the Wellington region in the coming years. These events will inject a projected economic value of \$2,769,040 into the Wellington economy.

Amongst the bids won by the BEW team were:

- International Zoo Educators Association Conference, 2022, 150 delegates - \$344,160
- New Zealand Game Developers Association Conference, 2019, 700 delegates - \$1,004,500
- New Zealand Hand Therapy Conference, 2019, 200 delegates - \$287,000
- Energy Management Association of New Zealand, 2019, 150 delegates - \$215,250

In Q2 BEW has produced the following bids:

For 2020

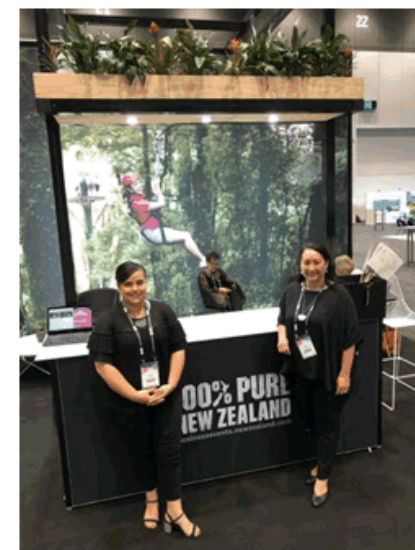
- Jeunesses Australasian Conference, 700 delegates - \$1,255,075

For 2021

- The Advancing cooperative & work-integrated education World Conference (WACE), 550 delegates - \$1,183,050
- Pinot NZ Conference, 750 delegates - \$1,344,750
- New Zealand Dental Hygienist Association Conference, 500 delegates - \$717,500

For 2025

- Associated Country Women of the World Conference, 800 delegates - \$1,720,800



Wellington i-SITE Visitor Information Centre

- The plan to **extend and redevelop** the Wellington i-SITE has been approved by the WREDA Board. A larger and more appealing space will provide a much enhanced story to Wellington visitors. Sales and foot traffic figures have been impacted by the post-quake move into the smaller footprint of the MFC ticket office. It's therefore worth noting the i-SITE team achieving two post-quake **record sales days** of over \$22,000 and \$25,000 during December 2018. The i-SITE is scheduled to close for six weeks in Q4 (after Easter and the last cruise ship of the season) to allow the redevelopment to take place. Preparations for the refurbishment are well underway and a temporary co-sharing location being explored.
- **Cruise Season** commenced on 2 October. Changes to the Metlink bus service and consultation with key city stakeholders has resulted in changes to cruise shuttle stops. On most cruise days, shuttles now drop passengers in Lower Lambton Quay and the Wellington i-SITE in Wakefield Street. This destination management approach was designed to relieve traffic and pedestrian bottlenecks and spread visitors through the city. The two-stop model is now well embedded and appears to be achieving its objectives.
- Wellington City Ambassadors have a smart **new and warmer uniform**, identifying them as Volunteers and incorporating Te Reo.
- The i-SITE team have conducted '**ex Port**' training, up-skilling on tourism products available at the next port of call. This has resulted in strong sales of activities out of region and in some cases, revenue in other New Zealand ports has doubled compared to last year.
- WREDA's Senior Leadership Team teamed up with a Wellington City Ambassador in December for '**A Day in the Life**' experience assisting our visitors around the city.



Regional Trails Framework

- The Regional Trails Framework brand '**Find your Wild**' and interactive trails website www.wellingtonregionaltrails.com launched on 27 November at an event which was well attended by the framework partners and stakeholders.
- The website launch campaign achieved 70.9K reach, 215 shares and 312 comments. As of 11 January, there were 73K website pageviews, 20K unique visitors since launch.
- The **design guidelines** for a Regional Trail, Signature Trail audit template and the 'Find Your Wild' Brand Guidelines were completed this quarter.
- In early December the **Mystic Portal** trail video featuring Bryn Dickenson, a professional mountain bike downhill athlete was released, and directed viewers to the trails website which achieved 69.8k reach.
- Written and verbal submissions of support were given on the **Porirua Adventure Park** to DOC and Porirua City Council; the result is expected late February.



Wellington Convention & Exhibition Centre

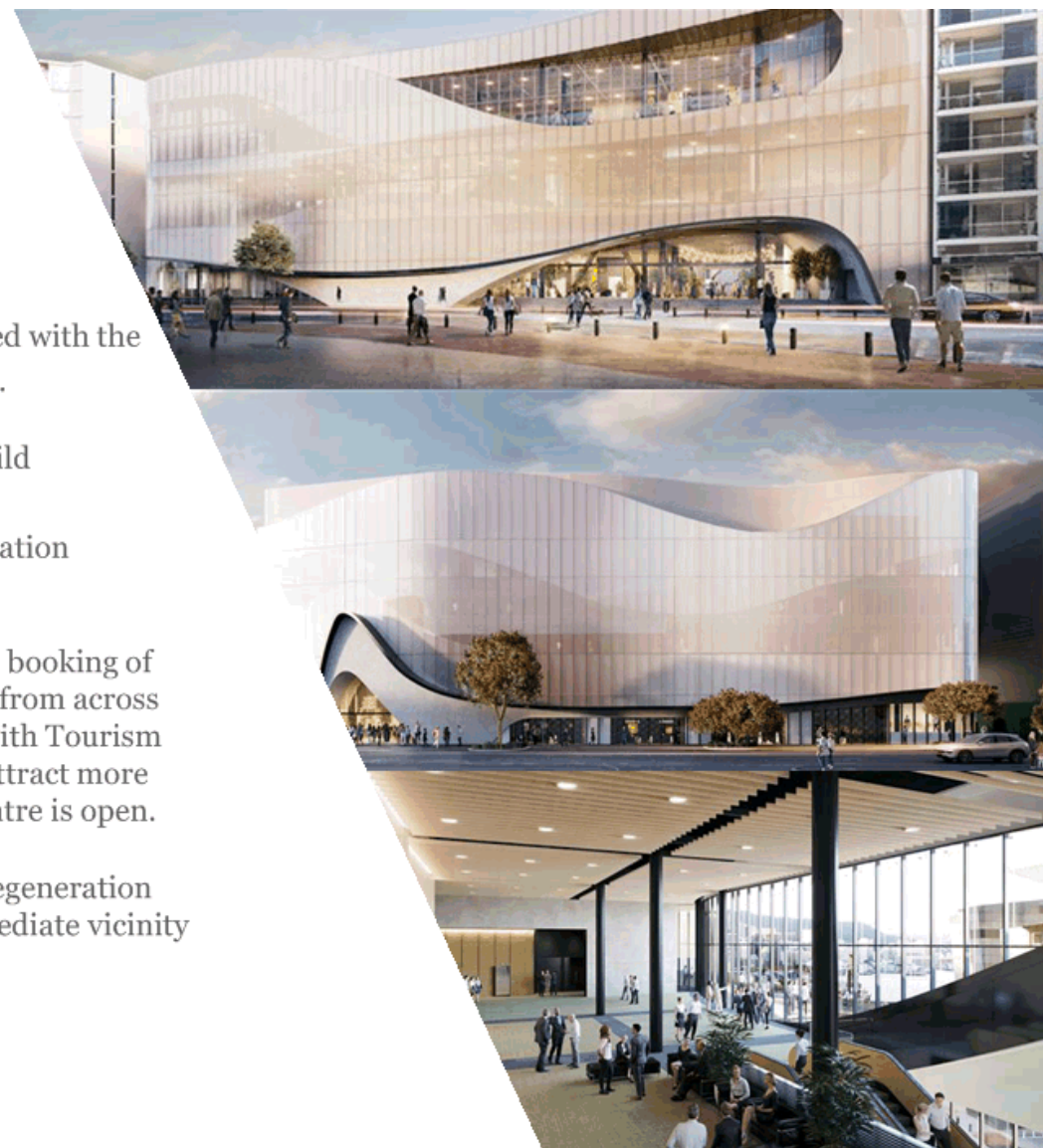
Wellington Convention & Exhibition Centre

In December, Wellington City Council voted unanimously to proceed with the development of a Convention and Exhibition Centre for Wellington.

The WREDA team worked closely with the WCC project team to build a robust business case and continue to be highly involved with the development as detailed design is completed and plans for the operation finalised.

WREDA will also now be able to respond to enquiries regarding the booking of the facility and promoting the facility for use to appropriate groups from across New Zealand, Australia and the world beyond. WREDA will work with Tourism New Zealand to promote Wellington and the new development to attract more and larger international business events to Wellington once the Centre is open.

We expect that this development will be an important catalyst for regeneration and further development in Wellington city particularly in the immediate vicinity of the site and around Courtenay Place.

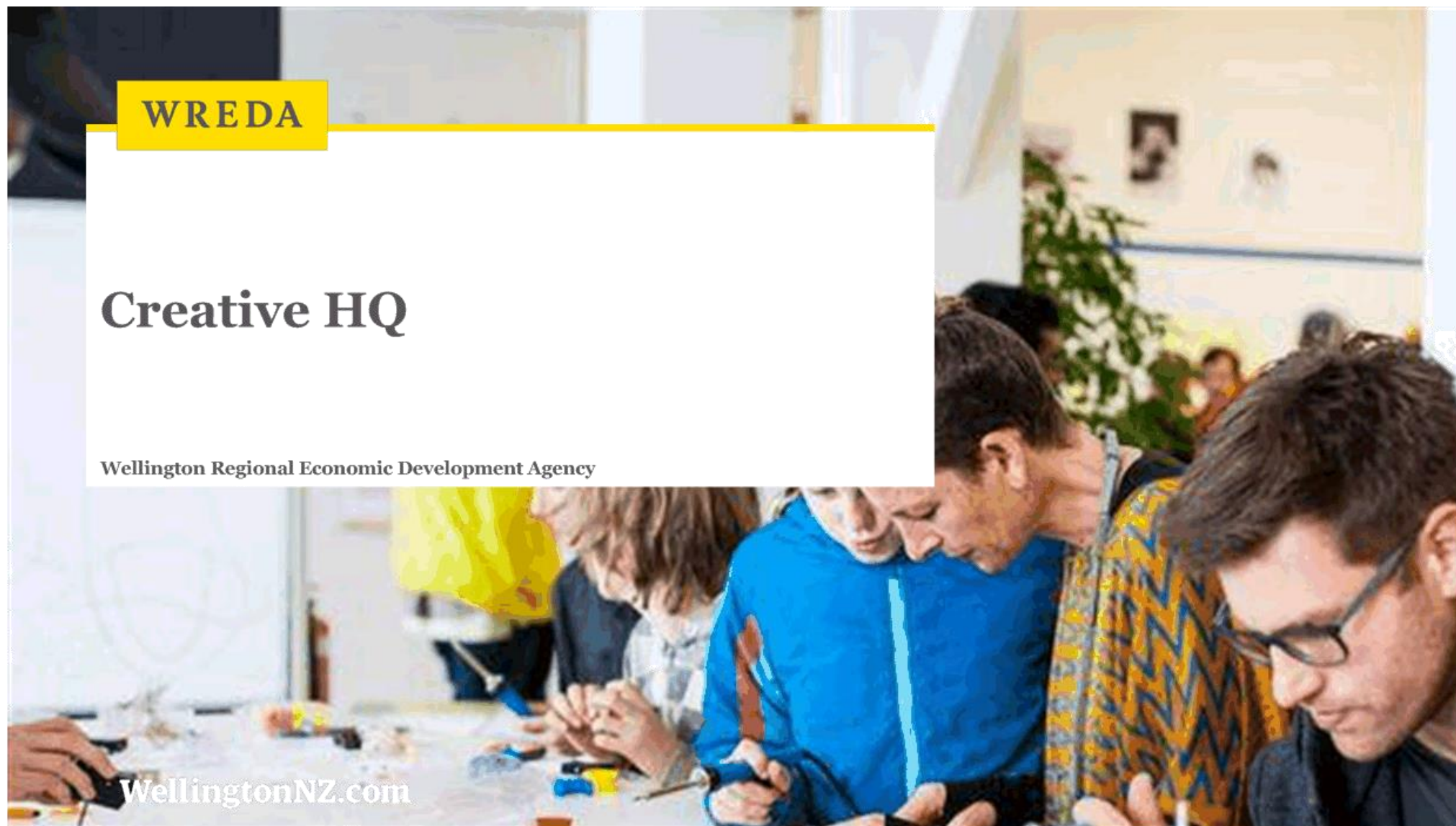


Partnerships

- An **International Relations** Terms of Engagement Guide between WREDA and WCC was finalised and implemented
- A regional partnership agreement was signed with **Immigration NZ** to share our knowledge, skills and resources to attract the right skills, encourage investment in our regional businesses and boost international students and visitors.
- WREDA's Senior Leadership Team has completed a series of engagements with council **CEO's and Mayors** in the **Wellington region**. This has been a good opportunity to reset the expectations of the WREDA support that is available and levels of engagement with the various councils.

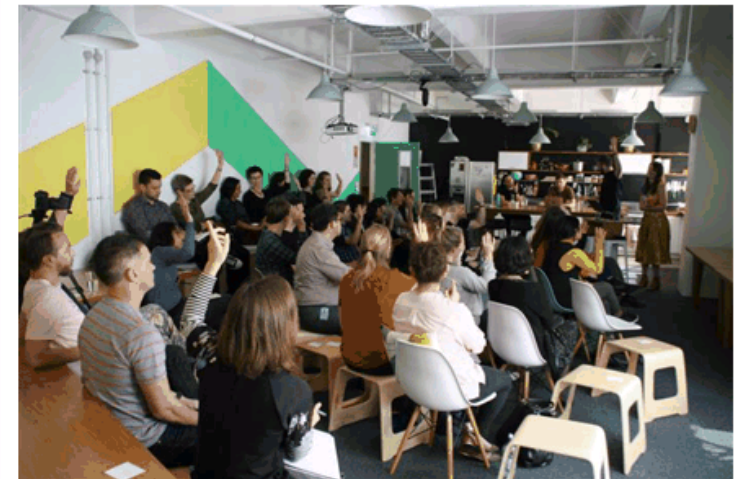


Signing of Immigration NZ Partnership agreement with Steve McGill (INZ) and Lance Walker (WREDA)



Creative HQ

- **61 start ups** from the Wellington region are currently on the CreativeHQ platform
- Creative HQ delivered several high profile acceleration and innovation programmes in Q2 – including the **GovTech Accelerator**, the **Ease of Doing Business** programme in the Philippines, the **Beca corporate acceleration** programme and the Transpower innovation programme. All programmes and initiatives have been completed successfully and have created a positive impact on Wellington's innovation vibrancy.
- Version 2 of the CreativeHQ online platform **SCALE** was launched in October 2018 at various events with our regional innovation partners and at the national Angel Summit in Nelson. Demand from other regions for our incubation programme and SCALE continues to grow with requests for presentations and meetings from Northland and Waikato.
- A significant highlight in the events calendar was the inaugural delivery of “**Experience Week**” in Wellington with 23 events including Design Sprints, City Hackathons, human centered design and co-design workshops as well as a range of networking events. The initiative was successful and will become an annual feature in the event calendar in Wellington.
- Towards the end of the year we focused on the planned refurb of our main space (in Dixon St) and preparations for our **Youth Accelerator** “Venture Up 2019” which will kick off in January 2019. We are also currently working with WREDA on plans for accelerator and incubation programmes in other parts of the Wellington region (notably Wairarapa) and a **Maori business accelerator** programme.





Marketing summary

Q2

- Launch of our **"Your Alternative summer"** marketing campaign
- **Air NZ** "Warm your soul in Wellington" competition
- JV campaign with **Te Papa** for **Terracotta Warriors**
- Launch of our annual digital **Advent** campaign to support the retail and hospo sectors
- Launch of the new **Find Your Wild** regional trails brand, website and marketing campaign
- **Mortal Engines** and Wellington screen sector leverage, including the launch of the Wellington **Screen sector economic impact report**
- **Live in WLG** (event promotion) summer campaign
- Storytelling to support local businesses, generating **28 editorial media articles**
- Visitor attraction and event media activity, generating **91 media articles**
- **Kāpiti storytelling workshop**

Q3 will see a number of campaigns and digital projects launched:

- **Virtual Wellington**
- Launch of **HuttValleyNZ.com**
- **Te Matatini** promotion
- New **international student attraction** campaign
- **Australia Autumn** visitor attraction campaign
- New Zealand **winter visitor** attraction / brand positioning campaign
- **Live in WLG** autumn campaign and ongoing content



Virtual Wellington

[Virtual Wellington](#) is a world first gamified VR city experience that allows people to immerse themselves in Wellington without getting on a plane. Available for free download on the Steam and Oculus VR stores, think of it as a modern day destination brochure to help lure visitors, students and tech talent to Wellington... in actual reality.

As well as including an interactive VR game called **WellTown** – where you can play, have fun and be rewarded whilst learning what Wellington is all about, Virtual Wellington also gives users 360 video tours of Te Papa, Weta Studio Tours, He Tohu (National Library of New Zealand), Xero, All Blacks v South Africa at Westpac Stadium, Victoria University of Wellington and Te Auaha Institute of Creativity– to help convert people to a Wellington experience .

Virtual Wellington is being launched on the 31st January via a PR campaign targeting the US and Australia with Tourism NZ, Education NZ and Immigration NZ also helping promote. It will also be used at offshore events, trade shows, job fairs and to help train travel and education agents.

This is a WREDA led project with funding support from WCC and the partners involved.



Visitor marketing – NZ

Summer Campaign

October 2018 – January 2019

Awareness campaign

NZ wide marketing campaign is currently in market (until the end of January).

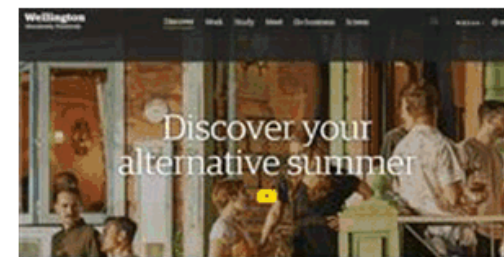
It has received great interim campaign results, with excellent completion rates on the videos. Full results will be in next quarters report.

The campaign included two hero video's; a late 20's couple and parents with a 10 year old son experiencing the capital.

Couple: <https://youtu.be/3l8gf9AfUz4>

Family: https://youtu.be/ukZT5_9tjyw

There have been over 10k click throughs to Wellingtonnz.com/summer so far with great engagement with the summer content on the site.



Summer in Wellington isn't your ordinary summer. Rather than beaches and BBQs, think outdoor swimming pools, world-class dining, vibrant shopping and more. These are just a few of the many experiences that await you in Wellington.



Visitor marketing – NZ

Summer campaign conversion

November 2018

Partnership with Air New Zealand

We partnered with Air New Zealand to promote travel to Wellington this summer via their channels and database, in the shape of one of their regularly successful destination quizzes, based on what Wellington has to offer this summer. The campaign was promoted via display banners and their database to drive visitation to Wellington this summer and have a competition element to encourage engagement.

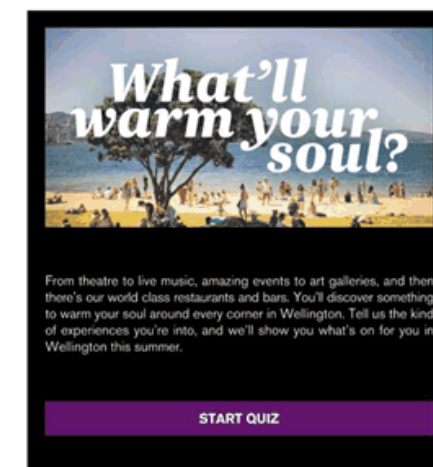
RESULTS:

Air New Zealand were extremely pleased with the results for the domestic campaign with the capital:

- Total Entries into Wellington Competition: **74,119**
- Overall media delivered **10,576,950 million** impressions
- Campaign drove **35,380 clicks** through to airnz.co.nz
- 7% increase in bookings over the campaign period
- Uplift of 15% in passenger bookings during November sale compared with the same sale period last year.

Hotel Display

As part of the summer campaign we also invested in a mini display campaign for our hotel partners. Offering free display advertising (Banners and FB Carousels) which targeted those who engaged with our summer ads and content, to help promote individual properties, which has received good traffic to the participating properties sites so far.



Terracotta Warriors

Terracotta Warriors Exhibition - 15 December 2018 – 22 April 2019

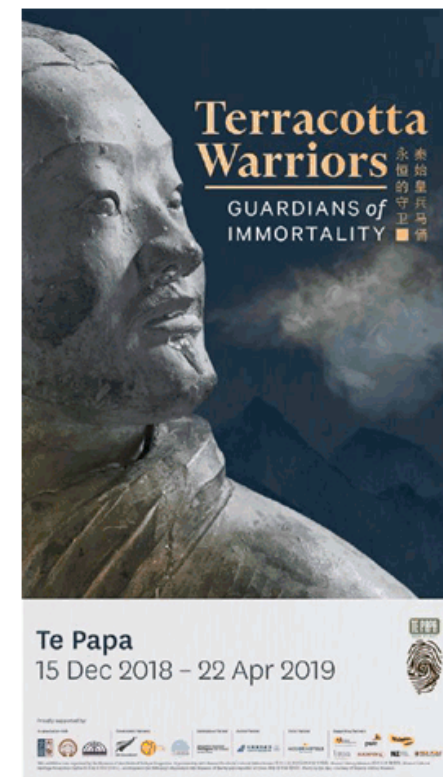
Hero Video - https://youtu.be/Frd2SQov_34

The Terracotta Warriors exhibition at Te Papa kicked off on the 15th of December to great fan fare. The first two weeks of the exhibition saw over **22,000** attendees – ahead of expectations.

We worked with Te Papa to create a 4 phase marketing campaign to support the four distinct periods of forecasted admissions, with phases 1 -3 receiving great engagement so far resonating strongly with the audience.

- **Phase 1.** Tickets on sale - build awareness and generate strong ticket sales for launch
- **Phase 2.** Open Now – generate strong opening numbers and create FOMO
- **Phase 3.** Maintain interest and visitation
- **Phase 4.** 'last chance to see' / Easter

Further visitation results will be available later in January from the ticket agent.



Terracotta Warriors - activations

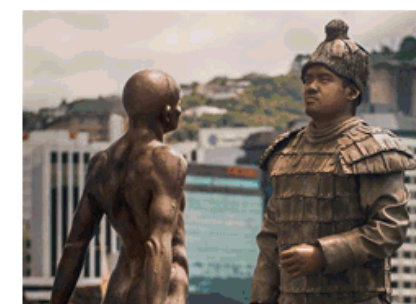
Lanterns of the Terracotta Warriors: 5-24 February, Te Papa Forecourt

WellingtonNZ Marketing and Major events have been working with WCC and Te Papa to confirm the exciting activation of 'The **Lanterns of the Terracotta Warriors**'. Commissioned for the Beijing Olympics Games in 2008, the acclaimed exhibition created by artist Xia Nan (who will be in residence in Wellington for the duration of the exhibition) has appeared in iconic locations across the globe including Sydney Harbour, Zagreb, Prague, Edinburgh and Manchester.

The exhibition is made up of 38 warrior figures and 2 horses and will be on display at the Te Papa forecourt, free to the public over the Chinese New Year period.

Living Warriors

To help promote the Terracotta Warriors exhibition we arranged to have a "Living warrior" activation in hot spots around Auckland and Wellington with ambassadors sharing details on the exhibition. It received excellent feedback and engaged the interest of the public keen to find out more about the exhibition and when they could see the real warriors in New Zealand.



Visitor marketing – Australia

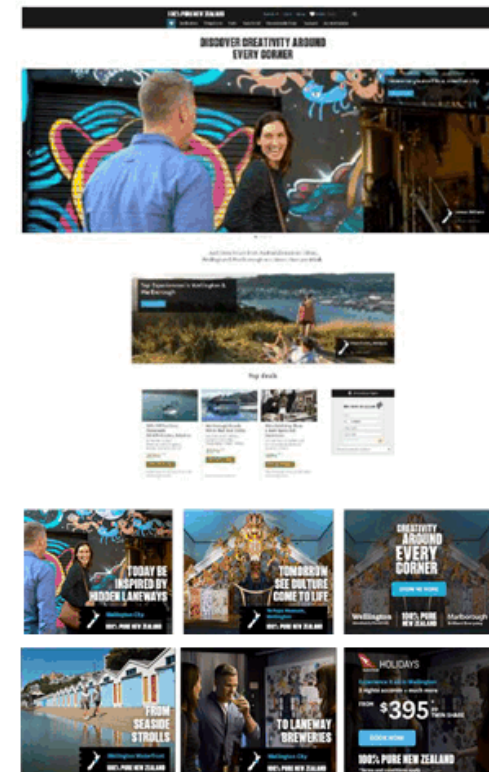
Spring Campaign “Creativity around every corner”

The final results came through for our 600k joint Spring Australia campaign with TNZ and Destination Marlborough ran in August, targeting a late October / November travel period to Wellington.

The campaign targeted independent professionals on Australia's eastern seaboard (Sydney/Melbourne/Brisbane/Gold Coast), and followed TNZ's conversion funnel. During the booking phase, Flight Centre deals were used as a call to action (focusing on accommodation and activities) and exclusive operator deals were featured. There was also an Air New Zealand sale which was promoted via banners and link posts, and a substantial Qantas Holidays trade component.

Key Highlights | December 2018

- Strong media buy resulted in visits, AVS and referrals all over delivering on targets and the campaigns performance increased significantly YoY
- Newzealand.com landing page saw significant visits, active visits, referrals and strong conversion rates – all over delivering on targets
- Wellington international visitor spend up 5.6% in Oct 18 compared to Oct 17
- 'Experience' deals were the most popular NZ operator deals with over 550+ referrals and 100+ overall bookings for Interislander, Weta Workshop and Te Papa
- Most successful AirNZ sale yet, resulting in 1K+ referrals to AirNZ site



	Visits	Active Visits	Referrals	AVR	RR	CPR
Target	140,000	42,000	9,800	30%	7%	
FY18 actual	109,300	35,518	6,937	32%	6%	\$42.85
FY19 actual	163,486	54,548	11,028	33%	7%	\$27.37

Events Marketing

Live in WLG campaign

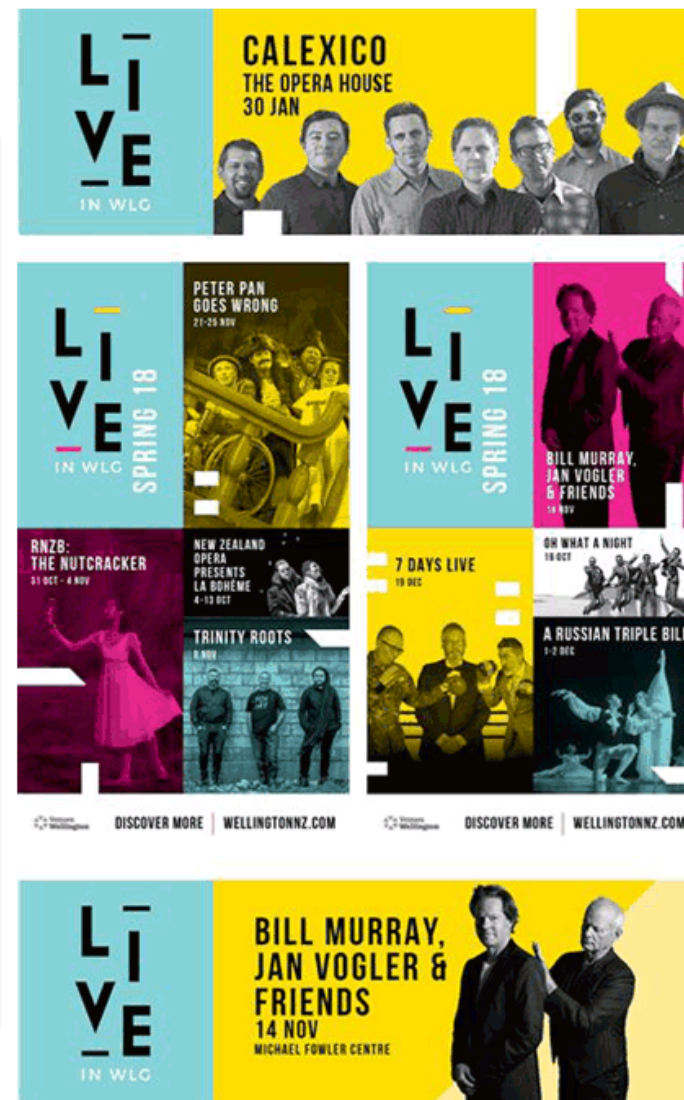
From 1-28 October, we launched the spring phase of our Live in WLG events marketing campaign, to promote performance events in Wellington during the spring period. The campaign included videos, Adshels, native advertising with Fairfax, social media and a fortnightly eNews. Highlights include:

- Two 15 second summer events videos performed much better than previous phases with over 104,000 completed views. YouTube placements far surpassed the benchmark of 35% for a 15 second video as we achieved 44%.
 - www.youtube.com/watch?v=I4yhXnRllxo
 - www.youtube.com/watch?v=c3nOeEbo12I
- Adshels replaced street posters, providing a much more striking creative around the city.
- Three features placed in Your Weekend magazine to a readership of 161,000 per edition.

In early December, the summer phase of the campaign was launched and will continue to run until mid-January. At the half-way point, the campaign was continuing to perform strongly.

Calexico

Venues Wellington are acting as sole promoters for the upcoming Calexico concert on 30 January. A two-phased campaign was launched in November to promote the show and consists of print, radio, street posters, search, digital, social media, and promotion through WREDA, Ticketmaster and partner channels. A second burst of activity will take place in January.



Visitor & lifestyle - Media/PR

Our destination and lifestyle communications team hosted 16 journalists, influencers and film crews in Wellington and generated 96 media clips.

International media highlights include hosting journalists from Forbes.com, USA Today, National Geographic (UK), Reader's Digest (Canada), Sanlian Life Week (China), Tabippo, Elle Gourmet and Fureai Matchi Aruki (Japan). Coverage highlights include Forbes.com, Lonely Planet, Tatler, L'Officiel, Coveteur (US) and Tastes Like Home (Ireland).

Australian media highlights include hosting Robb Report and GQ. Coverage highlights include Wellington features published in Gourmet Traveller, Australian Women's Weekly Food, Jetstar Magazine and Brisbane News.

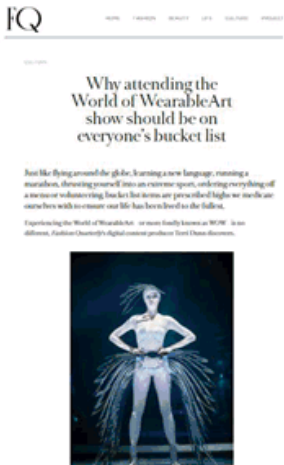
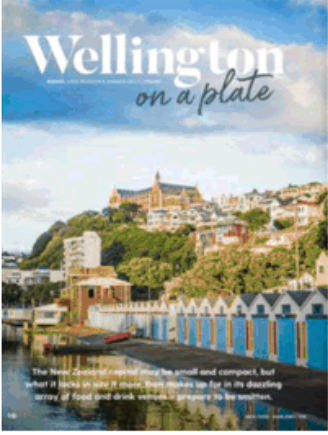
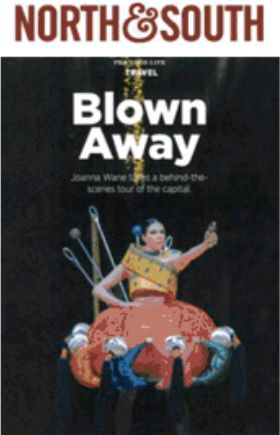
Domestic media highlights include destination and event coverage in North & South, Herald on Sunday, NZ Herald Travel, Avenues Magazine Christchurch, Hawke's Bay Today, Fashion Quarterly and The Spinoff.

As at 31 December	Q2
Number of media hosted	16 Total
<i>Domestic</i>	3
<i>Australia</i>	3
<i>International</i>	10
Number of clips (NZ and AU)	96 Total
<i>Domestic</i>	24
<i>Australia</i>	72
Total Reach	15,040,698

Coverage examples (click to view)



Wellington
From New York-style delis to craft breweries, New Zealand's cool capital is full of surprises, writes LARISSA DUECKEL



Opinion: Wellington's still the 'coolest harbour metropolis'



Wellington: Changing places

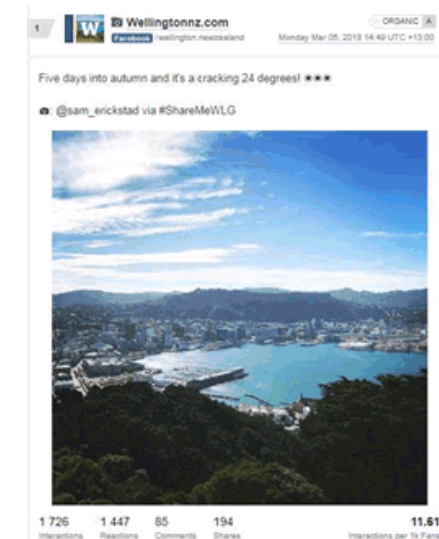


Digital marketing

WellingtonNZ.com received **539,886 visits** between October and December, with 368,457 unique users. Over **1.3 million pages** were viewed, with the top content still focusing on the LookSee information (predominantly again from India), followed by the top 10 sights and activities to do in Wellington and the 'Discover' landing page. The largest volume of visitors came from NZ | 67.8% (49% Wellington), Australia | 10.8%, India | 6.7%, USA | 4.5%, and the UK | 2%.

Social channels reached a combined audience of more than 22 million users and growth of followers increased including those of individual channels, despite significant recent changes to Facebook's algorithm:

- **0.54%** growth in **Facebook** followers and average interactions per post has decreased by **34.03%**
- **7.07%** growth in total **Instagram** followers, but interaction per post decreased by **32.82%**
- Another **5.5%** growth with **LinkedIn** followers which indicates the business community are relating to the content we're sharing



Key performance indicators	Q2
WellingtonNZ.com visits	539,886
Accommodation section page views	59,287
Social media reach (across IG & FB)	6,463,000*
Total subscribed digital audience	502,226
• Social media fans	287,530
• eNews subscribers	214,696

*metrics reviewed since previous report



Digital marketing – WellingtonNZ.com development



Website Upgrade

The digital team have completed the required upgrade for the WellingtonNZ.com platform, Silverstripe. The next phases of the project will be looking at the information architecture of the site to ensure that the navigation of the site allows our multiple audiences to quickly and easily find the information that they require. This will also include a level of content taxonomy paired with an AI/machine powered content personalisation of information across the site using a recommendation engine type approach. The redesign of the front end of the website will begin in March, to align with latest website trends and user requirements. It will be incorporating new colours, movement of video and imagery, and greater cross promotion of content to showcase the wider opportunities and activities in Wellington.

Website builds

- **WellingtonRegionalTrails.com**
The Wellington Trails site was launched 27 November. A key deliverable from the regional framework document. It has interactive map functionality to showcase the variety of trails available across the region alongside inspirational and visitor destination content. There were 27,467 sessions from launch to the end of December.
- **HuttValleyNZ.com**
Working with the Upper and Lower Hutt City Councils to create a destination Hutt Valley site, using a similar model to that of KāpitiCoastNZ.com.

Digital marketing – Wellington Advent Calendar



The [Wellington Advent Calendar](#) reveals a new offer behind each door daily (1-24 Dec), which consumers can redeem from release until end of February 2019 (this is new for this edition, previous years redemption has closed off in January).

In 2016 and 2017 we took slightly different approaches to the concept – departing from the traditional single illustration scene to 360-degree photography one year and a street art scene the other. While some users enjoyed the new creative approaches, some found them difficult to navigate and slow to load on some devices, so for 2018 we decided to return to the traditional concept of one illustrated scene of the city.

We were able to re-skin the site which was built by DNA for the 2017 advent campaign, rather than having to build the site from scratch, significantly reducing development costs. The artwork was created by illustrator [Chris Davidson](#).

At the end of December there had been over **92,000 vouchers** downloaded from the calendar, which is an increase on 2017's campaign.

As the vouchers are able to be redeemed until the end of February, we don't yet have the voucher redemption figures.

The Advent Calendar also **won Silverstripe's platform of the month**.

Corporate and Business storytelling

Our **corporate communications** activity generated a range of stories around WREDA's activity to boost Wellington's economy. This included announcing Wellington's summer events bonanza worth \$50 million to the economy, and work set to begin on Wellington's Conference and Exhibition Centre.

Our **business storytelling programme** generated 28 stories across the quarter. Highlights including breaking the news on a Wellington business, The Cargo Cult, which won an Emmy Award for services to the television industry, welcoming Raygun's return to Wellington and investment, and sharing a report on the screen sector's worth to coincide with the launch of *Mortal Engines*.

Work to begin on Wellington's new \$180 million convention centre next year



The new building, near Te Papa, will be able to host 1500 people and bring exhibits to boost tourism. Source: 1 NEWS

Wellington company you probably never heard of picks up an Emmy Award



Miramar-based company The Cargo Cult will receive an award for excellence in engineering creativity at 1 2019 Technology and Engineering Emmy Awards in Las Vegas. (File photo)

Wellington's 'entrepreneurial spirit' sees tech boom as companies flock to the capital



The city has experienced a 10 per cent revenue growth year on year. Source: 1 NEWS

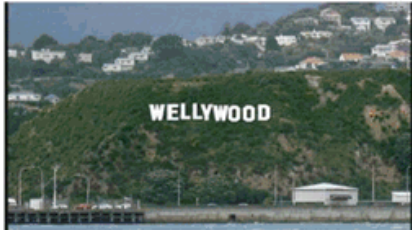
GET SUPER FAST FIBRE BROADBAND \$49 PER MONTH

A \$50 million summer for Wellington with high-profile event line up



An exhibition of terracotta warrior shaped lanterns will be on display on Te Papa's forecourt in February.

Inside Wellington's filmmaking scene



Wellywood is proving to be prime competition for Hollywood. The screen industry has pumped nearly \$4 billion into the economy in the last four years, making the city one of the top three places in the world for visual effects. And that's driven by big names like Peter Jackson - whose blockbuster movie *Mortal Engines* has just been released, becoming the first movie 100 percent made in Wellington. David Wright from Weta Digital spoke to The AM Show.

And the winner is... Wellington, of course

Creativity
Tom Hunt
tom.hunt@stuff.co.nz

Wellington's stack of film and television awards just got higher with a Miramar company nabbing an Emmy award.

The Cargo Cult, set up in 2016, pioneered a set of tools called "Conformalizer", which means that when visuals are being edited, sound can easily be made to match up with them.

It has just been announced that the Miramar-based company will receive an award for excellence in engineering creativity at the 19th Annual Technology and Engineering Emmy Awards in Las Vegas on April 7, 2019.

The technology has been used on TV shows *Stranger Things* and *Game Of Thrones*, as well as the movie *Blade Runner 2049*.

Justin Webster, chief executive of The Cargo Cult, said the company was thrilled to win such a prestigious award.

"I come from a background of sound post-production, and tools like Conformalizer are created in response to problems I faced myself while working on film projects," he said.

"It's become a critical tool in sound post-production globally because it allows teams to track changes made in picture editing and automatically update sound elements to match."

David Parks, of Wellington Regional Economic Development Agency, praised the Miramar firm for "taking Wellington's screen and tech expertise to the world".

"Justin's products solve issues for people working in post-production, and we couldn't be prouder of his success."

Webster's Emmy adds to a growing list of gongs, at least partly, attributed to the Miramar film hub.

According to movie database IMDb, Sir Peter Jackson has 137 award wins, including three Oscars. Richard Taylor has 36 wins, including five Oscars. Fran Walsh has 42 awards, including three Oscars, and Jamie Selkirk has six awards, including one Oscar.

WREDA

Events & Experience

Wellington Regional Economic Development Agency

WellingtonNZ.com

Venues – Conferences and Business Events

Delivered 65 conferences and business events

Business events of note:

- NZ Principals Conference, 700 pax over 3 days
- Kiwicon IT Conference, 2,000 pax over 3 days
- Health Informatics NZ Conference (HiNZ) for 1,800 pax over 3 days
- United Fire Brigade Conference for 700 pax over 3 days

Alongside conferences, the education sector featured strongly with the Michael Fowler Centre **hosting 14,500 graduating students.**

Venues Wellington partnered with Tourism NZ at the **Professional Conference Organisation** annual conference in Melbourne in early December further strengthening the Australian relationships



Venues - Performance & Exhibition

Delivered **58 events with 80 performances with 150,209 guests** in our venues

Highlights:

- 12 shows of the **World of WearableArt** in Q2 (4 shows in Q1)
- Two sold out performances for the comedian **Bill Bailey** at the MFC.
- The TSB Arena hosted the sold out performance of **David Byrne** and the **Silver Ferns vs Australia** netball international;
- The **RNZB** performed six sold out performances of the **Nutcracker** in the Opera House;
- New Zealand's favourite rockers **Shihad** thrilled a sold out Shed 6;
- **Catherine Tate** delivered two hilarious sold out shows in the Opera House, again demonstrating our audiences appetite for quality comedy product.



Venues – Operations & Facilities

- The Venues Operations team continue to support a diverse range of events across all of our venues, managing **145 performances and events** this quarter.
- Our Facilities team have worked with the WCC property team to collaboratively run the **renewal programme** in-house this year. The majority of the agreed renewal programme was scheduled for the holiday period shutdown which started in the third week of December. Included in the programme of work is the rejuvenation of the marble floor in the Opera House foyer.
- Updated **Service loading documents** are now in place for the TSB Arena and the MFC which have been well received by the industry. These are updated guidelines on the capabilities of these venues in terms of load capacities for rigging and production.
- We recently signed an agreement with 2Degrees to update the **wifi capability** for the patrons in our performance venues to a modern solution. This upgrade will allow a much improved Wi-Fi experience for our patrons, who continue to demand fast internet with increased bandwidth.
- We are working with WCC and the NZ Festival on potential enhancements to existing venues to mitigate the impact of the close St James



Major Events

The **World of WearableArt** season continued into Q2, in total the 16 performances were attended by a record audience of 60,589 to celebrate WOW's 30th anniversary.

The **Tall Blacks** played Syria in front of a crowd of 2,852 at TSB Arena on the 2nd of December.

New Zealand played Sri Lanka at the **Basin Reserve** with a cumulative attendance of 9,630 over four days. The highlight of this match was Tom Latham scoring 264 in an epic innings.

The **Terracotta Warriors exhibition** opened on the 15th December and has had 22,000 visitors throughout the holiday period with sales tracking ahead of forecast.

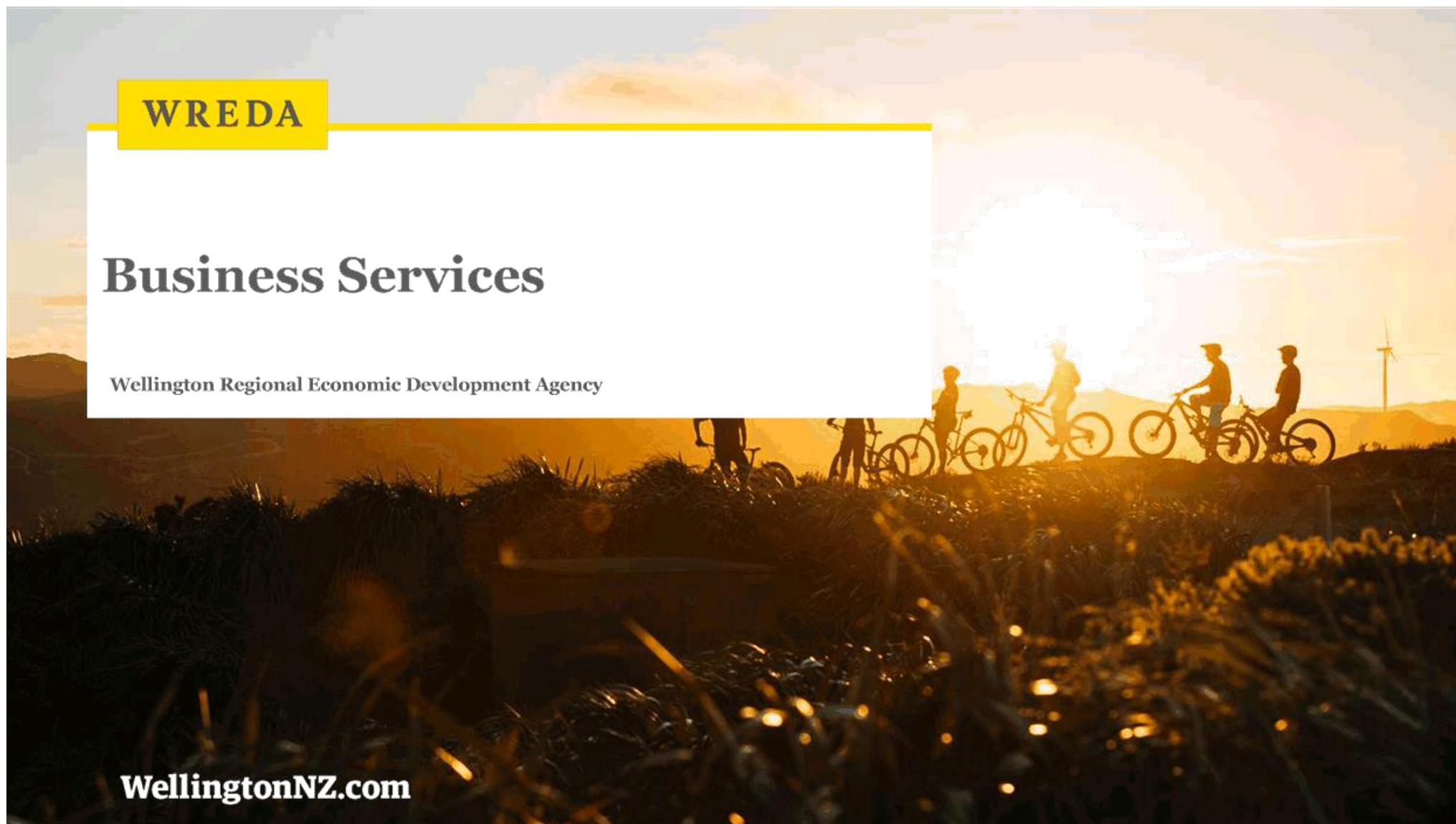
Upcoming Events

Planning is underway for the upcoming ODI and T20 matches at Westpac Stadium. The highlight of which will be the Waitangi Day double header where the **Black Caps** and **White Ferns** both take on India. This will be supported by local band DRAX Project providing entertainment between matches.

The **Eminem** concert sold out, the March 2 event will set a record audience for the Stadium with over 45,000 fans descending on the city.

Jim Beam Homegrown is continuing to progress towards a sell out crowd for Saturday 23 March and have expanded their offering to include a new event on the Friday evening.





WREDA

Business Services

Wellington Regional Economic Development Agency

WellingtonNZ.com

Business Services

IT

- **New CRM system** (Microsoft Dynamics) went live across our non Venues team during the quarter. This brings together multiple different historical CRM's into one and gives us better opportunities for collaboration across the organisation. Our Venues team will continue to utilise the Event Booking Management System (EBMS) for their CRM.
- The final phase of our WREDA **migration to one Sharepoint** document management system has commenced, with preparations to move our Events and Experience team's documents onto our site during Q3. This will bring all of WREDA onto one document management system.

HR

- During the quarter, we have undertaken our first **Diversity, Inclusion and Wellbeing Survey** throughout the organisation. The results will enable us to focus on specific areas to work toward improving our employee' experience during their time with us.
- We recently reviewed our **recruitment practices**, which we predominantly undertake in-house and have made some changes, particularly in trying to remove any potential unconscious bias from the process. This will ensure we continue to recruit a diverse workforce that is reflective of the communities we serve. Some of the changes we have made include moving to "blind recruitment" whereby hiring managers receiving a long list of CVs that have had information redacted that could identify the candidate's gender, age, nationality etc. Interview panels have also been made more diverse. We will be undertaking unconscious bias training with leaders within the organisation to further enhance our work.
- We are moving toward the next phase of our **leadership development** work. Recently we finalised new leadership competencies for the organization and we will begin to roll these out throughout our practices and introduce them to all staff. The competencies are defined for all levels of leadership and will help shape recruitment practices, desired behaviours and leadership development.

Business Services (continued)

Health and Safety

WREDA continues to evolve its approach to health and safety through a cycle of continuous improvement to its standard procedures and policies, driven by staff, management and our Board.

WREDA's approach to health and safety, particularly in our Venues operations, starts with the staff working on the ground. We generally have strong representation throughout all levels and areas of the organisation on our Health and Safety Committees who continue to drive improvement.

Within WREDA the majority of our reported incidents occur within the operation of our Venues and of those the majority relate to personal health incidents of patrons.

Patron Harassment Policy and Practice

WREDA is committed to maintaining a safe and discrimination-free environment that encourages respect for the dignity of each individual. In particular, for the patrons visiting our Venues. WREDA has developed a harassment statement which is advertised within our website and on patron pre-show emails. During Q3 we are reviewing and enhancing our procedures relating to harassment and rolling out further training for front line staff.



WREDA Key Performance Indicators – Quarter Two, 2018/19

On Track

Some Risk

Key Goals		Measure	2018/19 Annual Target	2018/19 YTD Q2	Status
Promote the region's brand and identity and tell Wellington's stories	Media programmes to boost the reputation of the Wellington region	Lifestyle and visitor attraction content in NZ, Australian media	1250	253	With the decline of traditional media outlets it's becoming increasingly challenging to attract media to Wellington for famils and generate travel and event related content. 1,250 is what we hope to achieve if we can access a big broadcast media opportunity as we did
		Work, do business, invest content in local NZ and Australian media	105	68	
		Unique visitors to WellingtonNZ.com and subsidiary sites	2.7m	1,404,606	So far, the financial year has seen upward growth YOY and MOM of visitation. We expect to be on track with the new initiatives that are being put in place across all sites to enhance the customer experience and increase traffic numbers.
Grow the visitor economy	Marketing to the visitor sector locally and internationally	Weekend hotel guest night occupancy	80%	80%	
		Value of investment from International marketing partnership partners	\$500k	\$910,000	
		International travel trade interactions	3750	1468	
Attract an increased number of students to the region	Marketing to the student sector locally and internationally	Audience engagements from marketing and storytelling	150,000	133,434	
		# of agent interactions	450	386	
Grow and expand innovative new businesses, especially in the creative and tech sectors	Creative HQ leading the way in innovation, start-ups, acceleration and scale-ups	No. of start-up ventures and early stage businesses on the CHQ Platform ¹	70	61	
		No of acceleration programmes (Lightning Lab and Venture Up)	3	2	
		No. of members in "Start-up Garage"	3,500	3,281	
		No. of companies becoming investable	10	6	
		Deliver LL GovTech programme with # of teams/agencies participating	8	Complete	
		Generate income from Creative HQ's innovation services	\$2.4m	\$1.62m	

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

3 APRIL 2019

Absolutely Positively
Wellington City Council

Me Heke Ki Pōneke

Be a partner in the Māori Economy	Establishing a working relationship with Mana Whenua and Māori business in the Wellington region	Mana Whenua satisfaction score with engagement	80%	Annual Measure	
		Deliver specific initiatives and projects in partnership with Māori business	TBD	N/A	
Facilitate the leveraging of the opportunities from new investment in the	Screen Wellington	Number of permits for film production issued	350	295	
		Value of facilitated screen production	\$65m	\$6.2 m	A mixture of screen productions taking place in the region throughout Q3 and Q4 will see us reach our annual target.
	Visitor Infrastructure	WREDA will have activated plans in place for the delivery of visitor infrastructure projects reflecting their advancement by investing stakeholders	Yes	Annual Measure	The Wellington Convention and Exhibition Centre has progressed to detailed design stage following confirmation of the project by Wellington City Council. WREDA is investing in the redevelopment of the Wellington city i-SITE Visitor Centre
	Trails framework	Actions started or completed in the Trails Framework programme of work.	50%	42%	
Build workforce and employer capability	Regional Business Partner Programme	Number of actively supported businesses	445	231	
	Development and delivery of a Labour Market plan for the region	Wellington regional Labour Market Plan completed by WRS office with WREDA support	Yes	Yes	Underway
		Students supported in youth entrepreneurship programmes	505	471	Young Enterprise student numbers slightly down for the year (majority of activity occurs in Q1) vs anticipated growth. Annual target at risk.
		Interns placed in priority sectors	275	261	
Deliver an unrivalled business, consumer and major events programme	Business Events Wellington and Wellington Major Events	ROI via out of Wellington spend	20:01	Annual Measure	
		Total event attendance	700,000	194,886	Q2 was quiet in the ME area, in particular with the postponement of WLG-X. Events in Q3 & 4 will likely see annual targets achieved
		Number of international business event bids submitted and/or supported in FY	35	14	
		Proportion of business events submitted that are successful	60%	87%	
		Value of business events (international and domestic) secured in FY	\$25m	\$11m	
Utilise the management of Wellington city venues to make Wellington more vibrant and deliver an outstanding customer experience.	Venues Wellington	Value of expenditure by out of town venue attendees	\$58m	\$21.23m	
		Establish a model to measure Venues Wellington customer satisfaction	Establish baseline	Annual Measure	
		Advance the Cultural well-being of Wellington – number of Wellingtonians attending performance events at Venues Wellington	230,720	197,324	
		Number of Events: Total	440	297	
		Performance	220	150	
		Conference	220	147	
WREDA in action	Partner/ Stakeholder Engagement	Partner/Stakeholder satisfaction score with engagement	80%	Annual Measure	

Sources:

- * Internal count of activity outputs and outcomes
- * Student Applications, Visas and Permits report (Stats NZ)
- * Immigration/Migration Reports (Stats NZ)
- * Commercial Accommodation Monitor (Stats NZ)
- * Monthly Regional tourism estimates (MBIE/Stats NZ)
- * International Visitor Arrivals (Stats NZ)
- * Convention Activity Survey (MBIE)
- * delegate number multiplied by Convention Activity Survey (MBIE) spend data
- * Total number of tickets sold to people from outside the Wellington region multiplied the average visitor spend (Stats NZ) for visitors from the places tickets are sold
- * Total number of tickets sold to Wellington region addresses

WREDA Statement of Financial Performance for the 6 months
Ended 30 Dec 2018, Including Creative HQ but excluding the Venues Project

Wellington Regional Economic Development Agency Ltd (WREDA)						
STATEMENT OF COMPREHENSIVE INCOME	YTD Actual 31-Dec-18	YTD Budget 31-Dec-18	Variance YTD	FY Forecast 30-Jun-19	FY Budget 30-Jun-19	Variance 30-Jun-19
Revenue						
Event revenue	0	0	0	0	0	0
Shareholder grants	12,169,045	11,422,443	746,602	22,485,787	22,163,251	322,536
Government grants	1,355,401	277,396	1,078,005	554,792	554,792	0
Partner revenue	1,132,389	1,079,499	52,890	1,801,438	1,527,000	274,438
Visitor Centre	180,882	196,624	(15,742)	423,713	451,599	(27,886)
Sub lease and carpark revenue	60,190	24,100	36,090	48,200	48,200	0
Interest income	32,326	29,300	3,026	57,804	60,000	(2,196)
Other income	1,405,487	1,842,058	(436,571)	4,102,827	3,928,116	174,711
Total Revenue	16,335,720	14,871,420	1,464,300	29,474,561	28,732,958	741,603
Direct Costs						
Cost of sales	22,454	24,560	2,106	44,487	51,599	7,112
Wages (events etc)	0	0	0	0	0	0
Other direct costs	0	0	0	0	0	0
Total Direct Costs	22,454	24,560	2,106	44,487	51,599	7,112
Operating Expenses (overheads)						
Salaries and wages	6,482,536	6,624,891	142,355	12,592,279	12,848,993	256,714
Other employment costs	338,369	348,983	10,614	606,581	613,750	7,169
Occupancy costs	368,048	368,358	310	735,821	736,536	715
Marketing & activity expenses	8,239,402	8,375,770	136,368	13,213,201	12,668,729	(544,472)
Utilities	27,466	21,336	(6,130)	46,102	39,972	(6,130)
IT and communications	222,959	188,490	(34,469)	404,537	380,070	(24,467)
Insurance	1,172	0	(1,172)	18,888	18,900	12
Administration costs	347,526	366,217	18,691	627,483	701,728	74,245
Vehicle expenses	28,282	22,848	(5,434)	51,012	45,696	(5,316)
Travel costs	51,795	54,549	2,754	103,843	109,098	5,255
Professional fees	120,725	92,186	(28,539)	233,960	156,025	(77,935)
Director fees	143,220	91,137	(52,083)	207,274	182,274	(25,000)
Other operating expenses	0	0	0	0	0	0
Total Operating Expenditure	16,371,500	16,554,765	183,265	28,840,981	28,501,771	(339,210)
Total Expenditure	16,393,954	16,579,325	185,371	28,885,468	28,553,370	(332,098)
Net Surplus/(Deficit) before Depreciation and Tax	(58,234)	(1,707,905)	1,649,671	589,093	179,588	409,505
Interest expense	0	0	0	0	0	0
Depreciation	102,894	65,742	(37,152)	211,345	131,484	(79,861)
Movement in investment valuation	0	0	0	0	0	0
Taxation expense	31,371	0	(31,371)	94,133	0	(94,133)
Net Surplus/(Deficit)	(192,499)	(1,773,647)	1,581,148	283,615	48,104	235,511

* Additional shareholder income due to additional unbudgeted funding for Decade of Culture Funding

* Additional partner funding received for project work such as Team Wellington, Cycletrails, Regional Websites and Regional Growth Fund work

* Other income positive compared to budget due to faster utilisation of commercial funds held for the benefit of Venues via ticketing and profit share

* Salaries have some budgeted positions not yet filled

* additional marketing and activity expenditure due to the additional revenue mentioned above.

WREDA

STATEMENT OF FINANCIAL POSITION – AS AT 30 Dec 2018

Including Creative HQ and Excluding Venues Project

STATEMENT OF FINANCIAL POSITION	As at 31-Dec-18
Shareholders Equity	
Paid up capital	
Retained earnings	2,013,103
Total Shareholder/Trust Funds	2,013,103
Current Assets	
Cash and cash equivalents	1,921,874
Other current assets	933,643
Total Current Assets	2,855,517
Investments	
Non-current Assets	
Fixed assets	563,039
Other non-current assets	1,816,244
Total Non-current Assets	2,379,283
Total Assets	5,234,800
Current Liabilities	
Accounts payable	1,414,304
Other current liabilities	1,767,526
Total Current Liabilities	3,181,830
Non-current Liabilities	39,867
Total Liabilities	3,221,697
Net Assets	2,013,103

* WREDA is in a good financial position and has adequate cash to meet their debts as they fall due

* Half year and Quarterly funding from Shareholders was received during January.

* Other current liabilities relates to income held in advance of expenditure

STATEMENT OF CASH FLOWS	Q2 Actual 31-Dec-18	Q2 Budget 31-Dec-18
Total Net Cashflows	(1,590)	(1,600)
Opening Cash	3,512	3,600
Closing Cash	1,922	2,000

To: Wellington City Council
From: Wellington Zoo Trust
Date: 31 January 2019



Second Quarter Report 2018/19 Financial Year

Highlights

- WZT was named as the winner of the Inaugural World Association of Zoos and Aquariums (WAZA) Environmental Sustainability Award at the WAZA Conference 2018 in Bangkok. Karen attended the Conference and also visited Saigon Zoo, Vietnam; Luang Prabang Wildlife Rescue Centre, Laos (which is one of Wellington Zoo's conservation partners); and the Khao Kheow Open Range Zoo, Bangkok. At the WAZA Conference, Karen Fifield was appointed to the WAZA Conservation and Environmental Sustainability Committee which focuses on the fight against global warming by implementing sustainable applications and operations in zoos and aquariums. She has also been made the lead for the WAZA FSC MOU implementation with members.
- The new Chimp Park was officially opened by Mayor Justin Lester on 17 December. Many of the new features inside the Chimpanzee habitat are sustainable, such as the hammocks which are made from recycled fire hose from New Zealand Fire Service, the ropes have come from C3 and Centreport and the additional poles have come from Wellington Cable Car Company and Transpower. The new glass viewing area helps visitors to connect with the Chimpanzees and the children's playground is inspired by Chimpanzees and how they play.
- WZT has again achieved Qualmark Gold which shows evidence that we are independently validated as a quality tourism business and it also provides instant recognition for customers that Wellington Zoo will deliver a quality experience with sustainability outcomes.
- WZT has attained carbonZero certification for the sixth year running. The 2017/18 year will form our new baseline figures. These figures will be reviewed internally to inform the new Emissions Reduction Management Plan (ERMP) and our targets and initiatives for the next five year reporting period.
- Wellington Zoo passed its MPI audit which is undertaken six monthly and checks the prescribed requirements for building, maintaining and operating zoo facilities.
- During the quarter, WZT staff attended the:
 - International Zoo Educators (IZE) Board Meeting and Conference at El Ain Zoo, UAE. At the IZE Conference our GM, Communications Experience and Conservation, Amy Hughes (also an IZE Board member) presented on developing the interpretive journey for Meet the Locals He Tuku Aroha. Wellington is hosting the IZE Conference in 2020; and
 - ICZ (International Congress of Zookeepers) conference in Argentina. Animal Care Manager, Jo Richardson's presentation, "The Individual in the Bigger Picture", focused on the wellbeing of individual animals rather than the welfare of a species in general. WZT is hosting the Congress in 2021 and we can expect between 200-400 delegates to attend.
- The result as at 31 December showed an operating surplus of \$20,133 against a budgeted operating deficit of (\$6,694) due to operating income being above budget by \$121,603 and operating expenditure being above budget by \$94,776.

Challenges this Quarter

Issues with bus routes and timetabling continue to be problematic for Zoo visitors and staff. The Chief Executive and other SMT members are working with WCC and GWRC to find a resolution. GWRC have proposed trialling a direct bus service from the Central railway station to the Zoo during March 2019.

Visitor Attendance as at 31 December 2018:

(NB: WZT welcomed 15,388 visitors from 22 December to 2 January.)

	Current YTD2018/19
Actual	115,003
Target	112,773
Difference	2,230



Photo: New Chimp Park officially opened in December 2018

- New arrivals included Kyah and Blue, young dingoes from the Australian Reptile Park. Capybara and Meerkat pups, a Red Rumped Agouti and four Nyala calves were born during the quarter.
- We have had an amazing response to the announcement of a new Capybara Close Encounter. Encounters will commence on 1 February 2019 and 120 gift cards were pre-purchased in December.
- The Rangatahi group held a second Wētā motel workshop and a boomerang bag workshop. A NZ National Commission for UNESCO grant was vital in helping Wellington Zoo to create an ever expanding network of young people, Rangatahi Roots & Shoots, who are inspired and engaged to be change-makers and reflect on how their individual and collective actions can have positive impacts for animals, people and the environment.

Visitor Numbers

	Current YTD 2018/19
Actual	115,003
Target	112,773
Difference	2,230

LEOTC Numbers

	Annual Target	YTD 18/19
School Visits (LEOTC)	10,500	7,844

Species Planning

Arrivals			
Species	Gender	Status	Due
Dingoes	1 male 1 female	Arrived from Australian Reptile Park, New South Wales	November 2018
Otago Skink	1 male	Arrived from Willowbank Wildlife Reserve	December 2018
Otago Skink	1 female	Arrived from a private holder	December 2018
Cotton-top Tamarin	1 male	Coming from Singapore Zoo	February 2019
Kiwi	1 male	Coming from National Aquarium, Napier	January 2019
Tasmanian Devils	Two	Coming from Tasmania	Early 2019
Giraffe	1 male	Coming from Australia Zoo	Early 2019
Squirrel Monkeys	5 males (for WZT & Auckland Zoo)	Coming from France	February 2019

Transfers Out			
Species	Gender	To	When
African Crested Porcupine	1 female	Hamilton Zoo	November 2018
Grand Skinks	1 male 1 female	Released to the wild	December 2018
Otago Skinks	3 males 2 females	Released to the wild	December 2018
Agoutis	1 male 1 female	Perth Zoo	Late 2018
Agoutis	1 male 2 females	Auckland Zoo	Late 2018



Photo: Iapa and her pups born November 2018

- Strategic partners, sponsors and key organisations attended an extremely successful stakeholder function on 4 October. The theme of the event was a celebration of partnership and an acknowledgement that their support enabled WZT to connect the community with animals, and to save animals in the wild across New Zealand and around the world.
- WZT celebrated the following international days with themed activities: World Animal Day; International Zookeeper Day; World Gibbon Day; World Lemur Day; International Volunteer Day; and Conservation Weekend (2,678 visitors)
- A total of \$34,678 was received in grants during the quarter from One Foundation, Koala Trust, Winton and Margaret Bear Charitable Trust, Thomas George Macarthy Trust and Nikau Foundation. This funding enabled us to contribute to Educator and Ranger salaries, The Nest Te Kōhanga operational costs, Bush Builders Learning Programme and salaries associated with the Wellington Green Gecko breeding project.
- Weta Digital renewed our partnership agreement for a further year, which includes a sponsorship of \$20,000.
- The following organisations held events at WZT:
 - Ākina Foundation held the Aotearoa Social Enterprise Forum on 19 October with over 300 social entrepreneurs attending from across New Zealand and around the world;
 - Annual Public Meeting for Wellington Community Trust (WCT) on 25 October which included an opportunity for us to share with the audience some of the treatment and diagnostic successes already made possible thanks to WCT's donation of \$303,500 for new equipment in The Nest Te Kōhanga;
 - WWF New Zealand's leadership team;
 - VUW hosted an alumni function at WZT on 27 October with an after-hours Halloween theme. This event developed as a result of our strategic partnership MOU with Victoria University and was an opportunity to engage with them and their strong alumni community in Wellington; and
 - NZTA's Governance, Stakeholders and Communications group.



Photo: Sean Sun Bear

- Sean, Wellington Zoo's 22-year old Malayan Sun Bear was euthanised in December following a recent deterioration in his health. Sean was one of the earliest bear rescues for Free the Bears in Southeast Asia. Sean came to Wellington Zoo in 2004 to breed with our female bear Chomel who gave birth to Sasa in 2006. At that time, Wellington Zoo was the only Zoo in Australasia that had successfully bred Sun Bears.
- Stage 2 of the Tiger Introductions have commenced with Bashii and Senja swapping habitats. The programme has gone extremely well to date and we are now very close to implementing Stage 3 which is protected contact introductions in the main tiger dens.
- The DOC supported and WZT-led Green Gecko and Ngahere Gecko searches on Matiu Somes Island have restarted with two trips undertaken in November and December.
- An article appeared in Dutch National Geographic about WZT's Red Panda breeding programme. <https://www.nationalgeographic.com/magazine/2018/09/explore-basic-instincts-red-panda-breeding-endangered-species/>.
- Seven of our critically endangered Grand and Otago Skinks headed "home" in November to their wild habitat at a predator free reserve in Otago. We have since received two Otago Skinks which arrived in December.
- As part of the Conservation Staff Grant Fund programme, Jeff Lewis travelled to Maria Island and Launceston in Tasmania to work with our conservation partner, Save the Tasmanian Devil Program. Jeff assisted the team on Maria Island with their quarterly survey of Tasmanian Devils and then went to Launceston to observe the Tasmanian Devil ambassador programme.
- Staff also: presented a learning session on wild bird handling and transportation for SPCA inspectors-in-training as part of their induction and training; visited Zealandia to advise on the health and husbandry of a group of Wellington Green Geckos; and presented to Wellington High School Roots & Shoots group on the Zoo's sustainable practices during Zero Waste Awareness Week.

- On International Day FSC Friday we held activities for kids in Meet the Locals He Tuku Aroha and had a display in the Zoo Shop showcasing our FSC products. At the WAZA Conference 2019, Director General of FSC Global, Kim Carstensen delivered a key note address highlighting the work WZT has done in pioneering advocacy for FSC certified products over many years. Wellington Zoo won Best Photo of an FSC Certified Product in October for the shop's combination of stories about endangered animals and their habitats printed on bookmarks made of FSC certified paper and we were complimented on our commitment and the promotion of values behind FSC.

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

Native Animal Admission Statistics	2015	2016	2017	2018
January	63	67	76	54
February	51	41	52	70
March	60	39	33	57
April	30	28	22	37
May	37	33	47	33
June	34	23	21	38
July	33	17	20	36
August	26	15	24	25
September	25	24	22	30
October	19	43	28	40
November	33	41	37	44
December	67	58	61	48
	478	429	443	512



Photo: Winner of the Inaugural Environmental Sustainability Award WAZA "Wild at Heart" Conference, October 2018

- Karen Fifield was a finalist in the "Sustainability Superstar" category of the Sustainable Business Network Awards. A very successful SBN event celebrating the Wellington region's 17 finalists was hosted by WZT in November.
- Andrew Barr, Chief Minister of the Australian Capital Territory visited WZT as part of Canberra week in Wellington. Karen Fifield briefed the Chief Minister on the work of Wellington Zoo and progress being made on delivering the MOU between National Zoo and Aquarium, Canberra, Wellington Zoo and Wildlife Reserves Singapore.
- WZT staff attended the a series of workshops run by MPI to discuss the upcoming changes to the Animal Welfare Act, with regards to regulations around Significant Surgical Procedures.
- TNTK has been involved in several research projects during the quarter:
 - the Cheetah Major Histocompatibility Complex (MHC) project;
 - Master's thesis on coccidiosis in Takahē;
 - Joint research project with ESR re Kiwi faecal toxicology study; and
 - Joint research project with Plant and Food Research re Herbivorous Zoo animals.
- Two ultrasound machines at TNTK, recently replaced by a single new ultrasound machine, have been donated to a medical group in the Solomon Islands through a group called "Take my Hands".
- WZT has completed initial workshops with Enviro Mark Solutions on their potential SDG certification pilot programme. This process involved stakeholder communication, staff workshops and intensive reviews of our current sustainability work to come up with a draft materiality matrix to help us develop our strategy going forward. Ideally this pilot will become a certification process similar to carboNZero and we will be measured on how we achieve agreed targets relating to specific SDGs. This work will help inform the review of our Trust Strategy in February 2019.

Craig Ellison
Board Chair
Wellington Zoo Trust

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

3 APRIL 2019

Absolutely Positively
Wellington City Council

Me Heke Ki Pōneke

Appendix 1 – Wellington Zoo Strategy Framework 2018-19

Measure	Target 2018-19	Tracking YTD 31.12.2018	Notes	Comments as at 31 December 2018	
Connect people with animals					
People participating in Animal Close Encounters.	4,000	2,425	🟡	More people participate in Close Encounters during the summer months.	
Number of students participating in LEOTC sessions.	10,500	7,844	🟡		
Measure visitor feedback and satisfaction.	8.5	9.1	🟢	258 visitors surveyed year to date. Result is overall experience rating measured out of ten.	
People love and support the Zoo					
Increase total visitation.	244,420	115,003	🟡	3,497 ahead of last year and 2,230 ahead of target.	
Percentage of operating costs generated by the Trust.	56%	57%	🟡	Annual Target	
Ratio of Trust generated income as percentage of WCC grant.	127%	135%	🟡	Annual Target	
Average income per visitor from Trust generated revenue.	\$17.21	\$19.44	🟢	Annual Target	
Average WCC subsidy per visitor.	\$13.58	\$14.43	🔴	Annual Target	
WCC full subsidy per visitor.	\$21.73	Annual Measure	🟡	This KPI is generated by WCC and is not controlled by the Trust. It includes depreciation and shared services costs, CCO team costs, insurance, CAPEX interest and the OPEX grant.	
Volunteer engagement survey.	1	Annual measure	🟡		
Save animals in the wild					
Number of vulnerable, endangered or critically endangered species (IUCN Red List and DOC National list) in the Zoo's collection.	27	25	🟡	Drop to 25 with death of Rosa the Axolotl and release to the wild of Grand Skinks. New Grand Skinks will be arriving soon which will increase this result to 26 again.	
Percentage of native patients successful released to the wild after treatment in The Nest Te Kohanga (TNTK).	70	57.4%	🔴	% of animals successfully treated after being admitted into TNTK post 72 hour triage period.	
Number of Field Conservation Projects supported for threatened (NZ) endangered or critically endangered (global) species.	8	13	🟢	1.Kea Conservation Trust 2. Madagascar Fauna and Flora Group Black and white Ruffed Lemurs. 3. Proyecto Titi, Cotton Top Tamarins. 4. Associação Mico-Leão-Dourado, Golden Lion Tamarins. 5. Wildcats Conservation Alliance (Sumatran Tigers). 6. Save the Tasmanian Devils Programme. 7. FFI Vietnam White Cheeked Gibbons. 8. Red Panda Network. 9. Jane Goodall Institute (Chimpanzees) 10. West Coast Penguin Trust. 11. Free the Bears. 12. TRAFFIC South East Asia. 13. Wild Welfare	
% of OPEX directly contributed to field conservation.	5%	Annual measure	🟡	This measure uses the Zoo Aquarium Association (ZAA) Australasia Framework to measure direct contributions to field conservation.	
Participate in zoo-based research projects and paper publication.	10	10	🟢	1. Lead toxicity in Tui with Massey Wildbase. 2. Honey Bee Pathogens with Victoria University, Wellington. 3. Major Histocompatibility Complex (MHC) detection in Cheetah if this is a contributing factor in mate choice for this species with Nick Cave, Massey University. 4. Feline gastrointestinal flora – of importance to our cats as we are having some digestive related problems with our Cheetah at present with Nick Cave from Massey. 5. Zoo animal anaesthesia study: Nigel Dougherty is one of our current residents in avian, wildlife and zoo animal health at Wellington Zoo and Massey University. 6. Logistics and medical aspects of translocating ngahere geckos (<i>Hoplodactylus</i> sp.) from a proposed mine expansion site to an off-shore island – with Ecogecko consultants and DOC. 7. Pathogens of yellow eyed penguins – Masters thesis of Emily Kay, with Massey Wildbase. 8. Causes of adult mortality in two populations of NZ sea lions (<i>Phocarcos hookeri</i>) – Baukje Lenting preparing chapters from her thesis for publication. 9. Kiwi faecal toxicology – contributing samples to an ESR project.10: <i>Mycobacterium pinnipedii</i> tuberculosis in marine mammals in NZ - Baukje Lenting preparing chapters from her thesis for publication.	
Lead the way					
Maintain Zoo and Aquarium Association Animal Welfare Accreditation.	Achieved	Feb 2019	🟡	Accreditation round in February 2019.	
Maintain carboNZero certification.	Achieved	Achieved	🟢	2017/18 Audit completed in November and CarboNZero certification achieved.	
Health & Safety targets	Safety Improvement Team meeting attendance.	70%	92%	🟢	Attendance based on available SIT members. Four meetings held to date in 2018/19.
	Successful Emergency drill/incident debriefs held.	8	5	🟢	Code Yellow staff workshop, Emergency Response Team workshop, Code Purple drill, Shake-Out and associated Code Green and Code Red drill held to date in 2018/19.
People & Culture targets	Staff Recognition programme.	1	1	🟢	Gold Agouti Awards were held in August 2018
	Staff Learning and Development Sessions held.	10	4	🟡	

Quarterly Report: Quarter One 2018/19
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Appendix 2 – Financial Statements

CCO: Wellington Zoo Trust			
Quarter Two 2018/19			
\$NZ000's			
Actual 30-Jun-18	EARNINGS STATEMENT	Actual 31-Dec-18	Budget 31-Dec-18
	Revenue		
3718	Trading Income	1940	1881
3240	WCC Grants	1660	1660
83	Other Grants	42	42
184	Sponsorships and Donations-Operational	172	113
243	Sponsorships and Donations-Capital	12	0
61	Investment Income	27	15
265	Other Income	55	64
7,794	Total Revenue	3,908	3,774
	Expenditure		
4,796	Employee Costs	2,644	2638
2,455	Other Operating Expenses	1,227	1139
11	Depreciation	4	5
172	Interest		
172	Vested Assets		
7,434	Total Expenditure	3,875	3,781
360	Net Surplus/(Deficit) before Taxation	33	(7)
0	Taxation Expense		
(9)	Operating Surplus (Deficit)	21	(7)
360	Net Surplus/(Deficit)	33	(7)
-0.1%	Operating Margin	0.5%	-0.2%

Actual 30-Jun-18	STATEMENT OF FINANCIAL POSITION	Actual 31-Dec-18	Budget 31-Dec-18
	Shareholder/Trust Funds		
0	Share Capital/Settled Funds	0	0
0	Revaluation Reserves	0	0
1,698	Restricted Funds	1,724	1854
352	Retained Earnings	385	335
2,050	Total Shareholder/Trust Funds	2,109	2,189
	Current Assets		
3,668	Cash and Bank	3,289	2869
523	Accounts Receivable	597	30
78	Other Current Assets	229	100
4,269	Total Current Assets	4,115	2,999
	Investments		
0	Deposits on Call	0	0
0	Other Investments	0	0
0	Total Investments	0	0
	Non-Current Assets		
13	Fixed Assets	9	7
0	Other Non-current Assets	0	0
13	Total Non-current Assets	9	7
4,282	Total Assets	4,124	3,005
	Current Liabilities		
760	Accounts Payable and Accruals	737	401
	Provisions		0
1,472	Other Current Liabilities	1,278	415
2,232	Total Current Liabilities	2,015	816
	Non-Current Liabilities		
0	Loans - WCC	0	0
0	Loans - Other	0	0
0	Other Non-Current Liabilities	0	0
0	Total Non-Current Liabilities	0	0
2,050	Net Assets	2,109	2,189
1.9	Current Ratio	2.0	3.7
47.9%	Equity Ratio	51.1%	72.8%

Actual 30-Jun-18	STATEMENT OF CASH FLOWS	Actual Dec-18	Budget Dec-18
	<i>Cash provided from:</i>		
3718	Trading Receipts	1,940	1,881
3240	WCC Grants	1660	1,641
83	Other Grants	42	42
427	Sponsorships and Donations	184	113
61	Investment Income	27	15
2545	Other Income	1,815	64
10074		5,668	3,755
	<i>Cash applied to:</i>		
4,796	Payments to Employees	2,605	2,638
3,344	Payments to Suppliers	3,442	1,139
	Net GST Cashflow		
172	Other Operating Costs (VESTING)		
	Interest Paid	0	0
8312		6,047	3,776
1762	Total Operating Cash Flow	(379)	(21)
	Investing Cash Flow		
	<i>Cash provided from:</i>		
0	Sale of Fixed Assets		0
	Other		
0		0	0
	<i>Cash applied to:</i>		
	Purchase of Fixed Assets		0
	Other -vesting Cash for Capital Projects	0	0
0		0	0
0	Total Investing Cash Flow	0	0

30-Jun-18	STATEMENT OF CASH FLOWS (CONT)	Actual 31-Dec-18	Budget 31-Dec-18
	Financing Cash Flow		
	<i>Cash provided from:</i>		
	Drawdown of Loans		
	Other		
0		0	0
	<i>Cash applied to:</i>		
	Repayment of Loans		
	Other		
0		0	0
0	Total Financing Cash Flow	0	0
1,762	Net Increase/(Decrease) in Cash Held	(379)	(21)
1,906	Opening Cash Equivalents	3,668	2,890
3,668	Closing Cash Equivalents	3,289	2,869

30-Jun-18	CASH FLOW RECONCILIATION	Actual 31-Dec-18	Budget 31-Dec-18
360	Operating Surplus/(Deficit) for the Year	33	(7)
	Add Non Cash Items		
11	Depreciation	4	5
	Other (movement restricted funds)	26	
371		63	(2)
	Movements in Working Capital		
1,398	(Increase)/Decrease in Receivables	(74)	0
(2)	(Increase)/Decrease in Other Current Assets	(151)	30
(898)	Increase/(Decrease) in Accounts Payable	(23)	1
893	Increase/(Decrease) in Other Current Liabilities	(194)	(50)
1,391		(442)	(19)
	Net Gain/(Loss) on Sale:		
0	Fixed Assets	0	0
	Investments	0	0
0		0	0
1,762	Net Cash Flow from Operations	(379)	(21)

DRAFT STATEMENTS OF INTENT FOR COUNCIL CONTROLLED ORGANISATIONS

Purpose

- To receive and consider the draft 2019/20 Statement of Intent (SOI) for the following Council Controlled Organisations (CCOs).
 - Basin Reserve Trust
 - Karori Sanctuary Trust
 - Wellington Cable Car Limited
 - Wellington Museums Trust
 - Wellington Regional Stadium Trust
 - Wellington Zoo Trust

Summary

- Officers have reviewed the draft SOI for each CCO and assessed that each draft SOI has addressed the issues raised by the respective letter of expectation. Some changes are recommended to the sub-committee and, subject to its approval of these changes and any further items raised by the sub-committee, the sub-committee's views will be communicated to each CCO so it can prepare its final SOI to be presented to this sub-committee at its next meeting.

Recommendations

That the Council Controlled Organisations Subcommittee Sub-committee:

1. Receive the information.
2. Note any items raised by the sub-committee to be addressed by the Council Controlled Organisations in a final Statement of Intent.
3. Agree that the Basin Reserve Trust, the Karori Sanctuary Trust, Wellington Cable Car Limited, the Wellington Museums Trust, the Wellington Regional Stadium Trust and the Wellington Zoo Trust will develop a final Statement of Intent for 2019/20 so as to address the items raised in this report and any further items raised by the committee and will work with Council officers to achieve this.

Background

- Under the Local Government Act 2002, CCOs are required to submit a draft SOI to the Council by 1 March in the previous financial year. As a matter of good practice, the Council precedes this with a letter of expectation to each entity, which outlines the Council's expectations in respect of the SOI it will receive.

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- The draft SOI process provides both the Council and the CCO with an opportunity to fine-tune respective expectations ahead of submitting a final SOI for approval.
 - The letter of expectation for each entity was agreed by this sub-committee on 27 November 2018 and a draft SOI has been received from each CCO.
 - The draft 2019/20 SOI for Wellington Water Limited will be considered by the Wellington Water Committee.

Discussion

- Officers have reviewed the draft SOI received from each entity and acknowledge that they respond constructively to the respective letter of expectation.
- Officers will work with individual CCOs to address items raised in this report and any further items raised by the sub-committee in each entity's final SOI which will be presented to this sub-committee at its meeting on 22 May 2019.
- The following pages include summary details of each entity's draft SOI plus, where appropriate, recommendations for certain points to be addressed in the final SOI.
- Draft SOIs are appended to this report.
 -

- Basin Reserve Trust

OFFICER SUMMARY

The Basin Reserve Trust has presented its draft Statement Of Intent for 2019/20 (SOI) and it responds positively to the sub-committee's letter of expectations but there are some points that should be addressed in the final SOI.

The Trust delegates the daily operation of the Basin Reserve to Cricket Wellington under a management agreement between the parties. The relationship between Cricket Wellington (as the Trust's management agent for the ground) and Council is strong and communication is regular, particularly in relation to the redevelopment programme.

The various redevelopment projects at the Basin Reserve are driven by the master plan which was promulgated in Council's 2015-25 Long Term Plan. The main projects that have been completed to date include the refurbishment of the RA Vance Stand and the scoreboards. The players' pavilion was redeveloped last year and the Brierley Pavilion was relocated to ZEALANDIA. Council's decision in May 2018 to strengthen and refurbish the Museum Stand is expected to see this work completed in February 2020. Council works closely with Cricket Wellington in the planning phases of all redevelopment projects while the works are contracted, managed and funded by Council. The Trust, with Cricket Wellington's support, will raise \$1.0m to contribute toward the Museum Stand project.

The Trust is committed to seeing the ground become accessible 24x7 subject to its normal operational closures and the Trust will work with Council to achieve this. The final SOI should be used as an opportunity to reaffirm this commitment.

The Trust aims to retain the Basin Reserve's status as '*the premier cricket venue in New Zealand*'. The Basin Reserve is the only first-class cricket ground in the Wellington region and is still one of the most utilised venues for cricket throughout the season which includes the hosting of international fixtures in addition to a full domestic programme.

The range of community events continues to grow and the popular Beers at the Basin event attracted over 5,000 patrons again this summer and was closely followed by the Black Caps versus Sri Lanka test match in December and a test match against Bangladesh in March. The ground will host the Night Noodle Markets over two weeks in early April before the junior winter sports programme begins again on Saturdays and Sundays.

In terms of funding, the Trust aims to achieve a breakeven budget. For the year ended 30 June 2020, the financial statements identify a surplus of almost \$388k inclusive of a \$350k external grant revenue to fund turf renovation.

The Trust has not secured a naming rights sponsor for the Basin Reserve. This matter remains a priority for the Trust and the revenue will play an important role in maintaining Council's investment in the facilities at the ground.

With the continued investment in the facilities at the Basin, Council is keen to see the venue play a major role in the 2021 Women's World Cup. The final SOI should acknowledge this and ensure it has a clear programme to position the Basin Reserve accordingly.

SUMMARY FINANCIALS (\$000)

FINANCIAL PERFORMANCE (\$000)					
	Actual	Forecast	Draft SOI	Draft SOI	Draft SOI
30 JUNE	2018	2019	2020	2021	2022

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SUMMARY FINANCIALS (\$000)

Total Revenue	965	1,064	1,392	1,051	1,073
Opex before Depreciation	840	859	876	868	888
Net Surplus (Loss)	9	86	388	9	7
FINANCIAL POSITION					
Total Assets	770	877	1,208	1,247	1,273
Total Liabilities	169	191	134	165	183
Equity	601	686	1,074	1,083	1,090
CASH FLOWS					
Total Net Cash Flows	64	77	15	(42)	34
Opening Cash	28	91	168	183	141
Closing Cash	91	168	183	141	175

The Trust's financial forecasts show stable financial position.

Offices note the budgeted revenue of \$350k to fund the turf renovation at the Basin Reserve. The final SOI will provide updated information including around the timing of this investment.

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KEY PERFORMANCE INDICATORS

Key Performance Indicators focus on the utilisation of the Basin Reserve. Officers consider the KPIs to be satisfactory for this purpose.

	Actual 2018	Forecast 2019	Draft SOI 2020	Draft SOI 2021	Draft SOI 2022
30 JUNE					
Number of event days					
Cricket events (days)	45		50	50	50
Other sports events (days)	21		25	25	25
Practice facility usage (days)	100		100	100	100
Community events (days)	20		21	21	21
Functions (days)	20		25	25	25
Numbers attending events	37,362		41,000	41,000	41,000

The final SOI will include forecasts for the year ended 30 June 2019.

- Karori Sanctuary Trust

OFFICER SUMMARY

The Karori Sanctuary Trust (trading as ZEALANDIA) has presented its draft Statement of Intent for 2019/20 (SOI) and it responds positively to the sub-committee's letter of expectation.

- The SOI is a comprehensive document that clearly articulates the Trust's intentions to continue to meet the enduring expectations of Council and to maintain the Trust's alignment with relevant Council policies and strategies.
- ZEALANDIA'S guiding vision is for *nature-rich communities where people and nature flourish and the wider Wellington region is internationally recognised as the most nature connected urban area in the world*. Conservation and restoration work within the sanctuary remains a core element of ZEALANDIA'S work.
 - In 2018/19 the Trust completed a review and update of the ZEALANDIA Restoration Strategy, looking toward the next 20 years of restoration work.
 - In 2019/20 the Trust will conduct a similar review of the Valley Management Plan which looks at the maintenance and development of all infrastructure including tracks and trails.

ZEALANDIA works closely with the relevant agencies in Wellington to position itself firmly at the centre of the tourist trail in the city. The Wellington Regional Economic Development Agency remains a key strategic partner and the Trust will continue to advance this increasingly close relationship. In 2017/18 ZEALANDIA:

- Attracted over 132,000 visitors to the sanctuary.
- Featured consistently in the top 10 Wellington tourist attraction by Trip Advisor and as a key destination for international visitors coming to Wellington.
- In the last three financial years ZEALANDIA has welcomed over 125,000 visitors annually and this year expects to host almost 117,000 visitors. In the Trust's SOI forecast visitor numbers beyond the current year show steady but modest year on year growth but are tempered below the current year and prior year's achievements. Officers agree with the Trust that the SOI forecasts are an acceptable balance given the recent and rapid increases on prior year's visitation figures.
- Last year the former Brierley Pavilion (now called Pukeahu House) was relocated from the Basin Reserve to a site on Waiapu Road opposite ZEALANDIA's current administration building. Pukeahu House has helped to ease some immediate pressures for staff, volunteers, researchers and interns. The Trust is now working on the longer term accommodation solution (to be called Tanglewood House) that will be a physical manifestation of ZEALANDIA's Centre for People and Nature. Council has committed to assist funding this building in its 2018-28 Long Term Plan. ZEALANDIA has already raised its share of the funding needed and budgeting for Council's funding in 2020/21 to align with the construction programme.
- Asset management planning is given a modest mention in the SOI and officers believe the final SOI will be improved by the Trust committing to adopting a suitable asset management protocol.
-

SUMMARY FINANCIALS

- In recent years the Trust's financial performance has improved markedly in response to its improved operational performance and this is demonstrated by the growing strength of the Trust's cash reserves. This marks a significant turnaround in the overall financial sustainability of the Trust and positions ZEALANDIA well to deliver on its own programmes and strategic alignments with

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3 APRIL 2019

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SUMMARY FINANCIALS

Council.

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FINANCIAL PERFORMANCE (\$000)					
	Actual 2018	Forecast 2019	Draft SOI 2020	Draft SOI 2021	Draft SOI 2022
30 JUNE					
Total Revenue	5,201	5,405	5,207	6,712	5,418
Opex before Depn	4,479	4,914	4,876	4,974	5,073
EBITDA*	722	491	331	1,738	345
Net Profit (Loss)	174	145	(93)	1,264	(130)
FINANCIAL POSITION					
Total Assets	4,621	5,388	6,229	6,103	5,983
Total Liabilities	594	1,216	2,150	760	770
Equity	4,027	4,172	4,079	5,343	5,213
CASH FLOWS					
Total Net Cash Flows	310	(40)	(95)	(48)	(51)
Opening Cash	230	540	500	405	357
Closing Cash	540	500	405	357	306

- **Earnings before Interest, Tax, Depreciation & Amortisation.*
- The spike in revenue forecast in 2021 represents Council's funding grant for Tanglewood House.
- Aside from the grant funding, revenue forecasts from 2020 are tempered along with the Trust's visitor number forecasts as the Trust consolidates upon its recent strong performances. This is a pragmatic response to the recent turnaround achieved by Zealandia and it is appropriate.
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KPI DASHBOARD

- *The tables contain a selection of KPIs and not a complete list.*

	Actual 2018	Forecast 2019	Draft SOI 2020	Draft SOI 2021	Draft SOI 2022
30 JUNE					
Non-financial					
Visitors	132,337	116,914	102,200	105,200	108,400
Individual members	10,886	11,245	11,000	11,200	11,400
Students & education visits	9,316	8,722	8,800	8,800	8,800
Satisfaction rating	96%	95%	95%	95%	95%
Volunteer numbers	584	>450	>470	>490	>510
Financial					
Full cost to Council*	\$1,525,131	\$1,497,272	\$1,538,190	\$1,588,801	
Full cost per visitor*	\$13.71	\$12.81	\$15.05	\$15.10	
Average subsidy per visit**	\$6.31	\$8.80	\$8.54	\$8.28	\$7.99
Average revenue per visit***	\$31.44	\$26.48	\$26.74	\$27.01	\$27.28
Non-Council donations & funding	\$461,373	\$324,865	\$275,000	\$280,000	\$285,000

KPI DASHBOARD

- * SOI figures based on WCC's Annual Plan and LTP figures.
- ** total WCC operating grant/visitors
- *** excl. grants & interest
- The Trust's financial KPIs are perhaps overly conservative. Over recent years the Trust has taken a more conservative approach to its forecasting than in prior years when forecasts were overly optimistic. It is now well understood that the underlying performance is sound and building strongly and the Trust's quarterly reporting demonstrates this. The headline visitor numbers now appear overly conservative and officers believe these could be increased to more accurately reflect the expected visitation performance.

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• **Conservation Measures**

30 June	2019	2020	2021	2022
Restore species to the wild in accordance with the restoration strategy				
Number of new animal species transferred	2	0	1	1
Percentage of transferred animal species regarded as self-sustaining	70%	70%	70%	65%
Maintain or Improve the population status of nationally threatened species present				
Number of threatened species present and breeding successfully	4	4	4	4
Manage species held for captive breeding purposes to ensure they remain healthy and breed successfully				
Number of species breeding in captivity	2	2	1	1
Monitor animal pest status, control mice & successfully respond to any incursions				
Mice maintained at levels below or similar to previous years	<10	<10	<10	<10
Percentage of pest animal incursions successfully eradicated	100%	100%	100%	100%
Monitor plant pest status and reduce distribution of environmental weeds (currently 123) within and near the fence perimeter				
Number of pest plant species actively controlled or surveyed				
Number of pest plant species where control has achieved a decline to low levels of infestation in the sanctuary				

- The Trust may have accidentally omitted its KPIs relating to plant pest status in the sanctuary. The final SOI will respond to this, either by confirmation that this KPI is replaced by a more relevant measure or by its inclusion.

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COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE 3 APRIL 2019

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- Wellington Cable Car Limited

OFFICER SUMMARY

- The Wellington Cable Car Limited has presented its draft Statement of Intent for 2019/20 (SOI) and while it responds positively to many of Council's expectations, some items will be included in the final SOI. The company's final SOI will be improved by acknowledging the company is committed to considering how it can support Council's Te Tauihu Te Reo Māori Policy.
- The company used to comprise two operating divisions – the Cable Car and the Trolley Bus Overhead Electrical Network. Trolley Bus services ceased operating in October 2017, and the company has now decommissioned the overhead electrical network and disposed of all remaining network infrastructure and assets.
- The current generation of Cable Car is nearing the end of its design life (it commenced operating in 1979) and previous SOIs have discussed strategies for funding the replacement of the rolling stock midway through the next decade. Strong passenger growth over the last two years and fare increases last year is helping to fund this commitment. Current projections indicate that the replacement rolling stock can be funded internally, combined with some debt funding, commencing in 2024 (completing in 2026).
- The company's SOI has not discussed its intention to participate in Council's review of its Leisure Card, but the company is expected to engage with Council during this process.

SUMMARY FINANCIALS

FINANCIAL PERFORMANCE (\$000)					
	Actual	Forecast	Draft SOI	Draft SOI	Draft SOI
30 JUNE	2018	2019	2020	2021	2022
Total Revenue	8,671	5,340	3,792	3,836	3,876
Operating Surplus/Deficit	551	653	696	616	529
Tax & Subventions Payments	186	205	202	180	156
Surplus/(Loss)	365	448	494	436	373
FINANCIAL POSITION					
Total Assets	12,372	11,637	12,106	12,387	12,760
Total Liabilities	2,282	1,100	1,075	920	920
Equity	10,090	10,537	11,031	11,467	11,840
CASH FLOWS					
Total Net Cash Flows	514	(335)	279	404	322
Opening Cash	2,254	4,122	3,787	4,066	4,470
Closing Cash	2,768	3,787	4,066	4,470	4,792

- The company's revenues decline in response to the decommissioning of the overhead network and reflect the 'new normal' state for the company as it operates the Cable Car business alone.
- The company plans to spend of \$880k over the next 3 years on design and strengthening the three tunnels. At this stage, there is no provision made for implementing an integrated ticketing solution however the company does expect to be part of the region's integrated ticketing solution when implementation occurs.

SUMMARY FINANCIALS

- The company has strong and growing cash reserves which positions the business well to fund the upcoming replacement of the cable cars.

KPI DASHBOARD

- The tables contain a selection of KPIs and not a complete list.

30 JUNE	Actual 2018	Forecast 2019	Forecast 2020	Forecast 2021	Forecast 2022
Passengers	1,091,928		1,206,633		
*Fare income (\$000)	3,035	3,596	3,648	3,692	3,731
Passenger Satisfaction					
Local passengers: use Cable Car at least 1x per year					
Tourist passengers: rate experience >6 on scale of 1 – 10					
Customer satisfaction (ratings of good or very good)	New	New	85%		
TripAdvisor rating (out of 5)	New	New	4.0		
Customer complaints (per 100,000 passenger trips)	New	New	2		
Service Reliability					
% trips starting on time	New	New	=> 99%		
% trips not run	New	New	< 1.0%		

- * This is not a KPI.
- In 2018/19 the company introduced a customer satisfaction measure (KPI) to replace the Council's Residents Awareness Survey. The satisfaction survey was a move by the company toward understanding more about its performance in delivering this core activity. This year the company has introduced a further three new measures of passenger satisfaction.
- At this stage the SOI only includes forecasts for 2019/20 (year one), the final SOI will include forecast KPIs for the 2nd and 3rd years of the SOI.

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE 3 APRIL 2019

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- Wellington Museums Trust

OFFICER SUMMARY

- The Wellington Museums Trust (trading as Experience Wellington) has presented its draft Statement of Intent for 2019/20 (SOI) and it responds positively to the sub-committee's letter of expectations. The SOI provides a well presented outline of Experience Wellington's key focus areas, challenges and opportunities.

- Experience Wellington will present a programme in 2019-20 which will include:
- City Gallery Wellington presenting the survey exhibition of the work of Theo Schoon; a partnership with the Ian Potter Gallery in Melbourne for an exhibition called Eavesdropping; and a new commissioned solo project with one of New Zealand's rising stars Fiona Connor.
- Commemorating Tuia – Encounters 250 with a series of small exhibitions at City Gallery Wellington; and a national tour of a specially developed Capital E National Theatre for Children show featuring children's own stories of their first cultural encounters.
- Taking Te Reo Māori Capital E/Taki Rua Theatre Company co-production of Te Kuia me te Pungawerewere on tour in the South Island.
- Building on the success of Capital E's inaugural Maker Faire with an increased focus on young makers' creativity, bringing their ideas to life.
- Joining with other city attractions in the celebration of Matariki which will include: Capital E presenting child-focussed programmes as part of Council's Matariki celebration; Matariki Dawn and star gazing at Space Place; the continuation of a partnership with Chamber Music New Zealand at Wellington Museum and other events aimed at showcasing Wellington during Matariki in June 2020.
- Four new planetarium shows at Space Place including: one focussed on the Moon – part of the 50th Anniversary of the first person to walk on the Moon in July 1969; and one comparing and contrasting traditional Māori and Pacific voyaging knowledge and practice with Western knowledge.
- In addition the Trust will be working on two of its more strategic initiatives as follows.
- In 2019-20 the Trust intends to confirm plans for the Wellington Museum development, a project which has Council's support through a \$10m commitment in the 2018-28 Long-Term Plan. The project will complete earthquake strengthening and the redevelopment of the visitor experience which started in 2015 with the opening of The Attic.
- A third exhibition in City Gallery's high value international contemporary art programme will be staged in 2020-21; the first two exhibitions in the programme were Cindy Sherman, presented in 2016-17; and Eva Rothschild: Kosmos and Semiconductor: The Technological Sublime, presented in 2018-19. Both were made possible with the assistance of Council through the City Growth Fund and WREDA through the Major Events Fund.
- It is noted that the draft SOI does not (yet) respond to the recent decision to close the central library and what (if any) impact this could have in terms of visitation. The final SOI will give consideration to this.

SUMMARY FINANCIALS

FINANCIAL PERFORMANCE (\$000)		Actual	Forecast	Draft SOI	Draft SOI	Draft SOI
30 JUNE		2018	2019	2020	2021	2022
Total Revenue		12,937	13,156	12,749	13,397	13,122
Opex before Depreciation		12,461	12,652	12,210	12,857	12,583
Depreciation		529	548	550	550	550
Net Surplus (Loss)		(53)	(44)	(11)	(10)	(11)
FINANCIAL POSITION						
Total Assets		6,075	6,080	6,080	6,080	6,080
Total Liabilities		1,614	1,610	1,621	1,632	1,643
Equity		4,461	4,470	4,459	4,448	4,437
CASH FLOWS						
Total Net Cash Flows		64	(50)	0	(1)	0
Opening Cash		880	880	830	830	830
Closing Cash		944	830	830	830	830

- Council's enduring expectation is that the Trust will achieve a break-even budget after fully funding depreciation. The financial forecasts present a series modest deficits which relate to Space Place and are covered by Council's underwrite. Overall, the Trust is forecasting a continuation of its sound financial position with adequate levels of cash on hand.

- The financial statements and performance targets do reflect broad assumptions regarding the impact on City Gallery Wellington of the earthquake strengthening work on Te Ngākau Civic Square and the proposed 18-month closure of Wellington Museum for earthquake strengthening and development.

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KPI DASHBOARD

The tables contain a selection of KPIs and not a complete list.

** **Museums Wellington** includes the Wellington Museum, the Cable Car Museum and Nairn Street Cottage Museum. As is now standard practice, quarterly reporting will include the fully costed subsidy per visit.*

	Actual	Forecast	Draft SOI	Draft SOI	Draft SOI
30 JUNE	2018	2019	2020	2021	2022
Council subsidy per visit					
City Gallery	\$15.10	\$12.65	\$14.39	\$13.46	\$14.41
Museums Wellington*	\$4.67	\$5.00	\$5.01	\$6.36	\$6.41
Capital E	\$12.22	\$10.76	\$23.35	\$14.54	\$21.40
Space Place	\$8.05	\$9.72	\$6.43	\$6.34	\$6.25

- Subsidy per visit forecast is based on the probable percentage of the operating grant allocated as follows:

- City Gallery Wellington **30%**
- Museums Wellington (Wellington Museum, Cable Car Museum and Nairn Street Cottage)

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KPI DASHBOARD

26%

- Capital E **22%**
- Space Place **4.9%** plus the cash underwrite
- Experience Wellington Executive Office **17.1%**
- It is proposed that Wellington Museum Building will be closed for a period of 18 months for earthquake strengthening from 1 July 2020.
- Capital E will host the National Arts Festival for Children in 2018-19 and again 2020-21. Capital E visitation figures from 2019-20 onwards excludes the Hannah Playhouse.

	Actual 2018	Forecast 2019	Draft SOI 2020	Draft SOI 2021	Draft SOI 2022
30 JUNE					
Non-Council Revenue					
City Gallery	609	581	754	659	745
Museums Wellington*	1,087	1,018	644	355	282
Capital E	1,318	1,560	1,095	1,587	1,120
Space Place	584	645	607	627	637
Sub Total	3,598	3,804	3,100	3,228	2,784
Sub-letting, Interest & Other	236	275	224	230	230
Total Non-Council Revenue	3,834	4,079	3,324	3,458	3,014

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	Actual 2018	Forecast 2019	Draft SOI 2020	Draft SOI 2021	Draft SOI 2022
30 JUNE					
Spend per visit					
City Gallery	\$2.02	\$1.80	\$1.83	\$1.91	\$1.91
Museums Wellington*	\$2.28	\$2.28	\$3.37	\$1.24	\$0.83
Capital E	\$4.58	\$3.12	\$3.29	\$3.19	\$3.19
Space Place	\$8.74	\$9.85	\$10.91	\$9.83	\$10.23

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	Actual 2018	Forecast 2019	Draft SOI 2020	Draft SOI 2021	Draft SOI 2022
30 JUNE					
Visitation					
City Gallery	153,194	170,000	156,000	170,000	162,000
Wellington Museum	127,413	132,000	130,000	50,000	50,000
Capital E	113,414	157,500	70,500	115,500	80,000
Cable Car Museum	269,028	237,000	256,000	260,000	264,000
Space Place	60,441	55,000	57,000	59,000	61,000
Nairn Street Cottage	1,724	2,000	2,000	2,000	2,000
TOTAL	725,214	753,500	671,500	656,500	619,000

- Visitation targets have been set in response to the following.
 - Capital E will host the National Arts Festival for Children in 2018-19 and again 2020-21.
 - Capital E visitation figures from 2019-20 onwards excludes the Hannah Playhouse.
 - City Gallery visitation may be affected by Te Ngākau Civic Square earthquake strengthening.

KPI DASHBOARD

In 2020-21 a high-value art exhibition is expected to increase visitation.

- It is proposed that Wellington Museum Building will be closed for a period of 18 months for earthquake strengthening from 1 July 2020.
- The final SOI will give consideration to the recently announced closure of the central library and any impact this could have on visitation.
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COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE 3 APRIL 2019

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- Wellington Regional Stadium Trust

OFFICER SUMMARY

The Wellington Regional Stadium Trust has presented its draft Statement Of Intent for 2019/20 (SOI). The SOI is well presented and informative, and responds positively to the sub-committee's letter of expectations.

The SOI describes the Trust's alignment with Council as a core strategic priority. The Trust is closely aligned with Council's events policy, digital and accessibility strategies and demonstrates clearly its support for Council's economic growth agenda.

The Stadium clearly supports Council's event policy in delivering the most diverse sporting events calendar supplemented with other major events, concerts and performances, of any stadium in New Zealand. Major events such as concerts and test matches consistently draw upwards of 50% of attendees from out of the region and as such the Stadium remains a strong economic contributor to the region.

The Trust, with the support of Council, is in the process of a significant upgrade of the internal concourse including removal of some of the steel cladding as well as upgrades to all of the catering outlets. This work needs to be staged to accommodate the stadiums busy events schedule.

The upgrades covers the following elements:

- Removal of some of the steel cladding around the major thoroughfares to bring natural light and the city's wonderful vista into the Stadium;
- The enhancement and renovation of food and beverage outlets;
- Refurbishment of parts of the concourse floor;
- Cladding of some of the current grey concrete walls and pillars;
- Develop consistent look and feel and way finding around the concourse;
- Making the space more suitable for exhibition clients;
- Improved lighting.

As the Concourse upgrade continues that Trust will seek ways to incorporate Te Reo into wayfinding and other signage. Hosting Te Matatini in 2019 provided the Trust with an excellent opportunity to increase use and visibility of Te Reo at the Stadium.

The Trust has engaged the services of the Sexual Abuse Prevention Network to facilitate a workshop at the Stadium for staff and contractors. This workshop helps support staff to identify unsafe situations and know how to take action safely to help keep the venue safe and fun for all patrons. The initial training is aimed at permanent staff of the Stadium as well as its key contractors. In coming months this will be rolled out to casual staff particularly team leaders and duty managers. In 2019 the Trust increased the visibility of channels by which patrons may contact us in the event of experiencing harassment of any kind at the stadium.

In February Westpac and the Trust announced the end of its 20-year naming rights partnership. The Trust has been active in the market to secure a new partner and this will remain a key focus for the remainder of 2019.

SUMMARY FINANCIALS (\$000)

The Trust does not produce forecast financial statements until the final SOI. This process is consistent with prior years.

SUMMARY FINANCIALS (\$000)

The Trust has diverse revenue streams that provide some degree of risk mitigation to a downturn in any one sport or event. The Trust's mix of revenue streams compare favourably to other major stadiums. Large events are significant drivers of revenue and are crucial to the viability of the Stadium. Securing such events remains a major ongoing focus of the Trust.

Following the success of the Eminem concert, the Stadium will continue to engage with all key promoters on a regular basis and be flexible in its dealings in order to give Wellington the best opportunity to secure events.

Securing a replacement naming rights partner for the Stadium in 2019 remains a risk.

•

KEY PERFORMANCE INDICATORS

The Trust's performance measures are largely non-financial but commit the Trust to outcomes that are appropriate for the Stadium and the expectations of its settlor Council's.

NON FINANCIAL PERFORMANCE MEASURES

Measure	How measured
Deliver a strong Rugby international test programme for 2019 and 2020	<ul style="list-style-type: none"> Key stakeholders are satisfied with management of the test operation Sell-out crowds for test matches 40% out of region visitors
Deliver more large scale non-sporting events	<ul style="list-style-type: none"> Secure at least one concert per year Secure at least two other events outside the traditional rugby and football regular season calendar per year
Continued investment in stadium infrastructure	<ul style="list-style-type: none"> Concourse upgrade is completed Resilience plans finalised and shared with council partners.
Deliver a full event calendar	<ul style="list-style-type: none"> Securing 45-50 event days per year. (Excludes community events).
Host unique events that deliver economic benefit to the region	<ul style="list-style-type: none"> Maintaining economic benefit to the Region at an average of \$40 million per year Working with promoters to deliver special events to Wellington
Continue to enhance food and beverage offering	<ul style="list-style-type: none"> Greater range and quality of offerings Higher customer satisfaction
Sustainability	<ul style="list-style-type: none"> Eliminate single use plastic

Westpac Stadium remains the busiest stadium in New Zealand, hosting over 50 event days each year in addition to community event days. In addition, the Stadium hosts up to 1,000 non-event day functions, conference and meetings each year.

In recent years the Stadium can boast arguably the strongest events calendar since the Stadium opened including concerts, world cups, FIFA Intercontinental play-off, rugby tests including the return

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of the British and Irish Lions and the Edinburgh Military Tattoo and most recently Eminem.

While the 2019/20 event calendar is still work in progress but is expected to continue to remain strong. The Trust's focus lies particularly on those events that will fill the Stadium and generate economic return for the region.

- Wellington Zoo Trust

OFFICER SUMMARY

- The Wellington Zoo Trust has presented its draft Statement of Intent for 2019/20 (SOI) and it responds positively to the sub-committee's letter of expectation. The SOI clearly articulates the Trust's intentions to continue meeting the enduring expectations of Council and to maintain the Trust's alignment with relevant Council policies and strategies.
- The Zoo is closely aligned to the Council's strategic direction and the SOI discusses how the Zoo's actions and activities contribute to Council's Towards 2040 strategy; specifically Connected City, Eco City, People Centred City and Dynamic Central City strategies.
- The Zoo aims to be a reflection of Wellington city and contribute to the thriving cultural and natural heritage of Wellington as an accessible and liveable city.
- The Zoo expects to continue host over 10,000 students participating in Learning Experiences Outside The Classroom. This comfortably exceeds the Ministry of Education expectations which support this programme.
- The Zoo's partnership with The Warehouse continues to bring students from low decile schools in the Wellington and Tasman regions to the Zoo for learning sessions (Zoofari). Around 1,500 students plus parents and teachers are expected to visit the Zoo under this initiative.
- Bush Builders is another ongoing unique environmental literacy programme aimed at students from urban schools and has involved over 4,000 students in the region. This programme and Zoofari demonstrate the ongoing commitment by Wellington Zoo to environmental education for young people in this region. The Zoo's school holiday programmes are well attended and many other external holiday programmes visit the Zoo as part of their offering to the community.
- Council has allocated funding in the 2018-28 LTP for the development of an enclosure for snow leopards at Wellington Zoo and the Zoo expects to provide its business case to Council in support of this funding during 2019/20.
- The Zoo is in the process of setting a new five year (2019-23) strategy to integrate conservation, animal welfare, community engagement and sustainability. This new strategy will also integrate te ao Māori into its five year strategy in line with Wellington City Council's Te Tauihu Te Reo Māori Policy.
- The Zoo is in a sound financial position and is forecasting to steadily grow its annual visitation with a break-even budget.

SUMMARY FINANCIALS

FINANCIAL PERFORMANCE (\$000)					
	Actual 2018	Forecast 2019	Draft SOI 2020	Draft SOI 2021	Draft SOI 2022
30 JUNE					
Total Revenue	7,796	7,726	8,374	8,549	8,821
Total Expenses	7,435	8,517	8,374	8,549	8,821
Net Surplus	361	(791)*	0	0	0

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SUMMARY FINANCIALS

Total Assets	4,282	3,337	2,205	2,133	2,153
Total Liabilities	2,232	1,288	947	875	895
Trust Funds	2,050	2,049	1,258	1,258	1,258
Net Cash Flow	1,762	-785	-909	-1	20
Opening Cash	1,906	3,668	2,883	1,974	1,974
Closing Cash On Hand	3,668	2,883	1,974	1,973	1,993

- * Includes \$803k vesting to Council for asset renewals.
- The Trust is forecasting a break-even budget while continuing to deliver its activities and services to the high standards we have become accustomed to. The Trust also maintains its strong cash position throughout.

KPI DASHBOARD

- The tables contain a selection of KPIs and not a complete list.

	Actual 2018	Forecast 2019	Draft SOI 2020	Draft SOI 2021	Draft SOI 2022
30 JUNE					
Non-financial					
Visitors	249,701	244,420	246,864	249,333	251,827
No. Students participating in LEOTC sessions	10,414	10,500	10,500	10,750	11,000
Visitor satisfaction (out of ten)		9.0	8.5	8.5	8.5
People participating in close encounters	4,411	4,000	4,000	4,200	4,200
Financial					
% Operating costs generated by the Trust	58%	57%	59%	59%	59%
Ratio Trust generated income as % Council grant	129%	132%	146%	145%	145%
Income per visitor from Trust generated revenue	\$16.77	\$17.07	\$19.56	\$19.70	\$20.17
Council subsidy per visitor	\$12.98	\$12.90	\$13.41	\$13.62	\$13.88
Full cost per visitor	\$20.71	\$21.73	TBC	TBC	TBC

- The visitor satisfaction rating is a new performance measure that should provide valuable feedback on the Zoo's overall visitor experience.
- Full cost per visitor is a measure of the full cost to Council including property ownership and other overhead costs in addition to the operating grant. This measure is effectively 'owned' by Council and, apart from visitation, cannot be influenced by the Trust. The forecast figures will be available to be included in the Trust's final SOI.

Attachments

- Attachment 1. Basin Reserve Trust draft SOI 2019/20
Attachment 2. Karori Sanctuary Trust draft SOI 2019/20

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Item 2.3

Attachment 3.	Wellington Cable Car Ltd draft SOI 2019/20	Page 399
Attachment 4.	Wellington Museums Trust draft SOI 2019/20	Page 448
Attachment 5.	Wellington Regional Stadium Trust draft SOI 2018/19	Page 509
Attachment 6.	Wellington Zoo Trust draft SOI 2019/20	Page 552

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SUPPORTING INFORMATION

Engagement and Consultation

The organisations in this report consult with the Council on a wide range of matters as part of our “no surprises” relationship.

Treaty of Waitangi considerations

This report raises no new treaty considerations. Where appropriate the entities do consult with the Council's Treaty Relations unit, and with the Tenth Trust, as part of normal operations.

Financial implications

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

Policy and legislative implications

This report complies with the legislative requirements of the Local Government Act (2002) and is consistent with existing Council policy.

Risks / legal

Not applicable.

Climate Change impact and considerations

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

Communications Plan

Not applicable.

Health and Safety Impact considered

Not relevant.



Basin Reserve Trust

2019-20 Statement of Intent

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1. Introduction

The iconic Basin Reserve has a rich history. The first game of cricket was played at the Basin on 11 January 1868, making it is the oldest cricket ground in New Zealand. The ground not only hosts cricket games, but sporting fixtures of every variety. It has hosted national events and competitions including VE Day celebrations, Royal Tours, exhibitions, Scout jamborees, concerts and festivals. In 1998, the Basin Reserve was listed as a Heritage Area, becoming the first sports ground to receive such a designation and further enhancing its heritage significance. The Basin is also home to the William Wakefield Memorial that was erected in 1882 and commemorates one of Wellington's founders, William Wakefield.

The Basin Reserve plays a role in assisting Wellington City Council to achieve the recreation and leisure participation aims signalled in the 2018-28 Ten Year Plan and the "Living WELL" Wellington Sport & Active Recreation Strategy. The redevelopment will reposition the Basin as New Zealand's premier cricket venue and help attract national and international events to Wellington.

The Statement of Intent outlines the activities and intentions of the BRT for the period July 2019 to June 2020. It details the BRT's approach to governance and contains financial information, including the annual budget.

2. Objectives

The objectives of the trust are stated in the Trust Deed as agreed between the Wellington City Council and the BRT and are highlighted below:

1. to manage, administer, plan, develop, maintain, promote and operate the Basin Reserve for recreation and leisure activities and for the playing of cricket for the benefit of the inhabitants of Wellington
2. to establish a long-term policy for the further development of the Basin Reserve as a recreational facility and as a facility for the playing of cricket, other sports and as a venue for other community-based activities;
3. to enter into management agreements and other contracts that are necessary or desirable to achieve the objects of the Trust;
4. to promote and co-ordinate the raising of funds to assist the management, administration, maintenance planning, promotion and further development of the Basin Reserve;
5. generally, to do all acts, matters and things that the Trustees consider necessary or conducive to further or attain the objects of the Trust set out above for the benefit of the public of Wellington;
6. to operate as a successful undertaking, managed on a not-for-profit basis;
7. to preserve and enhance the significant and recognised heritage value of the Basin Reserve;
8. to comply with all legislative and regulatory provisions relating to its operation and performance including statutory and general Council objectives for Council controlled organisations, and to acknowledge the Councils contribution where appropriate;

3. 2019-20 Activities

In-line with the objectives of the Trust Deed and in response to Wellington City Councils expectations, the BRT will focus on the following initiatives in 2019-20;

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Redevelopment

The BRT will continue to work with Wellington City Council on the redevelopment of the Basin Reserve and its infrastructure. The planning, design and consenting work for the restoration of the Old Pavilion (commonly known as the Museum Stand) is underway. The Old Pavilion will be seismically strengthened and refurbished so that the 1,000-seat grandstand can be returned to service in February 2020. The building will also provide a base for the New Zealand Cricket Museum and Cricket Wellington administration offices.

The BRT has engaged Philips Lighting and Musco Lighting to provide initial proposals for floodlights at the ground.

The BRT will continue to present the ground to a high standard throughout the year, driving a comprehensive maintenance programme.

Sponsorship and Fundraising

The BRT is committed to making a contribution of \$1M towards the Museum Stand project as well as securing the funds required to install replacement floodlights.

The Trust will report on progress each quarter.

Events and Functions

The Basin Reserve is New Zealand's most used international sporting venues, providing 96 event days, 100 practise days and 25 functions per annum. An overview of the wide range of events that are planned for 2019-20 are outlined below:

Community and other Sport Events

21 community events are planned for 2019-20, key events include;

- Rugby and Football - the partnership with Wellington Rugby and Capital Football will continue. During the 2019 winter the Basin will host up to 120 games on junior rugby and girls' junior football
- Athletics – neighbouring schools cross country events and the Scottish Night of Miles will feature again in 2019-20
- Community Cricket – a wide range of community cricket events will be held including the boys and girls Primary School and Secondary School final, Governor Generals XI game and junior cricket field days
- Beers at the Basin – the popular festival that showcases Wellington's craft beer industry will continue to be a summer feature on the Basin's busy event calendar
- Music Concert – the BRT is in discussions regarding hosting a music concert on Wellington Anniversary weekend

Functions

The BRT has contracted Black and Gold Events to manage and promote the recently refurbished Norwood Room and Long Room in the RA Vance Stand as a venue for conferences,

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meetings, weddings, celebrations, Christmas functions or team building workshops. In total, 25 functions are planned for 2019/20.

Domestic Cricket

The Basin is the home of Cricket Wellington and the home ground of the Wellington Firebirds in the Plunket Shield, Ford Trophy and Men's Super Smash, as well as the Wellington Blaze in the Hallyburton Johnston Shield and Women's Super Smash. The Basin also accommodates Cricket Wellington development teams. The Basin is planning to host 50 days of cricket events, with 100 days of use planned for the practice facilities.

International Cricket

Cricket Wellington aims to secure a blockbuster summer of international cricket matches and is holding discussions with New Zealand Cricket regarding hosting Test Matches vs England in November 2019 and India in February 2020 at the Basin Reserve.

ICC Women's World Cup

New Zealand Cricket is hosting the ICC Women's World Cup in February 2021. With a broadcast audience in excess of 180 million people in 2017, 2021 is set to see the worldwide reach of the tournament grow even further with all matches to be broadcast live globally. The Basin Reserve aims to be a key host venue for this tournament and will work with Cricket Wellington and WREDA on a compelling bid document.

Cricket Wellington and The New Zealand Cricket Museum

The Basin Reserve is the home of Cricket Wellington, the Regional Sports Organisation for cricket in Wellington and the New Zealand Cricket Museum. When the Old Pavilion reopens it will house the administration offices of Cricket Wellington, as well as a new modern Museum that records the history of cricket and tells the story of the Basin.

Wellington Regional Stadium Trust (WRST) Turf Services Partnership

The BRT will continue to work in partnership with the WRST to ensure that the Basin reserve outfield, wicket blocks and practice wickets. A significant proportion of the operating grant provided to the BRT from Wellington City Council covers the costs associated with the Turf Services Agreement between the BRT and WRST.

William Wakefield Memorial

The BRT will work with the William Wakefield Memorial Trust to ensure that the William Wakefield Memorial is maintained.

Te Taihū Te Reo Māori Policy

The BRT will identify ways the Trust can appropriately support Wellington City Councils, Te Taihū Te Reo Māori Policy and Mana whenua.

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Harassment Policies

The BRT is committed to promoting a safe and harassment-free environment for all staff, contractors and attendees at all sporting fixtures and events. All event terms and conditions of entry to the venue outline the expected behaviours of event goers. Signs promoting a safe environment are displayed on event days and the BRT continues to work with Fiona McNamara (General Manager, Sexual Abuse Prevention Network) to ensure best practise is implemented and staff are provided with the correct training.

4. Performance Targets

In-line with Wellington City Councils 2018-28 Ten Year Plan, the BRT aims to deliver the following performance measures for 2019-20:

Measure	Frequency	Measurement	2019-20 Q1	2019-20 Q2	2019-20 Q3	2019-20 Q4	2019-20 Total	2020/21	2021/22
Number of event days	Quarterly								
• Community Events		Community days		5	15	1	21	21	21
• Cricket Events		Cricket days	6	23	21		50	50	50
• Other Sports Events		Sports days	12	1		12	25	25	25
• Practice facility usage		Practice days	15	45	40		100	100	100
• Functions		Function days	6	8	5	7	25	25	25
Numbers attending events	Annual	Attendance figures	41,000					41,000	41,000
Event Income	Annual	Total Income	\$290,200						
Council Operating Grant	Annual		\$425,250						
Cash subsidy (grant) per attendance	Annual		\$10.30						

5. Governance

The Trust Deed establishes the BRT under the Charitable Trusts Act 1957 for the purposes of managing and administering the Basin Reserve. Wellington City Council has appointed the BRT to manage the Basin Reserve under a Management Deed (relating to the Basin Reserve). These two key documents set out how the BRT will govern the Basin Reserve.

The BRT is governed by a Board comprising four Trustees, two appointed by Cricket Wellington and two by Wellington City Council. The Board meet at least four times a year and appoint subcommittees as it deems appropriate to fulfil its obligations. The Trustees set the strategic

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direction for the BRT and approve the Statement of Intent and Annual Business Plan. The Trustees monitor the organisational performance and ensure that the Trust has appropriate policies and procedures to mitigate its risks (including compliance with the Health and Safety at Work Act 2015).

Trust Membership

- Alan Isaac (Chair) (appointed by Wellington City Council)
- Mike Horsley (appointed by Cricket Wellington)
- Councillor Fleur Fitzsimons (appointed by Wellington City Council)
- Mr John Greenwood (appointed by Cricket Wellington)

Performance Management

The performance of the Trust is measured in part by achievement of agreed KPI's, with regards to operational activities. The Chair of the Board will undertake an annual evaluation of Trustee performance. Further, the individual performance of Trustees is monitored by the Wellington City Council (in respect of the two Council- appointed Trustees), and Cricket Wellington (with regards to the two Cricket Wellington-appointed Trustees).

The Trust acknowledges the need for ongoing professional development opportunities for Trustees and encourages the undertaking of specialist training for identified needs. The Board will, on an annual basis, implement a programme that supports the identified needs. This may include programmes such as that offered by the NZ Institute of Directors (or similar) or specialist knowledge building from appropriate agencies.

6. Finance

The budget for 2019-20 has been developed on the basis of breaking even, exclusive of a \$350k capital grant for replacing the turf. The budget is generally conservative and in line with the activity outlined in this document.

Analysis

The following are the key details and assumptions for the budget that results in a budgeted surplus of \$387,620. Note, this surplus includes receipt of a \$350k grant to renew the turf. It's spend is budgeted as capital expenditure.

Revenue - \$1,392,110

Revenue	Budget 2018-19	Forecast 2019-20	% Change	Comment
Grants	\$702,086	\$1,025,250	32%	Includes \$350K grant to fund turf renovation
Ground Hire	\$328,100	\$290,200	-13%	Noodle Night markets not held in 2019-20
Other	\$34,000	\$76,500	56%	Increased signage sponsorship secured

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Interest	\$160	\$160		N/A
Total	\$1,064,346	\$1,392,110	24%	

Expenses - \$1,004,490

The expense side of the budget has been developed based on business as usual and a realistic estimate of the costs associated with operating the BRT.

Expense	Forecast 2018-19	Budget 2019-20	% Change	Comment
Building Expenses	\$41,900	\$48,800	-16%	Inflation adjustments
Ground Expenses	\$371,000	\$391,100	-5%	Inflation adjustments
Occupancy Expenses	\$133,200	\$137,350	-3%	Inflation adjustments
Event Running Expenses	\$162,500	\$175,000	-8%	Reflects costs of increased community events
Administration Expenses	\$111,080	\$116,500	-5%	N/A
Other Expenses	\$39,000	\$7,000	82%	Noodle Night Markets not budgeted
Depreciation Expenses	\$120,000	\$128,650	-7%	Increased capex costs
Total	\$978,680	\$1,004,490	-3%	

Capital Expenditure

Capital expenditure of \$470K is included within the budget, which includes \$350K turf upgrade.

Cashflow

Cashflow varies throughout the year as key revenues from grants are received quarterly.

Risks

The main financial risks are as follows:

- Sponsorship / Signage income may not be secured
- An external grant for the turf renovation may not be secured
- Significantly increased repairs and maintenance are required

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Ratio of trustee equity to total assets

0.89 : 1.00 at 30 June 2020

Estimate of amount intended for distribution

There is no intention to pay out reserves to stakeholders.

Acquisition procedures

There is no intention to make any acquisitions.

Estimate of commercial value of stakeholder's investment

N/A

7. Additional Grants

The BRT will be seeking additional capital grants totalling \$350,000 to replace the Basin Reserve turf.

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Appendices

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- Appendix 1 – 2019-20 Statement of Financial Performance

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FORECAST FINANCIAL STATEMENTS

BASIN RESERVE TRUST

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEARS ENDING

	30 June 2019 Forecast	30 June 2020	30 June 2021	30 June 2022
	\$'s	\$'s	\$'s	\$'s
Revenue				
Council funding	666,900	675,250	683,750	692,400
Grants other	35,186	350,000	30,000	40,000
Sales of goods and services	362,100	366,700	337,100	340,700
Interest revenue	160	160	180	180
Total Revenue	1,064,346	1,392,110	1,051,030	1,073,280
Expenses				
Depreciation of property, plant and equipment	120,000	128,650	173,750	178,750
Costs related to providing goods and services	708,600	752,250	744,650	758,000
Other expenses	150,080	123,590	123,595	129,595
Total Expenses	978,680	1,004,490	1,041,995	1,066,345
Surplus/(Deficit) for the Year	85,666	387,620	9,035	6,935

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**BASIN RESERVE TRUST
STATEMENT OF FINANCIAL POSITION AS AT**

	30 June 2019 Forecast	30 June 2020	30 June 2021	30 June 2022
Assets	\$'s	\$'s	\$'s	\$'s
Current Assets				
Bank accounts and cash	168,194	183,354	141,434	175,694
Debtors and prepayments	161,360	135,400	210,700	186,880
Total Current Assets	329,554	318,754	352,134	362,574
Non-Current Assets				
Property, plant and equipment	547,749	889,099	895,349	910,349
Total Non-Current Assets	547,749	889,099	895,349	910,349
Total Assets	877,303	1,207,853	1,247,483	1,272,923
Liabilities				
Current Liabilities				
Creditors and accrued expenses	181,103	124,033	154,628	173,133
Income received in advance	10,000	10,000	10,000	10,000
Unearned income	-	-	-	-
Total Current Liabilities	191,103	134,033	164,628	183,133
Total Liabilities	191,103	134,033	164,628	183,133
Total Assets less Total Liabilities	686,200	1,073,820	1,082,855	1,089,790
Trust Equity				
Contributed capital	100	100	100	100
Accumulated surpluses	686,100	1,073,720	1,082,755	1,089,690
Total Trust Equity	686,200	1,073,820	1,082,855	1,089,790

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**BASIN RESERVE TRUST
STATEMENT OF CASH FLOWS FOR THE YEARS ENDING**

	30 June 2019 Forecast	30 June 2020	30 June 2021	30 June 2022
	\$'s	\$'s	\$'s	\$'s
Cash Flows from Operating Activities				
Receipts of council funding	646,900	665,600	678,600	674,100
Receipts of grants other	35,186	350,000	30,000	40,000
Receipts from sale of goods and services	345,200	326,700	307,100	325,100
Interest receipts	160	160	180	180
Payments to suppliers and employees	(837,430)	(845,300)	(865,800)	(845,120)
GST (net)	(12,000)	(12,000)	(12,000)	(10,000)
Net Cash Flows from Operating Activities	178,016	485,160	138,080	184,260
Cash Flows from Investing and Financing Activities				
Payments to acquire property, plant and equipment	(101,300)	(470,000)	(180,000)	(150,000)
Net Cash Flows from Investing and Financing Activities	(101,300)	(470,000)	(180,000)	(150,000)
Net Increase/(Decrease) in Cash for the Year	76,716	15,160	(41,920)	34,260
Add opening bank accounts and cash	91,478	168,194	183,354	141,434
Closing Bank Accounts and Cash	168,194	183,354	141,434	175,694

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BASIN RESERVE TRUST

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEARS ENDING

	30 June 2019 Forecast \$'s	30 June 2020 \$'s	30 June 2021 \$'s	30 June 2022 \$'s
Income				
Grant Income				
Grant Wellington City Council	666,900	675,250	683,750	692,400
Grant Other	35,186	350,000	30,000	40,000
	<u>702,086</u>	<u>1,025,250</u>	<u>713,750</u>	<u>732,400</u>
Ground Hire Income				
Ground Hire International Cricket	170,600	170,600	144,100	144,100
Ground Hire Domestic Cricket	62,500	62,500	62,500	62,500
Ground Hire Winter Sports	1,200	3,600	-	3,600
Ground Hire Other Events	93,800	53,500	56,500	56,500
	<u>328,100</u>	<u>290,200</u>	<u>263,100</u>	<u>266,700</u>
Other Income				
Concession Income	32,500	35,000	32,500	32,500
Sponsorship	-	40,000	40,000	40,000
Picket Fence Income	1,500	1,500	1,500	1,500
	<u>34,000</u>	<u>76,500</u>	<u>74,000</u>	<u>74,000</u>
Interest Income				
Interest income	160	160	180	180
Total Income	<u><u>1,064,346</u></u>	<u><u>1,392,110</u></u>	<u><u>1,051,030</u></u>	<u><u>1,073,280</u></u>

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

3 APRIL 2019

Absolutely Positively
Wellington City Council
Me Heke Ki Pōneke

BASIN RESERVE TRUST

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEARS ENDING

	30 June 2019 Forecast \$'s	30 June 2020 \$'s	30 June 2021 \$'s	30 June 2022 \$'s
Expenditure				
Building Expenses				
Repairs & Maintenance	10,000	15,000	17,500	17,500
Cleaning	2,000	2,000	3,000	3,000
Electrical Services	4,000	4,500	5,000	5,000
Fire System	10,000	10,500	11,000	11,500
Painting	2,000	2,000	2,500	3,000
Pest Control	7,600	8,000	8,200	8,500
Plumbing	6,000	6,500	6,500	7,000
Other	300	300	350	350
	41,900	48,800	54,050	55,850
Ground Expenses				
Electrical Services	2,000	3,500	3,500	4,000
Equipment Hire	-	400	400	500
Cleaning	4,000	4,500	4,500	5,000
Irrigation	1,000	1,200	1,200	1,400
Painting	2,000	2,000	2,500	2,500
Plumbing	5,000	7,500	8,000	8,000
Rubbish Removal	12,000	14,000	15,000	16,000
Structures Repairs & Maintenance	25,000	28,000	28,000	35,000
Turf	320,000	330,000	330,000	330,000
	371,000	391,100	393,100	402,400
Occupancy Expenses				
Gas	7,000	7,500	7,500	8,000
Electricity	24,000	24,500	25,000	25,000
Rates	33,100	34,000	34,500	35,000
Security	13,300	13,600	14,000	14,500
Telephones	6,200	7,350	7,350	7,350
Water Rates	28,000	28,500	28,500	29,000
Television	2,900	3,000	3,100	3,200
Insurance	1,100	1,200	1,250	1,300
Consumables Laundry & Toilet	17,600	17,700	17,800	17,900
	133,200	137,350	139,000	141,250

**COUNCIL CONTROLLED ORGANISATIONS
SUBCOMMITTEE**

3 APRIL 2019

Absolutely Positively
Wellington City Council
Me Heke Ki Pōneke

BASIN RESERVE TRUST

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEARS ENDING

	30 June 2019 Forecast \$'s	30 June 2020 \$'s	30 June 2021 \$'s	30 June 2022 \$'s
Expenditure				
Event Running Expenses				
Event Running	145,000	145,000	128,500	128,500
Casual Staff	17,500	30,000	30,000	30,000
	162,500	175,000	158,500	158,500
Administration Expenses				
Audit	14,000	14,500	14,500	15,000
Accounting	12,000	12,000	12,000	12,000
Bank Fees	80	90	95	95
Consultants	15,000	20,000	20,000	25,000
Management Fee	70,000	70,000	70,000	70,000
	111,080	116,590	116,595	122,095
Other Expenses				
Interest Expense	-	-	-	-
Marketing	38,000	6,000	6,000	6,500
Miscellaneous	500	500	500	500
Picket Fence Expenses	500	500	500	500
	39,000	7,000	7,000	7,500
Depreciation Expense				
Depreciation Expense	120,000	128,650	173,750	178,750
	120,000	128,650	173,750	178,750
Total Expenditure	<u>978,680</u>	<u>1,004,490</u>	<u>1,041,995</u>	<u>1,066,345</u>
Net Surplus (Deficit) for the Year	<u>85,666</u>	<u>387,620</u>	<u>9,035</u>	<u>6,935</u>

Statement of Intent 2019-2020 Karori Sanctuary Trust

Presented to the Environment Committee
pursuant to Schedule 8 of the Local Government Act (2002)

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1. Introduction

Since its launch in December 2016, ZEALANDIA's 20-year strategy document, *Living with Nature: Tiaki Taiao, Tiaki Taonga – our strategy for 2016-2035*, remains the key touch-stone document for all our work. It articulates our vision for nature-rich communities where people and nature flourish and the wider Wellington region is internationally recognised as the most nature connected urban area in the world.

As for the 2018/19 Statement of Intent (SOI), this SOI document is structured to reflect our activities and programmes against each of the key strategic themes contained in *Living with Nature*.

ZEALANDIA continues to demonstrate a strong, positive trend in performance across all areas of its operations. The 2017/18 Annual Report provides data from the past 3-5 years and tells a continued story of growth and transformation, as a business and social enterprise, as a leader in conservation and restoration practice, and as a visionary influencer at local, national and international levels.

As always, our continued conservation and restoration work within the sanctuary remains a core element of all we do. In 2018/19 we completed a review and update of the ZEALANDIA Restoration Strategy, looking forward to the next 20 years of restoration work. In 2019/20 we will conduct a similar review of the Valley Management Plan which looks at the maintenance and development of all infrastructure including tracks and trails.

The increasingly strong and expanding reputation of our work in the sanctuary continues to provide ZEALANDIA with extraordinary opportunities for impact and influence 'beyond the fence'. Our Centre for People and Nature (launched in early 2018), the Sanctuary to Sea project, leadership roles in Predator Free Miramar and Predator Free Wellington, and speaking invitations at local and national conferences and events are all examples.

As stated in our introduction to the 2017/18 SOI:

In all our work, partnerships remain of critical importance and our relationship with Wellington City Council (WCC) is an essential and central component of all our activity as we aim to enhance our contribution to Wellington's reputation as a liveable and living city.

Next steps in 2019/20

This SOI documents our plans for how ZEALANDIA will continue to add value to Wellington and meet WCC's goals as set out in the Letter of Expectations. As the majority of ZEALANDIA's work is long-term, many of the approaches and actions articulated in this SOI describe a continuation, or further development, of existing programmes and projects that have been described in previous SOI documents.

ZEALANDIA's strategic and operational direction remains closely aligned with a significant number of the Council's environmentally focussed strategic plans, as we have indicated in section 2 below.

As mentioned above, our conservation and restoration activities in the sanctuary are fundamental to all our work and will continue in 2019/20.

Our close relationship with Predator Free Wellington will continue, including (but not limited to) our formal agreements relating to the leadership of education and research activities.

Our Sanctuary to Sea project is already making significant impact and is an example of a long-term project that will continue to be an important element of our plans year-by-year, contributing to the achievement of many of the Council's objectives.

In a similar vein, the Centre for People and Nature remains a key strategic initiative for ZEALANDIA and the contribution we are able to make to Wellington as a whole.

As in previous years, our work across all levels of education and learning remains one of our core areas of activity and through strong and growing partnerships we will continue to develop and grow opportunities at all levels. Our provision of programmes for lower decile schools will continue to develop, along with other school-age programmes.

Having made important advances in our built environment in 2018/19, we will continue to develop plans for future capital projects to ensure our infrastructure is brought up to standard and is fit-for-purpose and well maintained. As always, we welcome the Council's support in assisting ZEALANDIA in developing and maintaining this fit-for-purpose infrastructure.

As our work continues to attract significant national and international attention, we remain very mindful of the strong partnerships that contribute to the exciting story of transformation we are now able to tell. Through the work outlined in this SOI we will continue to highlight the pivotal role of partnerships and the key strategic relationship with Council.

Phillip Meyer
**Chair, Karori Sanctuary Trust,
Trust**

Paul Atkins
**Chief Executive, Karori Sanctuary
Trust**

2. The Strategic Partnership with Wellington City Council

Wellington City Council (WCC) remains a key strategic partner of the Trust and we will continue to align our priorities with the Council's strategic direction, and make a strong contribution towards advancing the Council's aims as signalled through a range of strategy documents including the 2018-28 Ten Year Plan. We are a significant contributor to the success of Wellington's Outer Green Belt Management Plan and will continue to work with WCC colleagues to support the delivery of its objectives.

ZEALANDIA's 2017/18 Annual Report highlighted once again our position as a high performing contributor to the liveability of our city and the wider Wellington region, working effectively with partner organisations to drive Wellington's position as a unique natural capital. We are grateful for the City's continuing support for our operations and development.

In 2017/18 we further strengthened our financial position with overall revenue exceeding \$5m for the first time. We also experienced a record number of visitors to ZEALANDIA (132,337) and, combined with the growth in our tours, retail, café sales and overall fundraising, we delivered a year-end net operating surplus (before extraordinary items) of \$174,099. This is the third consecutive year-end surplus. Our financial strength in 2017/18 enabled us to fully repay the Wellington Community Trust loan which supported the building of the ZEALANDIA fence. Overall, in 2017/18 we self-generated more than 83% of the funds required to run ZEALANDIA.

In 2019/20 we will continue to implement the living wage policy for our employees as required by WCC and anticipate that the Council again will support funding the additional cost associated with this on an ongoing basis.

There are several Council plans and strategy documents to which ZEALANDIA's work is particularly closely aligned, as indicated below. In all our work, ZEALANDIA has paid close attention to recognising the partnership with Council and we will continue to ensure this visibility in 2018/19.

2.1 Wellington City Long Term Plan 2018-28

Under its 2018-2028 Ten Year Plan, the Council commits to part fund ZEALANDIA as a conservation visitor attraction. The rationale for this investment is that ZEALANDIA will inform and educate people on the importance of conservation and biodiversity, attract visitors, and restore and protect native flora and fauna.

Amongst Council's outcome indicators in the Ten-Year Plan, those of most relevance for ZEALANDIA are:

- residents' usage of the city's open spaces
- resident engagement in environmental protection and restoration

In terms of the Council's investment in entities which attract significant numbers of visitors, ZEALANDIA's projections are:

	2018-19 forecast	2019-20	2020-21	2021-22
ZEALANDIA visitors	116,914	102,200	105,200	108,400

2.2 Wellington Towards 2040: Smart Capital

Wellington's Strategic Vision, "Wellington Towards 2040: Smart Capital" is supported by four goals – people-centred city, connected city, eco-city and dynamic central city. The eco-city goal recognises the importance of Wellington taking an environmental leadership role.

ZEALANDIA makes a significant contribution to the city through not only our unique amenity value, but increasingly as the source of the resurgence of native fauna now being experienced throughout the city and suburbs. Additionally, many of our programmes further the environmental leadership role through, for example:

- Education, teaching and learning
- Research: An integrated programme of multi-disciplinary, long-term research has been developed with multi-organisational inputs. Having launched the ZEALANDIA Centre for People and Nature in mid-2017/18, we are continuing the establishment of the Centre at ZEALANDIA, including the development of a meeting Hub. Through cutting-edge research, educational activity and community engagement we will generate the data, information, knowledge and understanding required to transform how we live well with nature and reshape the places in which we live.

2.3 Our Natural Capital: Wellington's Biodiversity Strategy

Wellington's Biodiversity Strategy, completed in 2015, aims to protect and restore the city's indigenous biodiversity. In order to protect indigenous biodiversity Council recognises the need to connect people to it, and to carry out research so it can be better managed.

Council has identified four themes for its work to implement the Biodiversity Strategy:

- We will aim to protect the ecologically significant areas on both private and public land.
- We will restore these areas, create safe buffer zones around them and connect them together. We will reduce pest numbers throughout Wellington City to a point where our native species can survive and expand.
- Throughout the urban environment, we will focus on raising awareness of the issues facing indigenous biodiversity and connecting people to their natural environment.
- We will enable our community to continue restoration work across all our reserves and we will support them in these efforts.

There is an increasing awareness worldwide of the need to protect our natural environment. Wellington is uniquely positioned to grow as a nature capital with ZEALANDIA at its heart as a nature destination and a site for urban ecology research and community learning.

2.4 Our Capital Spaces Framework

The Council's Open Spaces and Recreation Framework for Wellington 2013-23 includes three priorities that are directly relevant to ZEALANDIA:

- Enhancing the Halo project and biodiversity - expand pest management and native planting; and work with partners to deliver the Halo project buffer zone to expand the safe habitats for birds flying in and out of ZEALANDIA.
- Accessible information - Provide on-site signs and information (on paper, online and for mobile devices) that can be accessed by everyone, including people with physical, hearing or sight impairments.
- Partnerships - Help expand partnerships, recognising that partnership requires resourcing from both sides.

Working with Council on these priorities aligns closely with our purpose of restoring our connection with our unique natural heritage, inspiring and enabling people to take action.

2.5 Predator Free Wellington

This joint programme between Wellington City Council, Greater Wellington Regional Council, and the NEXT Foundation aims to create the world's first predator-free capital city. The first key project will involve the eradication of rats from Miramar peninsula, a major pioneering project and the first of its kind in an urban centre in New Zealand.

ZEALANDIA carries two leadership roles in this project; coordination of the research programme, and coordination and delivery of the schools programme. Leadership of the research programme involves coordinating social and ecological research across universities and Manaaki Whenua Landcare Research, a role which began in 2017/18 and will continue to grow into 2018/2019 as key milestones for the Predator Free Wellington programme are reached.

ZEALANDIA also successfully developed and delivered a pilot Predator Free Wellington Schools programme in 2017/18, which has been extended and expanded into a two-year programme until October 2020. The expanded programme involves ZEALANDIA educators working with Miramar Peninsula schools to take conservation action in their own environments and build their connection and engagement with a nature-rich future.

2.6 The Wellington Regional Economic Growth Agenda

WREDA's vision for Wellington is that, by 2025, Wellington will be the most prosperous, liveable and vibrant region in Australasia.

Tourism is an important contributor to economic growth in Wellington and New Zealand. Wellington has a strong domestic tourism market with 75% of visitors to the city coming from other parts of New Zealand. Domestic visitors typically cite their reasons for travel as for a specific event, business or to have an urban experience.


ZEALANDIA works closely with the relevant agencies in Wellington to position itself firmly at the centre of the tourist trail in the city. In 2017/18 ZEALANDIA:

- Attracted over 132,000 visitors to the sanctuary.
- Featured consistently in the top 10 Wellington tourist attraction by Trip Advisor and as a key destination for international visitors coming to Wellington.


The Wellington Regional Economic Development Agency (WREDA) remains a key strategic partner and in 2019/20 we will continue to advance this increasingly close relationship.

Summary of achievements in 2017/18


Some highlights of the year



**Social
Capital**




**Environmental
Capital**




Aerial view of the valley. Photo credit: Rob Sulist.

Our whole-of-catchment urban restoration project, Sanctuary to Sea - Kia Mauriora te Kaiwharawhara, is bringing together community groups, schools, and companies in a shared vision for the restoration of the entire Kaiwharawhara catchment. This water catchment is of regional significance and the restoration model we are developing could offer an important approach for other catchments around the country in future years.




His Excellency Frank-Walter Steinmeier, the President of Germany visited with his wife in November. Photo credit: Tessa Sinclair.

We have welcomed ever greater numbers of international visitors year-by-year. This year, close to 53,000 international visitors experienced ZEALANDIA and learned about the importance of the natural world and how, here in Wellington, we are modelling ways of integrating the natural world into places where people live. We work closely with various arms of government including the Visits and Ceremonial Office to provide a unique and memorable experience for the many guests of government who now request a visit to ZEALANDIA to be included in their itinerary.



Our new ambassador takahē Orbell ventures out of his introductory enclosure. Photo credit: Lynn Freeman.







This year the Department of Conservation's Takahē Recovery Programme worked with us to coordinate the translocation of a pair of takahē from Mana Island. Nio and Orbell were welcomed to ZEALANDIA by mana whenua Taranaki Whānui, and farewelled from Mana Island by the Friends of Mana Island and Ngāti Toa. Takahē are a key species that people can see at ZEALANDIA. These birds are still within breeding age, so we are hopeful for a successful nesting attempt in 2018/19. This will even further enhance the contribution of ZEALANDIA to the conservation of this precious taonga.



Green mistletoe (*Ileostylus micranthus*). Photo credit: ZEALANDIA.

Green mistletoe (*Ileostylus micranthus*) was translocated into Te Māra a Tāne this year after a host tree in the Hutt valley died and was threatening the existence of a specimen of this semi-parasitic plant attached to it. This is an example of a project involving a range of partner organisations including Ngā Manu, the Botanical Society, Greater Wellington Regional Council, Forest & Bird, and Otari-Wilton's Bush.

Some highlights of the year

 Human Capital	 Financial Capital
 <p>Open Weekend held in May. Photo credit: Pete Monk.</p> <p>Open Weekend 2018, held in May, was the biggest yet, with over 6,000 people visiting ZEALANDIA over the two days. The planning and coordination by a large team of staff and volunteers was a great example of the ZEALANDIA whānau working together to deliver a successful event that saw large numbers of first-time visitors to the sanctuary having a wonderful experience.</p> <p>We are grateful for our partnership with Wellington Zoo in this popular Open Weekend event each year.</p>  <p>ZEALANDIA staff volunteering in the valley. Photo credit: ZEALANDIA.</p> <p>This year we launched a new volunteering initiative for all ZEALANDIA staff, giving any staff member the opportunity to develop their skills in, and understanding of, conservation and restoration approaches, and specifically of the species in Te Māra a Tāne. Staff wishing to participate spend a day in the sanctuary working under expert guidance on a restoration project. This year the focus was on the restoration of our upper dam wetland and proved to be very popular with all involved.</p>	 <p>Minister Megan Woods, Paul Atkins, and Andrew Caseley. Photo credit: ECCA.</p> <p>Through an important partnership with Meridian Energy, and a grant from EECA's Low Emission Vehicles Contestable Fund, we have purchased two new fully electric minibuses to replace the ageing diesel minibus. These will operate 364 days a year as a free shuttle service between ZEALANDIA and the city centre, providing an outstanding example of the use of EV technology for passenger minibus applications – a first in New Zealand.</p>  <p>Lower lake. Photo credit: ZEALANDIA.</p> <p>The professional and prudent management of budgets has resulted in ZEALANDIA delivering a third consecutive year-end net operating surplus (before extraordinary items), and building a healthy balance of working capital. This represents an increase of 49% over the previous year-end balance.</p> <p>This is of considerable significance in demonstrating the sustainability of our organisation, and enabling ZEALANDIA to reinvest our own capital in key areas of priority.</p>

3. Strategic Direction for 2019/20 and beyond

ZEALANDIA's 20-year strategy, Living with Nature: Our strategy for 2016-2035 / Tiaki Taiao, Tiaki Tangata: Te Rautaki 2016-2035, was published in 2016 and we continue to drive all our activity and programmes in support of the key themes as below:



4. The nature and scope of our activities in 2019/20

The following sections set-out our high-level objectives, scope of business, key performance indicators and the budget for 2019/20. It is supported by the ZEALANDIA business plan for 2019/20 and a range of other operational plans that are approved by the Board from time to time.

The KPI Scorecard (section 5.1) brings together a set of Key Performance Indicators to enable ZEALANDIA management, the Trust Board and WCC to focus on the most important measures of success for 2019/20.

4.1 Objectives

The 2019/20 work programme is presented in the following sections, grouped according to our key objectives:

- Restoring Te Māra a Tāne and its extending halo of biodiversity.
- Building our organisation's capacity to drive transformation.
- Creating inspiring, accessible experiences.
- Forming strong and enduring local, national and international partnerships based on shared goals.
- Embracing Mātauranga Māori and other knowledge frameworks.
- Being a hub where people of all ages can learn, create new knowledge and share their insights and understanding.
- Equipping people with experience and skills for a nature-rich future.

4.2 Restoring Te Māra a Tāne and its extending halo of biodiversity

The conservation and restoration activities in the sanctuary continue to be central to all our work. As set out in our draft ZEALANDIA Te Māra a Tāne Māra a Tāne Conservation and Restoration Strategy, this work involves restoring our wetlands, managing threats to species, and working beyond the fence to create safe places for wildlife.

Current (ongoing) programmes

- Maintain the perimeter fence so that it ensures the area within the fence is secure from mammalian threats.
- Undertake effective monitoring and management of threats (plant and animal pests).
- Manage and monitor indigenous plants and animals, especially those recently transferred to the sanctuary or requiring support, for example, through provision of supplementary food or nest boxes.
- Manage the welfare of species held in captivity to ensure successful breeding outcomes where appropriate.
- Support nationally and locally led species recovery programmes and restoration work where possible.

Strategic Initiatives

- Continue to grow the Sanctuary to Sea project through the development and implementation of a three-year strategic plan.
- Carry out perch removal in the lower lake.
- Establish a cultural health monitoring programme with mana whenua.

Key performance indicators 2019/20

- Lower lake perch removal completed, pending appropriate weather conditions.
- Mana whenua beginning active monitoring in the sanctuary.
- A minimum of 10 community groups active in restoring the Kaiwharawhara catchment.

4.3 Building our organisation's capacity to drive transformation.

Careful financial management has allowed us to build a healthy and appropriate working capital balance of \$1,167,000 as at 30 June 2018, representing an increase of 49% from the previous year's position of \$782,000. We will continue to manage an appropriate level of working capital to enable us to reinvest in crucial projects including the Centre for People and Nature, and other strategically important investments across the organisation. Overall our balance sheet position is healthy not wealthy.

In November 2018 we moved into our new staff building, named Pukeahu House (formerly the Brierley Pavilion). Pukeahu House provides essential office space for our people and is already transforming our work environment.

With work starting in 2018/19, we aim to create a purpose-built Hub for the Centre for People and Nature, named Tanglewood House, that meets the future needs of our people working in the generation of new knowledge across conservation, education, research, volunteering, and all aspects of community engagement. Tanglewood House will create a vibrant and value-adding hub for our people and everyone engaged with our knowledge generation programmes, and will be a physical manifestation of ZEALANDIA's Centre for People and Nature

In 2018/19 we completed the implementation of a major IT project that included moving our document management system to the cloud and upgrading our computers to Windows 10. This project has future-proofed our IT system by removing our dependence on an ageing and high-cost server, as well as enabling significantly greater flexibility in the way we work, with staff now able to access our system from anywhere in the world

We are already an internationally recognised, world-class site, as indicated by our success in attracting increasing numbers of visitors, volunteers, researchers and interns, and the next 10 years will see us driving hard to become an exemplar of a fully integrated, world leading conservation organisation offering outstanding opportunities for cutting-edge research, education, visitor experience, interpretation and outreach.

We will build our continuous improvement culture which has been pivotal in driving recent successes. Investing in staff development (including our volunteers and interns), and providing tools and infrastructure which allows the teams organisation-wide to evolve and optimise best practice will be key in our long-term sustainable development. As a lean organisation, the teams

will also endeavour to maximise the partnerships which offer win-win opportunities for all those involved.

Current programmes

We will:

- Continue to develop plans to utilise the Visitor Centre and our other buildings to maximum effect to support visitors, and our research and education programmes, our visitor experiences, our strategic partnerships, and our commercial activities.
- Establish new avenues for people to volunteer
- Invest in the professional development of our people.
- Maintain volunteer satisfaction with their experience at ZEALANDIA
- Measure staff satisfaction through our engagement survey

Strategic Initiatives

- Develop smart initiatives to grow our people (staff, volunteers and interns), support systems and enduring financial vitality.
- Maintain our Carbon Zero accreditation.
- Deliver good sustainability practices across the whole of the organisation
- Continue to identify and implement opportunities to reduce waste through initiatives to reduce, reuse and recycle and to reduce our carbon footprint.
- Glaze in the Rata Café balcony through a WCC funded capital project to improve café utilisation and create a year-round space suitable for corporate and community functions and events.
- Continually improve our IT systems to ensure they are fit for purpose, so we can operate efficiently and effectively including on digital platforms

Key performance measures/indicators 2019/20

- A net surplus before depreciation and tax of \$331,100
- Non-WCC grant revenues equating to >75% of overall income
- 11,000 members
- Membership subscriptions of \$318,300
- Full cost per visitor (including WCC costs) TBC by WCC
- Average WCC subsidy per visitor of no more than \$8.54
- Average revenue per visitor of no less than \$26.74
- Non-Council Donations/Funding of \$275,000
- Maintain > 470 volunteers, with the establishment of new avenues for people to volunteer
- > 80% of volunteers are satisfied with their relationship with ZEALANDIA

4.4 Creating inspiring, accessible experiences and change through example and shared passion for action.

We want all our audiences to engage and connect with nature, whether they are members, volunteers, partners or visitors. We will continue to develop the range of experiences that we can offer to meet the needs of all our audiences. By giving visitors an experience of robust and healthy native wildlife within an urban setting, they are more likely to value the work that we do, take action in their own environments, and act as ambassadors for our message. In 2018 we successfully piloted a tactile tour for those with vision impairments and will now expand this into our regular scheduled public programmes for those with a range of disabilities. Our goal is that all visitors have opportunities to experience ZEALANDIA regardless of accessibility needs.

In 2019/20, day and night tours will continue to be a key focus for enriching visitor experience. ZEALANDIA's tours provide visitors with a deeper understanding of our native flora and fauna and our cultural history. This year we will continue the development of our products by introducing a greater te ao Māori perspective into our tours.

Current programmes

- Provide experiences that increase people's understanding of New Zealand's natural heritage, and conservation challenges and successes here and elsewhere.
- Reshape and expand our communications channels to actively support our conservation and research programmes, visitor experiences, programmes, partnerships and audience impacts
- Provide regular events and activities that enrich visitors' connection with conservation and a nature-rich future
- Provide high quality volunteering experiences that increase our connections and engagement with the community.
- Provide a diverse range of experiences for members and volunteers; researchers and academics; community and corporate groups; local Wellingtonians; and visitors from across New Zealand and other countries (both independent travellers, and those on tours and cruise ships).
- Work in partnership with Be.Accessible and through a process of continuous improvement make ZEALANDIA as accessible as possible to any visitor regardless of ability.
- We will continue to provide high quality commercial services that connect visitors with nature through:
 - Highly attractive visitor experiences
 - Premium and custom tours
 - Annual membership
 - Exhibitions and events

Strategic Initiatives

- Continue development and delivery of signage and interpretation upgrades alongside overall visitor experience planning.
- Continue to develop and grow activities and experiences for young people and families
- Continue to grow our range of programmes and offerings to reach a wider cross-section of Wellington's diverse communities
- Increase engagement opportunities for those with differing accessibility needs
- Develop new tours experiences that enable visitors to build a deeper understanding of our conservation and restoration activities, and our natural heritage.
- Participate in the Council's review of the Leisure Card programme with the aim to improve accessibility to ZEALANDIA when price might otherwise be a barrier, subject to operational and commercial considerations.

Key performance measures/indicators 2019/20

- Visitor numbers – 102,200 separate visitations with breakdown of visitor demographics
- 8,800 education visitors
- Visitor experience – ZEALANDIA achieves a satisfied visitor rating of 95% or greater
- Continue to improve accessibility and achieve Be.Accessible Gold rating.

4.5 Forming strong and enduring local, national and international partnerships based on shared goals.

ZEALANDIA works increasingly closely to mutual benefit with a wide range of partners, with Wellington City Council being a key strategic partner alongside close partnerships with other organisations such as Greater Wellington Regional Council and the Department of Conservation. We also have strong and enduring relationships with Victoria University of Wellington, Taranaki Whānui, University of Waikato, Wellington Water, Wellington Zoo, Otari Wilton's Bush, other Wellington CCO's, the Tenth's Trust, other mainland sanctuaries, and many others.

Integrating our plans with the vision and plans of others is essential to the achievement of our vision.

Current programmes

- We will continue to recognise the strategic priorities of the Council as an important part of the strategic context for ZEALANDIA, and to align our strategies and priorities closely with those of the Council (see Section 2: The Strategic Partnership with Wellington City Council).
- We will continue to recognise the central importance of our members and volunteers and provide opportunities for them to contribute to, and benefit from, a close relationship with ZEALANDIA.

- We will continue to work with key partners and grow the community involvement for the delivery of our Sanctuary to Sea project.
- We will continue to engage with our neighbours in the local community, and the wider Wellington community, to seek and foster community support for ZEALANDIA, and encourage participation in our activities.
- We will continue to provide support to the Karori Predator Free community (KAKA) and those working to restore Birdwood Reserve.
- We will continue to work closely with our many research partners to develop evidence-based practice across our organisation and further afield.

Strategic Initiatives

- We will identify key ways through which our partnership with Wellington City Council can deliver greater gains for biodiversity across the region.
- We will grow our leadership roles in Predator Free Wellington, contributing to the delivery of school-based programmes in Miramar and through leading research coordination.
- We will participate in international research gatherings (e.g. conferences) to share our knowledge and solidify partnerships.
- We will continue to liaise with all our CCO colleagues and especially with Experience Wellington and The Cable Car to contribute where possible to further improving the overall experience in the Kelburn precinct at the top of the cable car.

Key performance indicators

- Delivery of education programmes as agreed as part of the Predator Free Wellington partnership.
- Research coordination for Predator Free Wellington as developed and agreed.
- Identification and delivery of a range of avenues for communicating our learnings to other sanctuaries and other conservation/restoration initiatives
- A growing number of partnerships and programmes that enable us to work with and through others in community restoration projects.
- Participation in an increasing number of events (eg conferences, workshops, speaking engagements) that enable the broader communication of our knowledge for use in other locations.

4.6 Embracing Mātauranga Māori and other knowledge frameworks.

We will continue to grow our relationship with mana whenua, Taranaki Whānui ki Te Upoko o Te Ika and Ngāti Toa Rangatira as key strategic partners and maintain existing and build new partnerships with the many iwi who maintain kaitiakitanga for the species that have now found a home in the sanctuary. We are proud to be working with such important partners as we continue to integrate mātauranga Māori into our restoration, conservation and 'beyond the fence' work. Our goal for 2019/20 is to continue to increase organisational capacity in te reo and tikanga Māori and develop and deliver public content and activities that bring a Māori world view into ZEALANDIA's work. This work will enable ZEALANDIA to more effectively increase engagement with Māori audiences, as well as invite all ZEALANDIA's visitors to learn more about the Māori world.

This work will support the delivery of the Council's Te Taihū Te Reo Māori policy. Our goal is that our staff, volunteers and visitors understand the importance of te reo Māori and feel supported in learning and using it.

Current programmes

- We will continue to plan and action activities aimed at increasing competency and capability amongst staff and volunteers, including te reo sessions, a waiata group, and targeted training opportunities.
- We will continue our ongoing and growing iwi engagement work including consultation on our conservation and restoration strategies and key restoration activities (eg. species translocations).
- We will continue to work with mana whenua to develop a cultural health indicator project.
- We will continue to grow the accessibility of ZEALANDIA to mana whenua through special membership rates, and engagement with ZEALANDIA through mana whenua involvement in the development of public programmes and activities.

Strategic Initiatives

- Continue to grow and integrate Mātauranga Māori perspectives into all elements of ZEALANDIA project and programme development processes.
- Develop and grow relationships that enable closer partnerships with iwi and integration of Mātauranga Māori.
- Develop and deliver public programmes and initiatives that increase connection to te ao Māori
- Develop and deliver learning opportunities for staff and volunteers to increase their capacity and capability in te reo Māori and te ao Māori
- Increase bilingual content in signage and interpretation materials

Key performance indicators for 2019/20

- Improved visitor experience through new public programmes and activities for Matariki and Māori Language Week 2019
- Delivery of activities and opportunities for staff and volunteers to increase their knowledge and confidence in te ao Māori.
- Bilingual content incorporated in all new signage and interpretation materials developed.

4.7 Being a hub where people of all ages can learn, create new knowledge and share their insights and understanding

The establishment of the Centre for People and Nature provides an overarching structure for the further enhancement of all aspects of our work relating to knowledge creation.

Our programme of research has grown significantly over the past year, with ZEALANDIA researchers publishing a number of articles while also supporting people from other organisations in generating new knowledge. This year key focus will be the Centre for People and Nature, which now has funding for a physical hub and is growing in terms of content and influence. The key focus of this Centre will be generating the knowledge to support a nature rich future. This includes interdisciplinary research and discovery to inform policy, business, and conservation management.

We continue to expand our engagement with schools by enabling them to experience ZEALANDIA's variety of ecosystems and species, empowering them to explore the wildlife in their own environments, and by helping them to understand the steps needed to start their own backyard or community restorations.

Current programmes

- Deliver education programmes to schools under our LEOTC contract with the Ministry of Education
- Deliver in-school and sanctuary nature connection programmes for low decile and low engagement schools
- Carry out enrichment opportunities through school holiday activities for young people and their families
- Deliver seminars and other opportunities for Wellingtonians to engage with developing knowledge in nature-rich cities.
- Provide school-based programmes to Miramar schools as a partner in Predator Free Wellington.

- Provide schools and individuals with information and resources that enable them to learn about and actively contribute towards nature-rich communities.
- Undertake and support research that will increase our understanding about the flora, fauna, and the habitats and ecological processes that threaten or sustain them, and that can inform and benefit restoration initiatives elsewhere in New Zealand.
- Create a supportive environment for staff, volunteers and researchers to ensure research and learning are encouraged and embraced.

Strategic Initiatives

- Implement a communications strategy to grow the impact of the Centre for People and Nature.
- Carry out research focussed on understanding how changes to Wellington's biodiversity is affecting people.
- Raise funds to support and expand our formal and informal education programmes, with a focus on opportunities for those less able to access conservation experiences and learning.

Key performance measures/indicators 2019/20

- Research programme on the relationship between people and nature in Wellington underway.
- Maintain (and grow where possible) the number of peer-reviewed science publications emerging from the ZEALANDIA team.
- Deliver agreed school-based conservation education in Wellington as part of the Predator Free Wellington partnership.
- Continue to deliver valley-based and outreach programmes under our Ministry of Education LEOTC contract
- Continue to expand the range of programmes and activities offered to schools
- Continue to expand the range of activities for children, young people and families during school holiday periods
- Continue to grow the number of school holiday programmes visiting ZEALANDIA

4.8 Equipping people with experience and skills for a nature-rich future.

As birdlife spills beyond ZEALANDIA's fences and backyard wildlife flourishes in Wellington, we will continue to be a place where people learn about nature and what can be achieved with a successful restoration programme, and work with and through other groups to expand community knowledge and conservation action.

We work with Wellington City Council, Predator Free Wellington and other community groups to educate and inform about creating nature-rich and pest-controlled areas, thereby creating safer areas for native wildlife. Our goal is that Wellingtonians value our nature-rich environment and

take active steps to protect and support it, and that visitors are inspired to take positive action in their own backyards.

We will continue to develop the initiatives and programmes begun in 2017/18. Through volunteering opportunities, public programmes and workshops, the public will be offered opportunities to learn how to minimise backyard threats and provide safe habitat for native biodiversity, learn from and participate in research projects, connect with community restoration and environmental groups, and learn new skills in restoration and sustainability.

Current programmes

- Provide education experiences, tour products, visitor experiences and public programmes that help people understand and value New Zealand's natural heritage, and conservation challenges and successes.
- Provide high quality volunteering experiences that increase our connections and engagement with the community.
- Provide an annual programme of events and workshops on conservation, restoration and environmental topics.

Strategic initiatives

- Develop a long-term visitor experience plan aligned with the restoration and valley management plans.
- Provide learning and development opportunities for volunteers that are applicable both inside and outside the sanctuary.
- Increase the diversity of ZEALANDIA's partners and volunteers by working with and through a wider variety of community organisations.
- Develop and deliver visitor programmes and events that appeal to both current and potential new audiences.

Key performance indicators for 2019/20

- Long-term visitor experience plan developed and implemented
- Diversity of learning opportunities and programmes offered to volunteers increased.
- Programmes and events that enable a wider diversity of people to engage with ZEALANDIA developed and delivered
- Signage and interpretation within the sanctuary continued to be upgraded as funding allows.

5. Performance Measurements

5.1 KPI Scorecard 2019/20

Restoring Te Māra a Tāne and its extending halo of biodiversity (4.2) <ul style="list-style-type: none"> Lower lake perch removal completed, pending appropriate weather conditions. Mana whenua beginning active monitoring in the sanctuary. A minimum of 10 community groups active in restoring the Kaiwharawhara catchment. 	Building our organisation's capacity to drive transformation (4.3) <ul style="list-style-type: none"> A net surplus before depreciation and tax of \$331,100 Non-WCC grant revenues equating to >75% of overall income 11,000 members Membership subscriptions \$318,300 Full cost per visitor (including WCC costs) TBC by WCC Average WCC subsidy per visitor \$8.54 Average revenue per visit \$26.74 Non-Council Donations/Funding \$275,000 Maintain > 470 volunteers, with the establishment of new avenues for people to volunteer > 80% of volunteers are satisfied with their relationship with ZEALANDIA
Creating inspiring, accessible experiences and change through example and shared passion for action (4.4) <ul style="list-style-type: none"> Visitor numbers – 102,200 separate visitations with breakdown of visitor demographics 8,800 education visitors Visitor experience – ZEALANDIA achieves a satisfied visitor rating of 95% or greater <p>Continue to improve accessibility and achieve Be.Accessible Gold rating.</p>	Forming strong and enduring local, national and international partnerships based on shared goals (4.5) <ul style="list-style-type: none"> Delivery of education programmes as part of the Predator Free Wellington partnership. Lead the research coordination for Predator Free Wellington. Identify the range of avenues available for communicating our learnings to other sanctuaries and other conservation/restoration initiatives Continue to grow partnerships and programmes that enable us to work with and through others in community restoration projects. Support the ZEALANDIA team in giving talks and participating in other initiatives such as workshops that enable the broader communication of our knowledge for use in other locations
Embracing Mātauranga Māori and other knowledge	Being a hub where people of all ages can learn, create new

frameworks (4.6)	knowledge and share their insights and understanding (4.7)
<ul style="list-style-type: none"> Improve visitor experience through new public programmes and activities for Matariki and Māori Language Week 2019 Delivery of activities and opportunities for staff and volunteers to increase their knowledge and confidence in te ao Māori. Incorporate bilingual content in all new signage and interpretation materials developed. 	<ul style="list-style-type: none"> Research programme on the relationship between people and nature in Wellington underway. Maintain (and grow where possible) the number of peer-reviewed science publications emerging from the ZEALANDIA team. Deliver agreed school-based conservation education in Wellington as part of the Predator Free Wellington partnership. Continue to deliver valley-based and outreach programmes under our Ministry of Education LEOTC contract Continue to expand the range of programmes and activities offered to schools Continue to expand the range of activities for children, young people and families during school holiday periods Continue to grow the number of school holiday programmes visiting ZEALANDIA
Equipping people with experience and skills for a nature-rich future (4.8)	
<ul style="list-style-type: none"> Develop and implement a long-term visitor experience plan. Increase the diversity of learning opportunities and programmes offered to volunteers. Develop and deliver programmes and events that enable a wider diversity of people to engage with ZEALANDIA Continue to improve signage and interpretation within the sanctuary as funding allows. 	

5.2 Non-financial Performance Measures

Measure	2018-19 forecast	2019-20	2020-21	2021-22
Visitation	116,914	102,200	105,200	108,400
Members (Individuals)	11,245	11,000	11,200	11,400
Volunteers	>450	>470	>490	>510
Percentage of Satisfied Visitors	>95%	>95%	>95%	>95%

Measure	2018-19 forecast	Q1	Q2	Q3	Q4	2019-20	2020-21	2021-22
Visitation	116,914	14,735	33,143	33,680	20,642	102,200	105,200	108,400
Education visits ¹	8,722	1,882	3,468	1,216	2,234	8,800	8,800	8,800

¹ (LEOTC, tertiary, early childhood, school holiday programme, and outreach)

In the Quarterly Performance Reports for the Council we will provide:

- Geographic information on visitors to ZEALANDIA.
- A summary of visitor satisfaction metrics and comments from GetSmart online survey forms, TripAdvisor feedback and information from any internal customer satisfaction surveys.

5.3 Financial Performance Measures

Measure	2018-19 forecast	2019-20	2020-21	2021-22
Full cost per visitor (including WCC costs)	TBC by WCC	TBC by WCC	TBC by WCC	TBC by WCC
Average subsidy per visit (total WCC operating grant/all visitors)	\$8.80	\$8.54	\$8.28	\$7.99
Average revenue per visit (excludes Council & Government grants)	\$26.48	\$26.74	\$27.01	\$27.28
Non-Council Donations/Funding	\$324,865	\$275,000	\$280,000	\$285,000

5.4 Conservation Measures

Measure	2018-19 Forecast	2019-20	2020-21	2021-22	Explanation
Restore missing species to the wild in accordance with the Conservation and Restoration Strategy					
% transferred animal species regarded as self-sustaining	70%	70%	70%	65%	14/20 species regarded as self-sustaining (assuming ongoing current management); 2 transfers failed (tomtit, weka) and 2 (bellbird, Long-fin eels) not regarded as self-sustaining and 2 kākahi are recently transferred. Note: it usually takes several breeding seasons before a transfer can be regarded as self-sustaining (successful breeding, population stable or increasing) so % will reduce with new transfers eg to 70% (14/20) after a transfer in 2019/20
Number of fauna species transferred, released or 'topped up'	2	0	1	1	Transfers could include the release of Wellington barking gecko, and a top up of tieke. <i>Note: Transfers also undertaken in these years to Cape Sanctuary (kaka).</i>
Maintain or improve the population status of nationally threatened species present					
# threatened fauna species present and breeding successfully	4	4	4	4	Hihi, Maud Island frog; Cook Strait Giant Weta; tuatara; excludes takahē held primarily or temporarily for advocacy purposes
Manage species held for captive breeding purposes to ensure they remain healthy and breed successfully					
# species breeding in captivity	2	2	1	1	Maud Island frogs and barking geckos. The number will reduce to 1 if we are able to progress to releasing the barking geckos.
Monitor animal pest status, control mice and successfully respond to any incursions					
Mice maintained to target level	<10	<10	<10	<10	The figure gives an abundance index based on the average abundance/100 corrected trap

Measure	2018-19 Forecast	2019-20	2020-21	2021-22	Explanation
					nights
% pest animal incursions successfully eradicated	100%	100%	100%	100%	Assumes any incursions successfully eradicated

5.5 Conservation Activities

Activities [note, some activities are dependent on successful permits and translocation operations]	2019-20	2020-21	2021-22
Begin restoration of the lower valley streams, wetland and lake			
- initiate development and agreement of an overarching multifaceted strategic plan	Update	Update	Update
- Research underway according to a research plan	Ongoing	Ongoing	Ongoing
- Obtain necessary permits	Complete		
- Implementation of plans	Ongoing	Ongoing	Ongoing
Translocations			
Wellington green gecko		Implement	
Tieke/saddleback			Implement
Activities	2019-20	2020-21	2021-22
Post-release monitoring for translocated species			
Spotted skink monitoring	Ongoing	Complete	
Kākahi (freshwater mussel, depending on completion of 2018 translocation)	Ongoing	Ongoing	
<i>Brachyglottis kirkii</i> var. <i>kirkii</i>	Ongoing	Ongoing	
Green mistletoe	Ongoing	Ongoing	Ongoing
Titipounamu (rifleman)	Ongoing	Ongoing	Ongoing

6. The Karori Sanctuary Trust Board's Approach to Governance

6.1 The Trust Deed

The Karori Sanctuary Trust (the Trust) is an incorporated society that is governed by a Trust Deed, first executed in 1995 and most recently updated in October 2016.

We operate as a not-for profit organisation, a social enterprise, seeking to do public good by operating in a way that follows sound commercial disciplines.

As set out in our Trust Deed, the objects of the Trust are as follows:

- To carry out education and research into all matters pertaining to the conservation and restoration of New Zealand's natural heritage and in particular to restore representative examples of New Zealand's natural heritage.
- To establish and maintain a secure native wildlife sanctuary in the Karori Reservoir in the City of Wellington.
- To restore the reservoir area ecosystem as closely as practicable to its presumed pre-human state but allowing for construction of specific habitats to enhance its diversity and conservation values.
- To provide facilities for recreation and tourism activities.
- To seek and foster community support and participation.
- To manage and manipulate such ecosystems as may be necessary to maintain requisite populations.

The Trust operates as ZEALANDIA, under the guidance of a Trust Board.

6.2 Relationship with Wellington City Council

The Trust became a Council Controlled Organisation from October 2016 with the transfer of the ZEALANDIA Visitors Centre to Wellington City Council and the repayment of the loan on the building. The new Deed of Variation of Trust signed in October 2016 sets out the new requirement for the Trust Board to consist of a minimum of five persons and a maximum of up to seven persons. The Council can appoint a maximum of six persons, and the Trust's Board can appoint up to two persons following consultation with the Guardians and approval of the Council.

The Wellington City Council is a strategic partner, a trustee appointee, a major funder and the landlord of the Trust

The Funding Deed between Council and the Trust sets out Council's reporting and monitoring regime and the conditions for major transactions requiring Council approval. The Trust will report quarterly to the Council through the Environment Committee on the agreed measures, which will include a Statement of Financial Performance, Statement of Financial Position and Cash Flow Statement.

The Trust's audited accounts will be presented to the Council by due date. The Trust will continue to recognise Council as a principal funder.

The principles governing the relationship between the Trust and Council are:

- Council will be provided with access to information it requests.
- A "no surprises" approach.
- Work in a collaborative and constructive manner recognising each other's viewpoints and respecting differences.
- Act towards each other honestly and always in good faith.
- Communicate with each other openly, promptly, and in a clear and timely manner.
- Recognise the accountabilities that each has to the other and to those for the benefit of whom services are provided.

6.3 Board Membership

The members of the Karori Sanctuary Trust are:

Trustee	Term Expires
Phillip Meyer (Chair), appointed by the Council	December, 2020
Pete Monk , appointed by the Council	June 2020
David Bibby , appointed by the Council	December, 2021
Russell Spratt , co-opted by the Board	June 2021
Jo Breese , appointed by the Council	June, 2021
Dr Libby Harrison , appointed by the Council	December 2021

- The revised Karori Sanctuary Trust Deed signed in October 2016 outlines the roles of the Trust and the Guardians. All trustees may receive an honorarium set by the Council and Guardians.
- The Trust Board shall meet no less frequently than eight times a year.
- The Chief Executive attends all meetings accompanied by their management team as required.
- Under the terms of the Trust Deed, the Board is required to have an Audit and Risk Committee. The terms of reference for this committee require that it meets at least four times a year. Members of the Audit and Risk Committee are Phillip Meyer and Iain Craig (an independent member).
- The Board may choose to set-up any new committees as deemed necessary in order to maintain an appropriate level of oversight.

- Trustees will contribute knowledge and skills across a range of work areas during the 2019/20 year and may from time to time contribute to working groups established by the Chief Executive.
- In December 2018 Denise Church completed her second term as Chair of the Board. Phillip Meyer, former Deputy Chair, took over as Board Chair from 1 January 2019. Wellington City Council appointed Dr Libby Harrison to the Board from 1 January 2019.
- Stephen Thompson's term as a trustee on the Board ended in July 2018. Following a collaborative process involving the Guardians, Wellington City Council appointed Jo Breese as a new trustee from August 2018.

6.4 Board Performance

The Chair and the Board as a whole will participate in regular reviews of their performance as follows:

- The Board as a whole by the Board.
- Individual Board members by the Board, through the Chair.
- The Chair by the Board.

The method/standards used to assess the performance will be based on the standards issued by the Institute of Directors in New Zealand, adapted for the Trust. From these reviews, development needs and any other actions required to ensure best practice governance and performance standards will be determined and implemented.

An external review of the Board will be scheduled in early 2019/20.

The Board will undertake a review of the Chief Executive's performance in July 2019.

6.5 Annual General Meeting

By established practice the Trust holds each year an Annual General Meeting (AGM) of members to discuss the Annual Report and current strategies. The Board establishes a date for the AGM in consultation with the Guardians.

The 2018 AGM was held on 14 October and was well attended.

The next AGM will be held in October 2019 (date to be confirmed).

7. Organisational Health, Capability and Risk Assessment

7.1 Organisational Health and Capability

Our aim is to deliver our work by attracting and retaining talented and capable staff and through strategic partnerships. Critical to our success is having experienced and motivated staff. Training and professional development for staff will continue to be a priority for 2019/20.

We will continue to work closely with Victoria University, Council (e.g. shared services initiative) and other partners to build the capability of the organisation.

7.2 Executive Team

Paul Atkins,	Chief Executive Officer
Danielle Shanahan,	Director, Centre for People and Nature
Chris Fitzgerald,	Manager Commercial Development
Anastasia Turnbull,	Manager Learning and Engagement
Matthew Valentine,	Manager Corporate Services

7.3 Environmental Practices

The Trust is committed to and incorporates sustainable practices.

ZEALANDIA has been awarded the Qualmark EnviroGold and the EnviroMark carboNZero accreditation.

The Rata Café has been accredited with all Conscious Consumer badges.

An across-organisation group (the Green Team) has been established to monitor ZEALANDIA's sustainability practices and suggest and implement new approaches wherever practicable.

8. Health and Safety

The Trust has robust Health and Safety systems in place and a detailed Emergency Procedure Action Plan that complies with the Health and Safety at Work Act 2015.

Key actions taken or underway

- As part of their due diligence obligations, the organisation's officers now regularly dedicate time to focusing on a particular area of the operation and through consultation get a more comprehensive understanding of the risks in that area and where improvements might be made.
- Incidents and hazards are now recorded on-line and this new reporting allows mitigations to be applied in a timely manner.
- Incident reports are now not only reviewed on a regular basis but a new procedure of sign-off that ensures the officers are happy with the investigations and outcomes has been implemented.
- The CEO is a member of the "Business Leaders Health and Safety Forum" and uses this to inform and keep abreast of best practice models.
- We continue to ensure employees and volunteers have an inclusive role in the identification and management of health and safety matters; including using the Health and Safety Committee to give a direct line of communication and ownership around Health and Safety matter across all areas of the Organisation
- We maintain a training regime that ensures there is a good level of coverage of personnel who can confidently deal with first responder medical and emergency situations throughout the site at all times.
- We have instigated an Employee Support Programme through EAP Services which provides free and confidential support to all employees.
- We have introduced a new Health and Safety dashboard for our Board to provide an important view of key data trends year-on-year.

Initiatives planned

We will continue to:

- evolve our policies and processes as WorkSafe publishes new guidelines and requirements become clearer.
- foster a collaborative and proactive approach within the organisation and with our partners.
- engage with the PCBUs of other organisations with which the Trust works, partners, or otherwise deals, or is considering dealing with, to require more robust evidence of their suitability and pertinent qualifications before working with them.
- work with agencies such as the Wellington Regional Emergency Management office, the Rural Fire Authority, Search and Rescue New Zealand, and other Wellington City Council Controlled Organisations, to develop relationships and review joint working relationships.
- engage with WorkSafe with a view to reducing our ACC levy payments by undertaking recommended programmes and assessments.
- identify and organise ongoing training to reach or exceed best practice levels in all areas.

8.1 Asset Management Plan

In 2019/20 we will continue to improve our asset management systems and explore if there are ways to integrate these with the systems used by WCC.

We have a Fence Management Plan that is under the final stages of review. The plan details how we will manage this critical infrastructure.

In our business planning process we will review the management of new strategic assets such as Tanglewood House and our new staff office accommodation building, Pukeahu House.

We will keep the Council updated on developing business cases for future capital programmes.

8.2 Risk Management

The Trust regularly reviews all known and potential risks. A robust risk management process, using standard risk methodology, is monitored by the Audit and Risk Committee and reported to the Board.

The Trust has robust fit-for-purpose systems and processes and financial delegations.

The Trust has insurance policies for Material Damage, Business Interruption, Combined Liability (Public, Employer, Statutory, Fidelity Guarantee and Lawsafe) and Trustee Liability.

For medium and high risks, control systems and management strategies are established, as appropriate. The objective is to reduce the residual risk to the point where all cost-effective mitigations have been put in place. The Audit and Risk Committee is responsible for reviewing these strategies. The Trust's management is responsible for their implementation. There are four response types, depending on the risk assessment and cost effectiveness considerations. These are:

- **Avoidance:** To eliminate the conditions that allow the risk to be present at all, often by changing or stopping the activity.
- **Acceptance:** To acknowledge the risk's existence, but to take no pre-emptive action to resolve it, except for the possible development of contingency plans should the risk event come to pass.
- **Mitigation:** To minimise the probability of a risk's occurrence or the impact of the risk should it occur.
- **Deflection:** To transfer the risk (in whole or part to another organisation, individual, or entity – such as through insurance).

A process to review and update the framework for the risks register is currently underway and will be completed and applied during the first quarter of the 2018/19 financial year. The new format will employ a risk matrix similar to that indicated below, with likelihood and consequence tables providing a greater degree of clarity in line with current best-practice. The revised framework will be included in the first quarterly report to Council in 2018/19.

Probability of Risk	Impact of Risk					
	2	3	4	5	6	7
1	3	4	5	6	7	8
0	2	3	4	5	6	7
-1	1	2	3	4	5	6
-2	0	1	2	3	4	5
-3	-1	0	1	2	3	4

9. Additional Information

9.1 Response to other specific Letter of Expectation matters (if applicable)

None

9.2 Ratio of Shareholders' Funds to Total Assets

Please refer to the Balance Sheet included in the Accounting policies (Appendix A).

9.3 Estimate of Amount Intended for Distribution

The Karori Sanctuary Trust is a not-for-profit organisation and registered charity and does not make a distribution to the Settler.

9.4 Acquisition Procedures

The Trustees have no intention of subscribing for, purchasing or otherwise acquiring shares in any other company or any organisation.

9.5 Activities for which the Board seeks Compensation from a Local Authority

Total funding from Wellington City Council in 2018/19 is \$1,006,950 (including living wage). The development of the Trust's 10 year sustainable business plan anticipates as a baseline the continuation of the current level of funding.

9.6 Estimate of Commercial Value of Shareholders' Investment

Not applicable.

Appendices

Appendix A: Accounting Policies

i. Statement of compliance and basis of preparation

Statement of compliance

The financial statements presented here are for the reporting entity, the Karori Sanctuary Trust. The Trust is a charitable trust registered under the Charities Act 2005 which requires compliance with generally accepted accounting practice (GAAP) in New Zealand.

As the primary objective of the trust is to develop a secure native wildlife sanctuary which benefits the community, rather than making a financial return, the trust is a public benefit entity for the purpose of financial reporting.

The financial statements of the trust comply with Public Benefit Entity standards Reduced Disclosure Regime (PBE RDR).

The financial statements have been prepared in accordance with Tier 2 PBE Standards and disclosure concessions have been applied. The trust is eligible to report in accordance with Tier 2 PBE Standards RDR because it does not have public accountability and it is not large.

Basis of preparation

The financial statements have been prepared in accordance with PBE RDR for not-for-profit organisations as required by the Financial reporting Act 2013.

Management has applied judgement in determining whether revenue streams have been appropriately classified as exchange or non-exchange in nature.

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

Measurement base

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

The financial report is measured in New Zealand dollars and all values are rounded to the nearest dollar (\$) unless otherwise stated.

ii. Recognition of revenue

Grants are recognised as revenue when the requirements under the grant agreement have been met. Any grants for which the requirements under the grant agreement have not been completed are carried as liabilities until all the conditions have been fulfilled. Revenue received from membership subscriptions is allocated proportionally over the period to which they relate. The unearned portion of subscriptions is shown under current liabilities. Prepaid visits are also treated as current liabilities.

Sales of goods and admissions comprise the amounts received and receivable for goods and services supplied to customers in the ordinary course of business. This revenue is recognised when the goods or services are provided to

the customer.

Exchange revenue is defined as transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services or use of assets) to another entity in exchange. Revenue streams defined as exchange are membership subscriptions, admissions, sales of goods, other grants and donations (received for specific projects) and some items of other revenue.

Non-exchange transactions arise where an entity receives value from another entity without giving approximately equal value in exchange. Revenue streams defined as non-exchange are the Wellington City Council grant as well as other grants and donations and items of other revenue that are not included under exchange transactions.

Interest income is accounted for as earned.

In the financial statements, there is no financial recognition of support given in the form of donated labour and materials.

iii. Cost of goods sold

Cost of goods sold comprises the purchase of stock items and other directly attributable costs relating to the Café, Retail, Functions and Education services.

iv. Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item is recognised only when it is probable that future economic benefit or service potential associated with the item will flow to the entity.

Subsequent costs that meet the recognition criteria above are recognised in the carrying value of the item of the fixed asset or intangible asset. Such cost includes the cost of replacing part of the asset if the recognition criteria are met. When significant parts of the asset are required to be replaced at intervals, the entity recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the fixed asset as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in surplus or deficit as incurred.

Measurement subsequent to initial recognition:

Subsequent to initial recognition, Property, plant and equipment and intangible assets are measured using the cost model.

v. Depreciation and amortisation

Depreciation of Property, plant and equipment and amortisation of intangible assets is calculated on a straight-line basis so as to allocate the cost of the assets over their useful lives as follows:

Building/Infrastructure	5-100 years
Exhibitions	2-20 years
Leasehold improvements	10-50 years
Predator fence	25-50 years
Fixtures, Plant and Equipment	5-25 years
Vehicles	5-14 years
Other Assets	3-25 years
Computer Software	3 years

vi. Accounts Receivables

Accounts receivable are stated at anticipated realisable value after providing against debt where collection is doubtful.

vii. Stock on Hand

Stock on hand comprise of retail and food and beverages. They are stated at the lower of cost and net realisable value. Cost is determined on a weighted average cost basis.

viii. Leased Assets

As Lessee:

Operating leases

Operating lease payments are recognised as an expense in the periods the amounts are payable.

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, finance leases where the Trust is the lessee are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

ix. Impairment

Property, plant and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognized in the surplus or deficit.

x. Employee Entitlements

Employee entitlements to salaries and wages, annual leave and other benefits are recognised when they accrue to employees.

The liability for employee entitlements is carried at the present value of the estimated future cash outflows.

xi. Goods and Services Tax (GST)

The financial statements have been prepared so that all components are stated exclusive of GST with the exception of receivables and payables that include GST invoiced.

xii. Income Tax

The Trust being a charitable organisation is income tax exempt under the Income Tax Act 2007.

xiii. Statement of Cash Flows

The following are the definitions of the terms used in the statement of cash flows:

(a) Operating activities include all transactions and other events that are not investing or financing activities.

(b) Investing activities are those activities relating to acquisition, holding and disposal of property, plant and equipment and of investments.

(c) Financing activities are those activities that result in changes in the size and composition of the capital structure. This includes both equity and debt not falling within the definition of cash.

(d) Cash is considered to be cash on hand and current accounts in banks, net of bank overdrafts.

xiv. Changes in accounting policies

There have been no changes in accounting policies in the year.

Appendix B: ZEALANDIA Budget for 2019/20

As in past years, ZEALANDIA will continue to drive revenue and contain costs in 2019/20 and will aim to complete the year with an operating surplus.

ZEALANDIA - KARORI SANCTUARY TRUST

Forecast 30-Jun-19	STATEMENT OF COMPREHENSIVE INCOME	Qtr to 30-Sep-19	Qtr to 31-Dec-19	Qtr to 31-Mar-20	Qtr to 30-Jun-20	FYE 30-Jun-20	FYE 30-Jun-21 **	FYE 30-Jun-22
	Trading Revenue							
854,760	Admissions	120,000	229,000	313,000	198,000	860,000	877,000	895,000
341,176	Membership Subscriptions	71,000	98,000	97,000	74,000	340,000	347,000	354,000
	Other Operating Revenue							
	Sales of Goods							
2,497,209	Other trading revenue	374,000	730,000	903,000	474,000	2,481,000	2,546,700	2,612,500
	Other Operating Revenue							
858,000	Shareholder grants	214,500	214,500	214,500	214,500	858,000	858,000	858,000
149,000	Living wage fund from WCC	38,368	38,368	38,368	38,368	153,470	158,000	163,000
	WCC Centre for People & Nature Hub						700,000	
672,007	Sponsorships, grants and donations	123,750	123,750	123,750	123,750	495,000	1,205,000	515,000
	Other operating income							
	Non-operating Revenue							
	Sub-lease and other non-operating income							
32,846	Interest income	3,000	7,000	3,000	7,000	20,000	20,000	20,000
	Other income							
5,404,998	Total Revenue	944,618	1,440,618	1,692,618	1,129,618	5,207,470	6,711,700	5,417,500
	Operating Expenses (overheads)							
3,374,747	Salaries and wages	827,000	859,000	862,000	827,000	3,375,000	3,443,000	3,512,000
630,631	Cost of goods sold	134,000	157,000	174,000	134,000	599,000	611,000	623,000
504,692	Other operating expenses	120,000	130,000	130,000	120,000	500,000	510,000	520,000
100,031	Trustee expenses	25,750	25,750	25,750	25,750	103,000	105,000	107,000
303,473	Administration costs	74,843	74,843	74,843	74,841	299,370	305,000	311,000
4,913,574	Total Operating Expenditure	1,181,593	1,246,593	1,266,593	1,181,591	4,876,370	4,974,000	5,073,000
491,424	Net Surplus/(Deficit) before Depreciation and Tax	(236,976)	194,025	426,025	(51,974)	331,100	1,737,700	344,500
	Interest expense							
	Loss on Visitor Centre transfer to WCC							
346,323	Depreciation	96,000	96,000	116,000	116,000	424,000	474,000	474,000
145,101	Net Surplus/(Deficit)	(332,976)	98,025	310,025	(167,974)	(92,900)	1,263,700	(129,500)

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

3 APRIL 2019

Absolutely Positively
Wellington City Council

Me Heke Ki Pōneke

ZEALANDIA - KARORI SANCTUARY TRUST

Forecast 30-Jun-19	STATEMENT OF FINANCIAL POSITION	As at 30-Sep-19	As at 31-Dec-19	As at 31-Mar-20	As at 30-Jun-20	As at 30-Jun-20	As at 30-Jun-21 **	As at 30-Jun-22
	Equity							
4,026,807	Trust Funds	4,171,908	3,838,933	3,936,957	4,246,982	4,171,908	4,079,008	5,342,708
145,101	Current year earnings	(332,976)	98,025	310,025	(167,974)	(92,900)	1,263,700	(129,500)
4,171,908	Total Shareholder/Trust Funds	3,838,933	3,936,957	4,246,982	4,079,008	4,079,008	5,342,708	5,213,208
	Current Assets							
500,000	Cash and cash equivalents	471,841	430,865	621,890	404,916	404,916	356,616	306,116
50,000	Accounts receivable	50,000	50,000	50,000	50,000	50,000	51,000	51,000
	Prepayments							
50,000	Inventory	50,000	50,000	50,000	50,000	50,000	55,000	60,000
	Other current assets							
600,000	Total Current Assets	571,841	530,865	721,890	504,916	504,916	462,616	417,116
	Investments							
1,350,000	Term deposits	1,760,000	1,510,000	1,260,000	1,010,000	1,010,000	1,300,000	1,600,000
	Other investments							
1,350,000	Total Investments	1,760,000	1,510,000	1,260,000	1,010,000	1,010,000	1,300,000	1,600,000
	Non-current Assets							
3,438,092	Fixed assets	3,767,092	4,096,092	4,405,092	4,714,092	4,714,092	4,340,092	3,966,092
	Intangible assets							
	Other non-current assets							
3,438,092	Total Non-current Assets	3,767,092	4,096,092	4,405,092	4,714,092	4,714,092	4,340,092	3,966,092
5,388,092	Total Assets	6,098,933	6,136,957	6,386,982	6,229,008	6,229,008	6,102,708	5,983,208
	Current Liabilities							
150,000	Accounts payable	120,000	210,000	150,000	230,000	230,000	230,000	230,000
850,000	Income in advance	1,910,000	1,680,000	1,810,000	1,610,000	1,610,000	220,000	230,000
110,000	Employee entitlements	100,000	100,000	110,000	120,000	120,000	120,000	120,000
106,184	Provisions and accruals	130,000	210,000	70,000	190,000	190,000	190,000	190,000
	Other current liabilities							
1,216,184	Total Current Liabilities	2,260,000	2,200,000	2,140,000	2,150,000	2,150,000	760,000	770,000
	Non-current Liabilities							
	Shareholder advances							
	Other non-current liabilities							
	Total Non-current Liabilities							
1,216,184	Total Liabilities	2,260,000	2,200,000	2,140,000	2,150,000	2,150,000	760,000	770,000
4,171,908	Net Assets	3,838,933	3,936,957	4,246,982	4,079,008	4,079,008	5,342,708	5,213,208
ok	Check Net Assets = Shareholders Funds	ok	ok	ok	ok	ok	ok	ok

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

3 APRIL 2019

Absolutely Positively
Wellington City Council

Me Heke Ki Pōneke

ZEALANDIA - KARORI SANCTUARY TRUST

Forecast 30-Jun-19	STATEMENT OF CASH FLOWS	Qtr to 30-Sep-19	Qtr to 31-Dec-19	Qtr to 31-Mar-20	Qtr to 30-Jun-20	Total YE 30-Jun-20	Total YE 30-Jun-21 **	Total YE 30-Jun-22
	Cash Flows From Operating Activities							
	Inflows							
4,043,145	Trading Receipts	595,398	1,079,868	1,266,868	798,868	3,741,000	3,779,700	3,871,500
858,000	Shareholder grants	429,000		429,000		858,000	858,000	858,000
149,000	Living wage fund	153,470				153,470	158,000	163,000
	WCC Centre for People & Nature Hub	700,000				700,000		
672,007	Sponsorships and donations	123,750	123,750	123,750	123,750	495,000	505,000	515,000
	Other Income							
	Outflows							
3,374,747	Payments to Employees	837,000	859,000	852,000	817,000	3,365,000	3,443,000	3,512,000
1,595,747	Payments to Suppliers	360,777	217,593	604,593	154,591	1,337,554	1,536,000	1,566,000
	Net GST Cashflow							
	Other Operating Costs							
751,658	Net Cash Flows From (Used In) Operating Activities	803,841	127,025	363,025	(48,974)	1,244,916	321,700	329,500
	Cash Flows From (Used In) Investing Activities							
	Inflows							
	Sale of fixed assets							
	Sale of investment assets							
100,000	Other - Term Deposit cash-out		250,000	250,000	250,000	750,000		
	Outflows							
924,850	Purchase of fixed assets	425,000	425,000	425,000	425,000	1,700,000	100,000	100,000
	Purchase of investments							
	Other - Term Deposit cash-in	410,000				410,000	290,000	300,000
(824,850)	Total Investing Cash Flow	(835,000)	(175,000)	(175,000)	(175,000)	(1,360,000)	(390,000)	(400,000)
	Cash Flows From (Used In) Financing Activities							
	Inflows							
	Drawdown of loans							
32,846	Investment income	3,000	7,000	3,000	7,000	20,000	20,000	20,000
	Other							
	Outflows							
	Repayment of loans							
	Interest paid							
	Other							
32,846	Total Financing Cash Flow	3,000	7,000	3,000	7,000	20,000	20,000	20,000
(40,346)	Net Increase/(Decrease) in Cash Held	(28,160)	(40,976)	191,025	(216,974)	(95,084)	(48,300)	(50,500)
540,346	Opening Cash Equivalents	500,000	471,841	430,865	621,890	500,000	404,916	356,616
	Adjustments (rounding)							
500,000	Closing Cash Equivalents	471,841	430,865	621,890	404,916	404,916	356,616	306,116
ok	Check closing cash = Cash and cash equivalents	ok	ok	ok	ok	ok	ok	ok

ZEALANDIA - KARORI SANCTUARY TRUST

Statement of Intent 2019/20 Wellington Cable Car Limited



Presented to the Council Controlled Organisations Sub-Committee
Pursuant to Schedule 8 of the Local Government Act (2002)

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Chair's Statement

The Wellington Cable Car is proudly owned, operated and maintained by Wellington Cable Car Limited (WCCL), and has successfully transported residents and visitors between Lambton Quay and Kelburn since 1902. WCCL is a Council Controlled Organisation (CCO) proudly owned by Wellington City Council, and the Cable Car is widely perceived as an icon and symbol of Wellington. As the Cable Car enters its 117th year of service, its market comprises local residents as well as visitors to the Capital City.

The ongoing tourist boom in New Zealand has led to a significant increase in total passenger trips over the past two years, and patronage is now in excess of 1.2 Million per annum. As an aside, the Cable Car is the second most visited attraction in Wellington after Te Papa Tongarewa. This ongoing success has led to an increase in passenger revenue that has assisted in building a solid financial foundation to fund the ongoing asset management plan and capital works required to continue operating safely and efficiently for the foreseeable future.

WCCL used to comprise two operating divisions – the Cable Car and the Trolley Bus Overhead Electrical Network. Trolley Buses ceased operating in October 2017, and WCCL has now successfully decommissioned the Overhead Electrical Network and disposed of all remaining network infrastructure and assets. Looking forward, future Statements of Intent will refer solely to the Cable Car operating division.

As the Chair of WCCL since 2014, I am proud to present WCCL's Statement of Intent (SOI) for 2019/20, which covers 2019/20 in detail, and the following two financial years in outline. This SOI outlines WCCL's strategy and financial statements to continue to operate the Cable Car safely and efficiently in support of local residents and visitors to Wellington. The SOI is consistent with the Wellington City Council Letter of Expectation and fulfils WCCL's requirements under Section 64 and Schedule 8 of the Local Government Act 2002.

Anthony Wilson
Chair

Chief Executive Officer's Statement

Wellington's Cable Car is the only funicular railway in New Zealand's, and the iconic image of the Cable Car ascending towards Kelburn with a view of the harbour in the background is synonymous with the Capital City. The current generation of Cable Car is nearing the end of its design life (it commenced operating in 1979) and previous Statements of Intent have focused heavily on a strategy for funding the replacement of the Cable Car midway through the next decade. Strong passenger growth over the last two years has alleviated much of the financial pressure associated with this undertaking, and current projections indicate that this replacement can be funded internally, combined with some debt funding, commencing in 2024 (completing in 2026).

When asked to describe the most important characteristic of the Cable Car, my instant reply is always that being customer focused and innovative in your approach to ensure that the customer experience is a good one is the single most important attribute for an organisation such as Wellington Cable Car Limited. The quality of the staff is vitally important in achieving this ethos, and WCCL's Managers (Matthew Hardy – Passenger Services Manager, Stephen Ward – Asset and Engineering Manager, and Bruce Jensen – Chief Financial Officer) have a huge role to play in making this happen. Later sections of this Statement of Intent will include a section from each of these three key Managers where they describe what the Company is up to and what they will be working on to ensure that the Cable Car continues to grow and evolve to serve the Wellington population and visitors to the region.

In addition to our business-as-usual activities, there are three main areas of focus for the management team for the 2019/20 financial year – Marketing, Technical Support, and Health & Safety:

Marketing – the Cable Car is synonymous with Wellington and is an integral part of the city's proud history. The classic image of the Cable Car ascending over the Victoria University of Wellington's sports ground in Kelburn is often the first image that will be seen when undertaking a web search for Wellington. However, the tourism market is changing rapidly, and we need to be cognisant of these changes and react accordingly. In particular, we must make sure that we anticipate and interact with potential customers, using as many digital channels as possible, to ensure that our brand equity remains high and visitors to Wellington will automatically choose to visit the Cable Car. This is done in conjunction with WREDA and other key partners such as Zealandia and the Wellington Museums Trust (who operate the Cable Car Museum).

Technical Support – the current Cable Car was manufactured in 1978 and commissioned into service in 1979. Whilst it has served us well for 40 years, typically operating 600 trips per week, it is nearing the end of its design life. Some of the key systems that were already obsolete (including the electric drive and telemetry system) were replaced in 2016, however, the rolling stock (including the cars, bogies, and associated braking systems) will be up for replacement by 2026. Lots of effort goes into supporting and maintaining a much loved but venerable funicular railway, and this does present on an ongoing challenge to our technical support staff. More detail on the Cable Car's future plans for a technical support perspective are outlined in a later section of this SOI.

Health & Safety – contemporary legislation places a significant onus upon organisations such as WCCL to work collaboratively with all other relevant organisations (PCBU is the term used in the Health and Safety at Work Act, 2015) to ensure the safety and wellbeing of our passengers, employees, and any other personnel who work our site. The Cable Car is also regulated by the New Zealand Transport Agency (NZTA) and is required to operate under licence, whilst conforming to a Safety Case approved by the Rail Safety Regulator. Our philosophy is to work proactively and in conjunction with NZTA and WorkSafe New Zealand, to ensure that Cable Car operations are as safe as they can possibly be. Our aim is a zero harm work place and we strive to ensure that our passengers and employees can travel and work in an environment that is risk-free, wherever practicable. During 2019/20, WCCL will review its Safety Management System and associated Safety Case to ensure that we continue to adhere to this philosophy

In summary, 2018/19 proved to be one of the most successful years for the Cable Car in terms of passenger trips in recent history, and WCCL is optimistic that 2019/20 will be even better. This, combined with more collaboration between WREDA and the various Wellington City Council Council CCOs and Trusts, will ensure that the customer experience continues to evolve and develop, and will stand us in good stead for the future.

Simon Fleisher
Chief Executive

Chief Financial Officer's Statement

Having been with the Company for 10 years now, it still amazes me the achievements and financial results that can be achieved by a small team. I believe it is due to the passion and dedication of all staff across the business and because of this makes it a place that people want to be involved with, which is reflected by the length of service of key team members.

From a financial team perspective, we are a small team of two, but are always keen to look at where we can improve both from an efficiency and accuracy perspective but more importantly being able to provide relevant, real time reporting to the people that need it, both within the business but also our stakeholders and shareholder. With continuing advances in technology this provides the ability to do more and integrate with the various systems the Company utilises. The information technology responsibility for the business also sits within our team, which provides for further variety of work but also the ability to look at new and novel ways of doing things across the business as a whole.

Given the nature of the business, there are continuous reporting requirements, including the statutory reporting which is externally audited. As a small team and having to balance the daily financial needs, we always try to have a proactive working relationship with our external audit team to ensure we are operating using best practices but also identifying issues and workflows that need to be addressed in advance. To this end, we are fortunate with the current Audit NZ team we have in place that this process works well.

Despite being a small business, there are some complex elements to it, including the infrastructure needs, which means insurance management and planning is an important aspect of what we do. These needs have changed over the recent years with the cessation of trolley bus services in Wellington, but equally with the further maintenance and infrastructure replacements in the Cable Car side of the business, there continues to be significant long term planning work which we are involved in and it is an exciting time to be part of the business.

The financial statements of the Company and highlights are included separately in this document, and these show healthy results, but our focus remains on being to build up the required funds for the replacement of the rolling stock and associated tasks in the coming years. Ideally the planning and funding for this would have commenced 20-30 years ago, so we have had a truncated timeframe to accumulate the funds required. However, given the asset management planning now in place within the Company, after the replacement of the rolling stock, I believe the Company has a solid foundation to be able to fund the following cycles of infrastructure, which is a great achievement by a small organisation and team.

Bruce Jensen
Chief Financial Officer

Passenger Services Manager's Statement

The Cable Car had one of its best every years in 2017/18, with over 1.14 Million passenger trips in 2017/18, and we anticipate further expected growth of approximately 5% in 2018/19, mainly due to ongoing growth in the tourism market. Our aim is to continue with this success and ensure the Cable Car provides a high quality, safe and unique heritage travel experience to both tourists and the local community, and also plays its part in meeting Wellington's goal of becoming the most prosperous, liveable and vibrant city in Australasia.

Our people are key to delivering the very best customer experience. We are fortunate to have a team of skilled and dedicated passenger service staff, made up of 14.6 FTE permanent staff and a number of seasonal and casual staff who provide relief cover and assistance during high visitor seasons and one-off events. Training is important, and for the past two years we have offered a tailored training course to all team members during the Annual Safety shutdown. These courses include customer service, dealing with difficult situations, resilience training and comprehensive first aid training.

Following the direction set by Wellington City Council, in July 2018 we expanded the living wage concept to include all staff, including casual members of staff. In 2019/20 we will continue to invest in our staff through customer service training, including the values of Manaakitanga. We will review other Health and Safety documentation and rewrite both the Health and Safety manual and the Drivers' manual in our efforts to become a zero harm workplace.

During 2018 we proudly gained the first Wellington Platinum rating from Be.Accessible for our ease of accessibility to all. This was a great achievement for WCCL but also for our staff who were given particular mention in the report. Accessibility is a vitally important concept for us, and we will continue to strive to enhance and improve this for our passengers.

In July 2018 we changed our fare structure to take advantage of the strong Free and Independent Traveller (FIT) and cruise ship market with casual fares increased by an average of 21.73%. We also added additional Family pass products and increased the price of the existing family passes by only 5% to maintain affordability for family groups. Prices for students and local commuters were increased by less than 3% to keep our fares competitive with the subsidised Metlink bus network. This revised fare structure has been largely successful with revenue in the first 6 months of 2018/19 up 22.28% over the same period in 2017/18.

However, the local market remains under pressure with adult numbers static and student numbers continuing to drop, due mainly to the improved bus services to Kelburn campus and the introduction of a student concession fare in July 2018. In February 2019, we had a stall at the Orientation week at Victoria University. In 2019/20 we will continue with this direct contact with the University to try and build student engagement with the Cable Car.

The SuperGold scheme remains problematic for WCCL with the schemes off peak usage period not relating to WCCL's off peak times. Furthermore, an inadequate capped payment system means that funding is exhausted halfway through the financial year.

From a Marketing perspective, we have worked hard over the last few years to increase WCCL's online presence and to build even stronger brand awareness. For 2019/20 we will be concentrating our efforts on the China - New Zealand Year of Tourism. We have continued to build our relationship with Chinese wholesalers and tour operators including China Travel Service, Fliggy, EYOUNZ and RRUU. We will also have the Alipay payment system and a verified Weibo account in place for this important year. We have several staff attending the WCC International Relations' team Chinese classes, and we also hope to have staff included in a tourism delegation to China in September 2019 to meet with operators who can market the Cable Car in the China market.

The Cable Car has maintained its excellent Tourism New Zealand Silver Qualmark rating, but during 2019/20 will investigate the options for an Enviro accreditation or award. Qualmark also noted that WCCL was the most responsive operator to online reviews in Wellington.

WCCL will continue to work closely with WREDA, WCC, Tourism New Zealand and our wider tourism partners to promote both the Cable Car and the wider Wellington region throughout 2019/20.

Matthew Hardy
Passenger Services Manager

Asset and Engineering Manager's Statement

There are two main areas of focus for the Cable Car's technical support team. The first of these is undertaking regular periodic maintenance and inspections to ensure that Cable Car operations are safe, fit-for-purpose and complies with our obligations under the Railways Act and the Health & Safety at Work Act. These activities also include dealing with any outstanding defects that have arisen.

The second main area of focus involves us looking ahead to plan and prepare for future capital works necessary to enable the Cable Car to continue to operate safely into the future. Because the Cable Car is such a niche and highly specialist operation, having the requisite expertise and technical support available to help us to do this is a critical determinant in WCCL's success.

WCCL works closely in conjunction with Doppelmayr (the Cable Car's original equipment manufacturer and system design authority) to ensure that we have the right support measures in place to be able to undertake these capital works as and when required.

Good examples of significant work projects in hand at the moment include (a) a detailed investigation into the structural strength of the three tunnels that form part of the rail corridor, and (b) planning ahead for the design, manufacture and installation of the replacement rolling stock (scheduled to enter service in 2026).

Other capital works areas of investigation include (c) the potential rebuild of Salamanca Station on the northern side of the railway corridor (this would allow much easier access to passengers with accessibility issues), and (d) participation in the Regional Integrated Ticketing Solution (when this comes to fruition).

Looking forwards, WCCL is lucky in that our technical support team is being enhanced by the addition of Andrew Cresswell as the Maintenance Technician, in support of the work already undertaken by the Asset and Engineering Manager. They will be busy planning all of these new works, in addition to the planned introduction of a new Maintenance Management System, and a re-write of the Cable Car's safety management system plus associated safety system.

Stephen Ward
Asset and Engineering Manager

Performance Measurements – 2019/20 Financial Year

Cable Car Passenger Service Performance Measures

<i>Performance Indicator</i>	<i>Target/Result</i>
WCCL Customer Satisfaction Survey	Attain at least 85% good or very good reviews.
TripAdvisor Rating	Maintain at least a 4.0 rating out of 5
Customer Complaints	Receive fewer than 2 customer complaints per 100,000 passenger trips
Customer Trips	At least 1.20 Million passenger trips, split as follows:

1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	Full Year
216,763	344,516	403,617	241,737	1,206,633

% of Service Trips starting on time At least 99%

% of Service trips not run Less than 1%

WCCL Corporate Activities Performance Measures

<i>Performance Indicator</i>	<i>Target/Result</i>
Compliance with appropriate Legislation and regulations	Nil adverse comments
WCCL Corporate and Operational Risks are proactively managed	High Risks are proactively managed and eliminated or minimised.

Financial Performance Measures

<i>Performance Indicator</i>	<i>Target/Result</i>
Budgetary requirements approved by the WCCL Board are met	Within 10% of Board approved variance
Board delegations are adhered to	All approvals of financial and contractual commitments and expenditure are in accordance with the delegations' policy

Statutory Compliance

Boards Approach to Governance

The Board of Directors currently comprises two members. All are appointed by WCC according to WCC practices. The current Board consists of:

Chairman	Anthony Wilson – Independent Director
Director	Andy Matthew – WCC Chief Financial Officer

The Board currently meets formally every two months (typically five meetings per annum). Further detail on Board practices is outlined below.

The Board supports the principles of good governance as set out in “The Four Pillars of Governance Best Practice for New Zealand Directors” (incorporating the Code of Practice for Directors), issued by the Institute of Directors in New Zealand (Inc.) in 2012.

The Board is responsible for setting the strategic direction and approving the Statement of Intent and budget, however delegates the day-to-day management of the company to the CEO and their leadership team, who are required to act in accordance with the Board’s approved delegations’ policy.

The Board’s practices include:

- The Chair and the CEO discuss current issues on a weekly basis
- The Directors and the CEO meet monthly for a formal catch-up to discuss governance issues.
- The Board meets bi-monthly or more frequently on an as-required basis

Risk Management

The company’s Risk Management Policy is to actively manage risk by assessing risks on at least an annual basis, using the methodologies and practices laid down in AS/NZS ISO 31000:2009 (Risk Management). These risks are identified and actively managed under the following categories:

- a) Health and Safety
- b) Environment
- c) Asset Management
- d) Financial and Commercial
- e) Statutory and Legislation
- f) Corporate
- g) Project
- h) Operational
- i) HR
- j) IT

In each category, the effect of a risk on the business have been considered and the level of risk assessed, taking into account any controls that have been put in place. Risk mitigation actions and controls are determined such that the level of risk is considered to be As Low As Reasonably Practicable (ALARP) using the principles of eliminate, substitute, isolate or engineering controls.

WCCL regularly reviews and updates it's WCCL Risk Register and currently has no risks that have an Extreme assessment. The Risk Register currently contains 2 risks that have a High Assessment and these are outlined in Appendix One.

Insurance Programme

The insurance programme is a fundamental aspect of the Company's operations to ensure that where economically and practically possible, the infrastructure is insured and the Company's public liability is protected.

Currently, and we envisage for the foreseeable future, the infrastructure assets are placed in the London market and covered by a policy with Lloyds of London.

The Company also continues to maintain cash reserves to cover our maximum insurance excess.

Shareholder Distributions

The Company is always cognisant of the investment Wellington City Council, as shareholder has invested into the business when it commenced.

As such, where surplus funds permit after providing for future capital replacement programmes, the Company will consider the declaration of a dividend. As highlighted in this document, given the pending works in respect of the rolling stock replacement and associated works, and then a subsequent plan to build sufficient capital reserves for the next replacement programme, the Company does not envisage any dividends to be declared within this Statement of Intent period.

Financial Statements and Accounting Policies

The budgeted financial statements of the Company for the three years to June 2022 are presented below and show continued growth in terms of Cable Car revenue for the Company.

The prior two financial years have been 'transition' years with the cessation of Trolley Bus services in Wellington, the subsequent decommissioning of the overhead network, and transfer of the pole network to Wellington City Council. This operating division of the business always operated on a break-even basis, however with the allocation of common overhead costs, the costs to be borne 100% by the Company was lower than would ordinarily be the case. The pole network which has been transferred to Wellington City Council also provided external pole user income of approximately \$250k per annum. With that division of the business having fully ceased for the 2019/20 year, it has the result of increasing the administrative/overhead cost burden on the business which is shown in the financial projections below, with an increase in overhead costs by \$150k for the year.

Despite this increase in the cost structure of the business, and the ongoing maintenance and capital works required on the Cable Car, we have forecast for the cash reserves of the Company to increase each year, with an increase of approximately \$1m in reserves over the next 3 years. Furthermore, the budgeting model that Company adopts is a conservative one in terms of future cost increases and would therefore expect the future years (2020/21 and 2021/22) results to be higher than previous projections, based on current assumptions.

In terms of the capital improvements which have been provided for, the attached financial statements project a spend of \$880k over the next 3 year period on capital costs, with a significant portion of these for further design and physical works on the strengthening of the tunnel portals. Given the uncertainty at this time, no costs have been provided for in respect of implementing the new integrated ticketing solution for the Wellington region, however the Company is envisaging to be part of this when implementation occurs.

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

3 APRIL 2019

Absolutely Positively
Wellington City Council

Me Heke Ki Pōneke

Wellington Cable Car Limited – Business Plan

Statement of Comprehensive Income for the years ending 30 June 2020, 2021 and 2022

	Forecast 2019 \$000	2020 – Qtr 1 \$000	2020 – Qtr 2 \$000	2020 – Qtr 3 \$000	2020 – Qtr 4 \$000	2020 – Total \$000	2021 \$000	2022 \$000
<u>OVERHEAD DIVISION</u>								
Income	1,500	-	-	-	-	-	-	-
Overhead Division Items Subject to Business Case to GWRC								
Network Decommissioning Costs	1,500	-	-	-	-	-	-	-
Total Maintenance Cost	1,500	-	-	-	-	-	-	-
Depreciation	225	-	-	-	-	-	-	-
Total Expenses	1,725	-	-	-	-	-	-	-
Overhead Overall Surplus / (Loss)	(225)	-	-	-	-	-	-	-
<u>COMPANY ACTIVITIES DIVISION</u>								
Cable Car Income	3,596	602	1,082	1,306	658	3,648	3,692	3,731
Cable Car Operations	1,288	321	321	321	321	1,284	1,332	1,381
Cable Car Maintenance	810	199	199	199	199	796	837	904
Depreciation	250	63	63	63	63	252	263	249
Cable Car Expenses Subtotal	2,348	583	583	583	583	2,332	2,432	2,534
Cable Car Operating Surplus / (Loss)	1,248	19	499	723	75	1,316	1,260	1,197

Wellington Cable Car Limited – Business Plan
Statement of Comprehensive Income for the years ending 30 June 2020, 2021 and 2022 (Continued)

	Forecast 2019 \$000	2020 – Qtr 1 \$000	2020 – Qtr 2 \$000	2020 – Qtr 3 \$000	2020 – Qtr 4 \$000	2020 – Total \$000	2021 \$000	2022 \$000
<u>EXTERNAL ACTIVITIES</u>								
3 rd Party Services Net Contribution	-	-	-	-	-	-	-	-
Sundry External Income	244	36	36	36	36	144	144	145
External Activities Operating Surplus / (Loss)	244	36	36	36	36	144	144	145
Administration Expenses	614	191	191	191	191	764	788	813
External Activities Division Surplus / (Loss)	878	(136)	344	568	(80)	696	616	529
WELLINGTON CABLE CAR – TOTAL SURPLUS / (LOSS) BEFORE TAX	653	(136)	344	568	(80)	696	616	529
Income Tax Expense	205	(36)	98	161	(21)	202	180	156
WELLINGTON CABLE CAR – TOTAL SURPLUS / (LOSS) AFTER TAX	448	(100)	246	407	(59)	494	436	373
The Total Surplus / (Loss) After Tax Consists of:								
Total Income	5,340	638	1,118	1,342	694	3,792	3,836	3,876
Total Expenditure	(4,892)	(738)	(872)	(935)	(753)	(3,298)	(3,400)	(3,503)
	448	(100)	246	407	(59)	494	436	373

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE 3 APRIL 2019

Wellington Cable Car Limited – Business Plan
Statement of Movements in Equity for the years ending 30 June 2020, 2021 and 2022

	Notes	Forecast 2019 \$000	2020 \$000	2021 \$000	2022 \$000
Opening Equity – 1 July		10,090	10,537	11,031	11,467
Net Surplus / (Loss) for the period		447	493	437	373
Total Recognised Revenue and Expenses		447	493	437	373
Distribution to Owners	3	-	-	-	-
Closing Balance – 30 June		10,537	11,031	11,467	11,840

Represented by:

Wellington Cable Car Limited – Business Plan
Statement of Financial Position for the years ending 30 June 2020, 2021 and 2022

	Notes	Forecast 2019 \$000	2020 \$000	2021 \$000	2022 \$000
CURRENT ASSETS					
Bank	1	3,787	4,066	4,470	4,792
Inventory		-	-	-	-
Accounts Receivable		200	200	200	200
		3,987	4,266	4,670	4,992
FIXED ASSETS	2	7,650	7,840	7,717	7,768
TOTAL ASSETS		11,637	12,106	12,387	12,760
CURRENT LIABILITIES					
Accounts Payable / Accruals		350	325	170	170
Current Portion of Term Loan		-	-	-	-
		350	325	170	170

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE 3 APRIL 2019

Wellington Cable Car Limited – Business Plan

Statement of Financial Position for the years ending 30 June 2020, 2021 and 2022 (Continued)

	Notes	Forecast 2019 \$000	2020 \$000	2021 \$000	2022 \$000
NON CURRENT LIABILITIES					
ANZ Bank Loan		-	-	-	-
Deferred Tax Liability		750	750	750	750
Employee Retirement Gratuity		-	-	-	-
		750	750	750	750
NET ASSETS					
		10,537	11,031	11,467	11,840
SHAREHOLDERS' FUNDS					
<u>Represented by:</u>					
Authorised Capital					
Ordinary Shares at \$1 fully paid		7,435	7,435	7,435	7,435
Retained Earnings		3,102	3,596	4,032	4,405
		10,537	11,031	11,467	11,840

Notes and Assumptions:

- 1 Bank Balance has been taken as the balancing figure and includes any short term deposits and the Cable Car self insurance fund.
- 2 The 2019 balance sheet is the forecast position as at the time of completing the Statement of Intent.
- 3 No distribution to owners based on the Company accumulating funds for further capital replacements required however will be assessed on an annual basis.

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE 3 APRIL 2019

Wellington Cable Car Limited – Business Plan
Statement of Cashflows for the years ending 30 June 2020, 2021 and 2022

	Year Ended 30 June 2019 - Forecast \$000	Year Ended 30 June 2020 \$000	Year Ended 30 June 2021 \$000	Year Ended 30 June 2022 \$000
Cash flows from operating activities				
<u>Cash was received from:</u>				
Operating receipts	5,412	3,695	3,786	3,827
Interest received	50	96	50	50
<u>Cash was disbursed to:</u>				
Payments to suppliers and employees	(5,212)	(2,870)	(3,112)	(3,099)
Net cash inflow / (outflow) from operating activities	250	921	724	778
Cash flows from investing activities				
<u>Cash was received from:</u>				
Investments	-	-	-	-
Sales of fixed assets	-	-	-	-
<u>Cash was applied to:</u>				
Purchases of fixed assets	(229)	(440)	(140)	(300)
Net cash inflow / (outflow) from investing activities	(229)	(440)	(140)	(300)
Cash flows from financing activities				
<u>Cash was received from:</u>				
Term Loan	-	-	-	-
<u>Cash was applied to:</u>				
Payment of Dividend	-	-	-	-
Term Loan	-	-	-	-
Payment of Tax	-	-	-	-
Subvention Payment	(356)	(202)	(180)	(156)
Net cash inflow / (outflow) from financing activities	(356)	(202)	(180)	(156)
Net increase / (decrease) in cash held	(335)	279	404	322
Opening cash balance	4,122	3,787	4,066	4,470
Closing cash balance	3,787	4,066	4,470	4,792

1. STATEMENT OF ACCOUNTING POLICIES – FROM JUNE 2018 FINANCIAL STATEMENTS**Reporting Entity**

These are the financial statements of Wellington Cable Car Limited. Wellington Cable Car Limited is a company wholly owned by Wellington City Council and is registered under the Companies Act 1993. It is a Council Controlled Organisation (CCO) as defined by Section 6 of the Local Government Act 2002 and is domiciled in New Zealand.

The primary objective of the Wellington Cable Car Limited is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, Wellington Cable Car Limited has designated itself as a public benefit entity for Financial Reporting Purposes.

The financial statements are for the year ended 30 June 2018 and were approved by the Board of Directors on 1 October 2018.

Basis of Preparation

These financial statements have been prepared on the basis that the company is a going concern and has the continuing support of its shareholders. Based on the continuing financial support of its shareholders, the company would satisfy the solvency requirements of the Companies Act 1993.

Statement of Compliance

The financial statements of Wellington Cable Car Limited have been prepared in accordance with the reporting requirements of the Companies Act 1993 and the Local Government Act 2002.

The financial statements have been prepared in accordance with Tier 2 PBE accounting standards. The company is eligible to report as a Tier 2 reporting entity with reduced disclosures on the basis that it does not have public accountability and is not large.

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP) and they comply with PBE accounting standards.

Other accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Measurement Base

The financial statements of Wellington Cable Car Limited have been prepared on an historical cost basis, except where modified by the revaluation of trolley bus overhead lines.

The information is presented in New Zealand dollars. Rounding of amounts is to the nearest dollar.

Changes in Accounting Policies

There have been no changes in accounting policies during the current financial year.

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Specific Accounting Policies

In the preparation of these financial statements, the specific accounting policies are as follows:

(a) Judgements and Estimations

The preparation of financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses.

Where material, information on the major assumptions is provided in the relevant accounting policy or will be provided in the relevant note.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised when the revision affects only that period. If the revision affects both current and future periods, it is reflected in the current and future periods.

Judgements that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the relevant notes and highlighted below:

- The net realisable value of inventory in respect of The Trolley Bus division has been estimated at salvage value using recognised market values existing at balance date.
- The value of the pole network has been estimated at its disposal value, being nil. The basis of this being the expected transfer value.

(b) Property, Plant & Equipment

Recognition

Property, plant and equipment consist of operational assets. Expenditure is capitalised as property, plant and equipment when it creates a new asset or increases the economic benefits over the total life of an existing asset and can be measured reliably. Costs that do not meet the criteria for capitalisation are expensed.

Property, plant and equipment is shown at cost, less accumulated depreciation and impairment losses.

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Measurement

Property, plant and equipment are initially recorded at cost.

The initial cost of property, plant and equipment includes the purchase consideration and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential and that can be measured reliably is capitalised. In accordance with PBE IPSAS 17, borrowing costs are capitalised if they are directly attributable to the acquisition, construction, or production of a qualifying asset.

Trolley Bus Overhead and Poles

The Traction network is valued at cost less accumulated depreciation in accordance with PBE IPSAS 17, and annually reviewed for impairment to ensure its carrying value is accurately reflected.

Cable Car Assets

The Cable Car assets comprising the Cable Car Tracks & Wires and Cable Car Equipment are valued at cost less accumulated depreciation in accordance with PBE IPSAS 17, and annually reviewed for impairment to ensure its carrying value is accurately reflected.

Impairment

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment in accordance with PBE IPSAS 21 and PBE IPSAS 26. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported in the Statement of Comprehensive Revenue and Expense.

Disposal

Realised gains and losses arising from the disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Revenue and Expense in the period in which the transaction occurs. Any balance attributable to the disposed asset in the asset revaluation reserve is transferred to Accumulated Comprehensive Revenue and Expense.

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Depreciation

Depreciation is provided on all property, plant and equipment, except for assets under construction (work in progress). Depreciation is calculated on a straight line basis, to allocate the cost or value of the asset (less any residual value) over its useful life. The depreciation rates of the major classes of property, plant and equipment are as follows:

Cable Car Tracks & Wires	2%
Cable Car & Equipment	2%-33%
Computer Equipment	33%
Motor Vehicles	20%
Furniture & Fittings	20%
Trolley Bus Overhead Wire System & Fittings	2.5%-20%

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance date.

Work-in-progress

The cost of projects within work in progress is transferred to the relevant asset class when the project is completed. It is transferred to the relevant asset class only if it is probable that future economic benefits associated with the item will flow to Wellington Cable Car Limited and the cost of the item can be reliably measured.

Restatement of Figures

Where appropriate, prior year figures have been restated for comparability with current years figures.

(c) Foreign Currencies

Transactions in foreign currencies that are settled in the accounting period are translated into NZD (the functional currency) using the spot exchange rates at the dates of the transaction. Transactions in foreign currency that are not settled in the accounting period, resulting in monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are translated to NZD at the foreign exchange rate ruling at that date. Foreign exchange differences arising on their translation are recognised in the Statement of Comprehensive Revenue and Expense.

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(d) Intangible Assets

Intangible assets comprise computer software which has a finite life and is initially recorded at cost less any amortisation and impairment losses. Amortisation is charged to the Statement of Comprehensive Revenue and Expense on a straight-line basis over the useful life of the asset.

Typically, the estimated useful lives of these assets are as follows:

Computer Software	3 years
-------------------	---------

Realised gains and losses arising from disposal of intangible assets are recognised in the Statement of Comprehensive Revenue and Expense in the period in which the transaction occurs. Intangible assets are reviewed at least annually to determine if there is any indication of impairment. Where an intangible asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Losses resulting from impairment are reported in the Statement of Comprehensive Revenue and Expense.

(e) Goods & Services Tax

These financial statements have been prepared on a GST exclusive basis with the exception of accounts receivable and accounts payable which are shown inclusive of GST. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

(f) Income Tax

Income tax expense is charged in the Statement of Comprehensive Revenue and Expense in respect of the current year's results. Income tax on the surplus or deficit for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable revenue for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at balance date. Deferred income tax assets are recognised to the extent that it is probable that future taxable surplus will be available against which the temporary differences can be utilised.

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(g) Inventories

Wellington Cable Car Limited's inventory comprises of items held in respect of maintaining and operating the Cable Car (in prior years this also included the maintaining and operating the Overhead Trolley Bus network). In accordance with PBE IPSAS 12, all inventory has been valued at the lower of cost using the weighted average cost formula or net realisable value.

(h) Leases

Operating Leases

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased items are classified as operating leases. Payments made under these leases are expensed in the Statement of Comprehensive Revenue and Expense in the period in which they are incurred. Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Statement of Comprehensive Revenue and Expense as an integral part of the total lease payment.

(i) Statement of Cash Flow

The Statement of Cash Flow has been prepared using the direct approach.

Operating activities include cash received from all revenue sources of the company and record the cash payments made for the supply of goods and services. Investing activities relate to the acquisition and disposal of assets. Financing activities relate to activities that change the equity and debt capital structure of the company.

(j) Related Parties

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties also include key management personnel or a close member of the family of any key management personnel.

Directors' remuneration is any money, consideration or benefit received, receivable or otherwise made available, directly or indirectly, to a Director during the reporting period. Directors' remuneration does not include reimbursement of legitimate work expenses or the provision of work-related equipment such as cell phones and laptops.

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(k) Financial Instruments

Wellington Cable Car Limited classifies its financial assets and financial liabilities according to the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Trade and other receivables

Trade and other receivables are recorded at their fair value, less any provision for impairment. A provision for impairment is established where there is objective evidence that the company will not be able to collect all amounts according to the original terms of receivable. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted using effective interest method. Receivables with a short duration are not discounted.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with up to three months maturity from the date of acquisition. These are recorded at their fair value.

Short Term Investments

Short term investments comprise an ANZ term deposit that is invested for a period of less than 12 months. This is recorded at its fair value.

Trade and other payables

Short term payables are recorded at face value.

(l) Revenue

Wellington Cable Car Limited derives revenue from the cable car passenger service with fares being the sole source of income along with a minor amount of income from merchandise sales.

Additional revenue is received from Greater Wellington Regional Council in relation to the operation of the Traction Network (to 31 October 2017) and thereafter to decommission the network. There are also pole occupancy licences in place in relation to third parties with equipment attached to the Traction Network.

Revenue is recognised when billed or earned on an accrual basis. The non-exchange revenue consists of the funding for the operation and decommissioning of the Trolley Bus Network which is received from Greater Wellington Regional Council.

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(m) Grants

The trolley bus overhead wiring system funding is from contract payments by the Greater Wellington Regional Council.

Grants are recognised as revenue when received, unless conditions apply. Any grants for which conditions apply under the grant agreement are carried as liabilities until all the conditions have been fulfilled.

(n) Expenses

Expenses are recognised when the goods or services have been received on an accrual basis.

(o) Employee Benefit liabilities

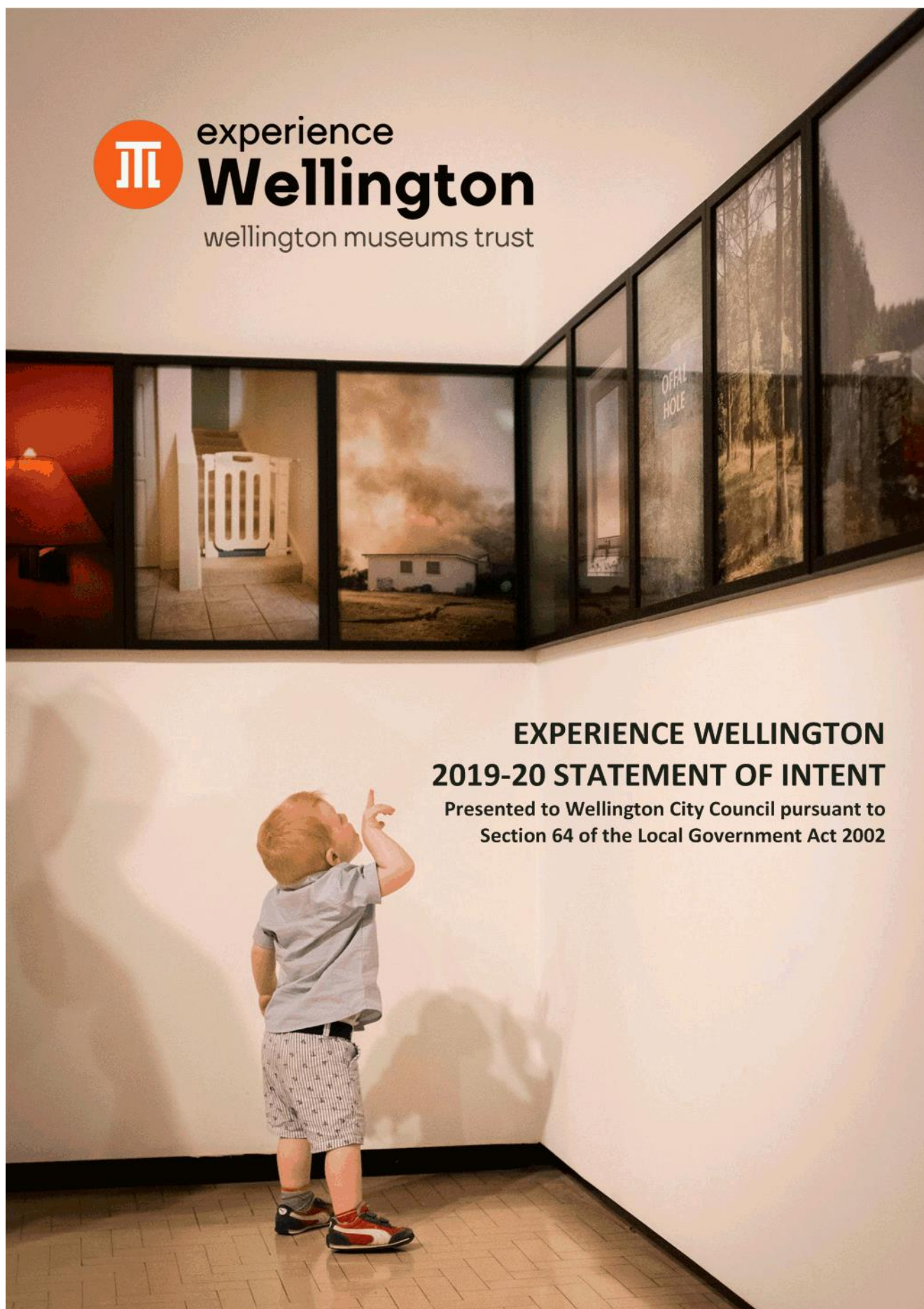
Provisions for employee benefits, being holiday leave and other employee entitlements are recognised as a liability when benefits are earned but not paid.

Holiday leave is calculated on an actual entitlement basis at the greater of the average or current hourly earnings in accordance with sections 16(2) and 16(4) of the Holidays Act 2003.

APPENDIX ONE: RISK REGISTER (HIGH RISKS ONLY)

Cable Car - Risk Register (Highs Only) as at 1 February 2019

Risk ID #	Hazard Title	Risk Items	Risk Causes	Risk Effects	Risk Controls	Pre Controls Probability	Pre Controls Impact	Pre Controls Risk Rating	Probability	Impact	Risk Rating	Categories
0019	Damage to Cable Car by general public (anytime including after hours)	1 - Disruption to Cable Car services	1 - Unauthorised entry to Cable Car premises by public. Likely to be elevated at certain times of the year due to seasonal and large events.	1 - Vandalism/damage to Cable Car property	1 - Cars locked at night	Almost Certain	Major	Extreme	Possible	Moderate	High	Plant and Equipment
		2 - Damage to property		2 - Disruption to Cable Car services	2 - Monitored camera surveillance and alarms inside both Kelburn and Lambton Terminals							
		3 - Injuries to public		3 - Injuries to general public	3 - Both Kelburn and Lambton Terminals locked at night							
					4 - Isolating transformer used to supply mains power to strip							
					5 - Driver's pre-test run inspection conducted							
					6 - Sprinkler system at Kelburn to deter trespassers							
					7 - Fence installed at Kelburn (below the Control Room).							
					8 - Trespass signage installed between Salamanca and Kelburn							
					9 - Drivers have right to refuse entry on cars and lower station							
					10 - Drivers have radio communications and access to Security staff							
					11 - Security guards on site during events which may attract anti-social behaviour							
					12 - Scenario training on how to manage challenging situations provided to staff bi-annually							
					13 - A security camera has been installed on each cable car							
0029	Physical violence to staff by general public	1 - Mental and physical ill health of employees and passengers	1 - Public under the influence of drugs or alcohol	1 - Stress and possible physical violence to driver and passengers	1 - Drivers have right to refuse entry on cars and lower station	Possible	Major	High	Possible	Moderate	High	Health & Safety
		2 - Disruption to Cable Car services		2 - Disruption to Cable Car services	2 - Drivers have radio communications and access to Security staff	Possible	Moderate	High	Unlikely	Moderate	Medium	Plant and Equipment
				3 - Minor damage to Cable Car and property	3 - Security guards on site during events which may attract anti-social behaviour							
					4 - Scenario training on how to manage challenging situations provided to staff bi-annually							
					5 - A security camera has been installed on each cable car							



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This Statement of Intent (SOI) reflects the relationship and interest that the Wellington City Council (Council) has in Experience Wellington as a Council Controlled Organisation and our contribution to Council's vision for the future of Wellington. Specifically, it responds to Council's expectations as set out in its Letter of Expectations of 19 December 2018 (see pages 5-7), and outlines our strategic plans (page 4) and performance targets (pages 10-14) for the next three years with detailed focus on the financial period 1 July 2019 to 30 June 2020.

To achieve the best results for Wellington we will continue to work with Council and other Council Controlled Organisations (Wellington Regional Economic Development Agency (WREDA), Wellington Zoo, ZEALANDIA, and the Wellington Cable Car Company), other local visitor experiences, the Museum of New Zealand Te Papa Tongarewa, tertiary education partners and relevant national organisations.

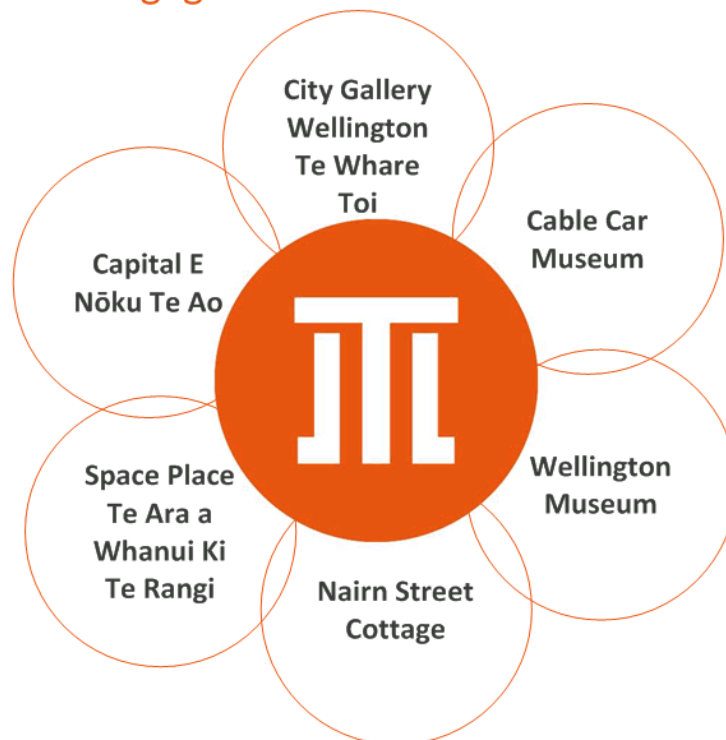
Wellington City Council is our principal funder. They own the buildings that we operate our visitor experiences in, with the exception of Capital E which Council provides a rental subsidy for. Council will provide around 66% of our operational budget in 2019-20 with the other 34% coming from fundraising and trading revenues.

We have a contract with **Creative New Zealand** that supports the delivery of the Capital E National Theatre for Children and the biennial Capital E National Arts Festival for Children. The learning experiences we offer are supported through **Ministry of Education Learning Experiences Outside the Classroom (LEOTC)** contracts. We also regularly receive support from the **City Gallery Wellington Foundation** for City Gallery's programme. The **Carter Observatory Trust** supports our fundraising activities for Space Place.

Cover Image: A young Gavin Hipkins fan at 'This Is New Zealand' opening, March 2018. City Gallery Wellington.



Engaged Curious Communities



We are:

Working with and for Wellington to create remarkable art,
culture and science experiences that generate vitality:
enriching the city we love.

Our Values are:



Connected: We work together to deepen our engagement with, and relevance to, the communities we serve.



Quality First: We set ourselves high standards prioritising what will make a real difference to Wellington.



Boldness: We are agile, proactive and use innovation and creativity to achieve the best outcomes for our city.



Leading: We commit to providing an environment in which a high performing organisation culture will flourish.



OUR INTENT IN 2019-20

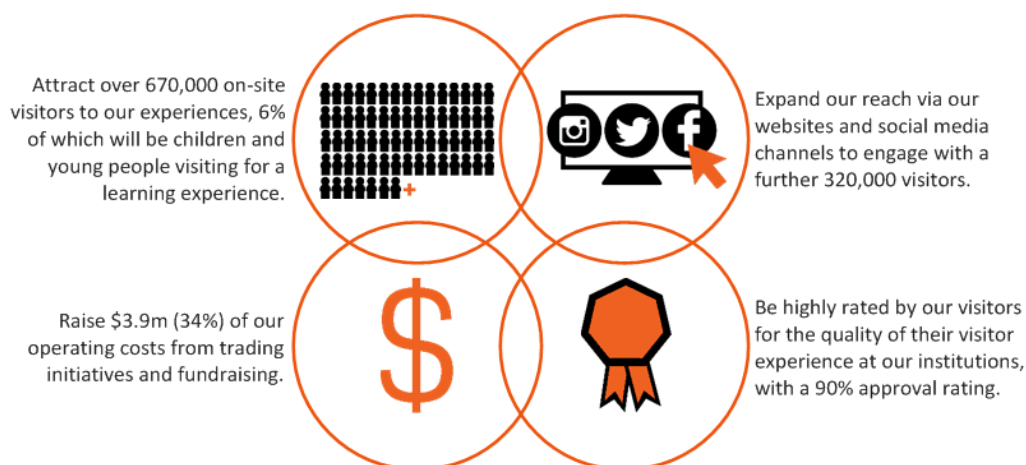
OUR FOCUS is to continue to enrich the city we love by telling Wellington's stories through the city's amazing cultural assets and through every exhibition, public event, and children's live or film production that we produce and present. We welcome Council's focus on arts and culture and we will work closely with Council and other arts and culture organisations to make Wellington the undisputed cultural capital of New Zealand.

Our reach, organisation effectiveness and Te Tiriti o Waitangi priorities will be advanced in 2019-20 by:



- Securing a permanent home for Capital E Nōku Te Ao.
- Confirming the master plan for Wellington Museum and being ready for building works in 2020-21.
- Securing the rights for City Gallery Wellington Te Whare Toi to present our third high profile exhibition in 2020-21.
- Encouraging all staff to have basic competency in Te Reo and Tikanga Māori.
- Developing an organisation culture based on whanaungatanga.
- Continuing to improve business systems that support our business activities.
- Increasing revenue from fundraising.
- Achieving a break-even budget or better.

OUR PERFORMANCE is measured by our Key Result Indicators (KRI). In 2019-20 we expect to:



OUR FINANCIAL PERFORMANCE forecasts a break-even budget after fully-funding depreciation. The 2019-20 Budget is based on the following key assumptions:

- We will receive \$7,482,835 from Council (exclusive of cash underwrites) for the operation of Experience Wellington inclusive of Space Place Te Ara a Whanui Ki Te Rangi representing a 2% increase on our base-line funding received in 2018-19.
- Our 2019-20 non-Council revenue target of just under \$3.9 million represents an increase on our 2018-19 forecast.
- We remain committed to achieving a break-even budget after fully-funding depreciation.

The Forecast Financial Statements are provided in Appendix 1 (pages 19-24). Accounting policies are provided in Appendix 2 (pages 25-29).

OUR CHALLENGES during 2019-20 are to achieve our budget and to resolve our accommodation uncertainties.



COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE 3 APRIL 2019

COUNCIL'S EXPECTATIONS

Outlined in the left-hand column below are Council's expectations for Experience Wellington during 2019-20, as stated in the Letter of Expectations. The right-hand column below is drawn from our 2018-21 Strategic Plan showing the alignment of our 2019-20 focus areas with Council's expectations.

Council's Expectations	Experience Wellington's Response
Support Council's Te Tauihu Te Reo Māori Policy	<p>Our Priority Project, <i>ensuring a Māori dimension in all Experience Wellington plans and activities and in what visitors see, feel and experience</i>, contributes to Council's aspiration to be a Te Reo Māori city by 2040.</p> <p>In 2019-20 we will continue to build the Te Reo Māori capabilities of our staff through training and will progressively introduce Te Reo Māori signage and communication.</p>
Continue working closely with WREDA to promote Experience Wellington's activities.	We will continue to share information on future plans and to work closely with the team at WREDA to promote visitor experiences and to increase out-of-region visitation and reach.
Make a strong contribution towards the achievement of Council's aims as per the 2018-28 Long-Term Plan, the Capital of Culture, and relevant Council Strategies.	<p>Our purpose is to work with and for Wellington to create remarkable art, culture and science experiences that generate vitality, enriching the city we love. See page 9 for highlights from our 2019-20 visitor experience programme.</p> <p>In 2019-20 we will confirm plans for the Wellington Museum development, a project which has Council's support through a \$10m commitment in the Long-Term Plan. The project will complete earthquake strengthening and the redevelopment of the visitor experience which started in 2015 with the opening of <i>The Attic</i>. This project will build Wellington Museum's role within the region as the teller of Wellington's stories, including an authentic Māori dimension.</p> <p>A third exhibition in City Gallery's high value international contemporary art programme will be staged in 2020-21; the first two exhibitions in the programme were <i>Cindy Sherman</i>, presented in 2016-17; and <i>Eva Rothschild: Kosmos and Semiconductor: The Technological Sublime</i>, presented in 2018-19. Both were made possible with the assistance of Council and WREDA through the City Growth Fund/Major Events Fund.</p> <p>This programme enhances Wellington's and City Gallery's reputation as a destination for contemporary art lovers.</p> <p>Space Place will mark its 10th anniversary as a dedicated visitor experience in April 2020. The 2017-18 review of Space Place has highlighted the need for visitor experience refreshment and we will work with Council to establish a programme of exhibition and asset renewal.</p> <p>Through our programme of activity at Capital E we are committed to working with Council to achieve a Child Friendly City.</p> <p>Our Children and Young People Strategy and our Access and Inclusion Strategy are integral to our organisation effectiveness. We will continue to progress our Environmental Sustainability goals as well.</p>
Increase the visibility of the relationship with Council.	We will complete an audit of building signage and all external communication channels to ensure Council is credited appropriately as owner and principal funder. We will expect also to incorporate Council's Te Tauihu Te Reo Māori Policy as changes are implemented.



COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE 3 APRIL 2019

Absolutely Positively
Wellington City Council
Me Heke Ki Pōneke

Performance Measures align with Council's own reporting framework.	<p>Performance measures for the reporting period are provided on page 10-14.</p> <p>By 30 June 2019 we will have completed a review of the way we monitor audience profile and developed new tools to help us programme and communicate more responsively with those who already engage with us and to enable us to build new audiences. This is part of our strategy to improve the effectiveness of our engagement with communities and to help assess the contribution we are making to Wellington's value proposition.</p>
Participate in Council's review of the Leisure Card programme during 2019-20.	We welcome the opportunity to contribute to the review of the Leisure Card programme.
Consider expanding school holiday offerings to Wellington children and caregivers, subject to demand and commercial considerations.	<p>We remain committed to our Children and Young People Strategy and our purpose is to make growing up in the capital city full of opportunities to play, create and interact, with access to facilities and experiences that are for, by, with and between children and young people. Our vision is that the children and young people who encounter us feel safe, welcomed, included and important.</p> <p>Our experiences are open during the school holidays, and in 2019-20 we will run engaging holiday programmes for children and young people at Capital E and Space Place as part of our wider offering of activities and experiences for this audience group. At Wellington Museum and City Gallery we will work closely with independently-organised holiday programmes.</p>
Articulate the plans for delivering a programme of international art exhibitions, noting that these would likely require funding support from the City Growth or Major Event Funds.	<p>During 2019-20 we will prepare the communications and secure the funding for the next high profile exhibition, which will be presented 2020-21.</p> <p>We will work closely with Council and WREDA to present a long-term programme of exhibitions and secure a long-term funding commitment from the City Growth and/or Major Event Funds to support this programme.</p>
Seek to mitigate the impacts from the Te Ngākau Civic Square earthquake strengthening works to ensure that City Gallery maintains a strong programme and contribution to Wellington.	<p>We have an exciting programme of exhibitions and events planned for City Gallery during 2019-20 with the aim of attracting visitation in spite of the construction activity happening on Te Ngākau Civic Square.</p> <p>Further work is underway to analyse audience data to help target appropriate mitigation strategies to attract visitation.</p> <p>We will continue to consult with Council about the Te Ngākau Civic Square works and our strategies for mitigating their impact on visitation to City Gallery.</p>
Seek opportunities to proactively contribute to the Decade of Culture including the cornerstone Matariki event.	We are committed to working with cultural sector colleagues to coordinate and leverage cultural celebrations including the annual Matariki festival and other cultural events that have helped to define Wellington's standing as the arts capital of New Zealand. The Wellington Museum development, City Gallery's international exhibition programme and the opening of a permanent home for Capital E will provide further opportunities to celebrate Wellington's love for the arts.
Discuss the key strategic findings of the review of Space Place and how these are being addressed.	Following the recommendations of the Space Place Review, we will work with Council to establish a programme of exhibition and asset renewal, to ensure that Space Place's business model continues to grow visitation and revenue, with a renewed visitor experience that widens the offer to more visitors.



COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE 3 APRIL 2019

Maintain alignment with Council's Living Wage remuneration policy.	We are committed to the Living Wage Policy and we implemented the 2018-19 Living Wage adjustment with Council's assistance. We also aligned relativity adjustments with Council's Remuneration Policy as it applied to the implementation of the Living Wage. We have assumed a 2% increase in personnel cost for the planning period.
Collaborate with the Wellington Cable Car Company and ZEALANDIA to continue to improve the overall visitor experience in the Kelburn Precinct at the top of the Cable Car.	<p>We will continue to liaise with all our CCO colleagues and especially with ZEALANDIA and the Wellington Cable Car Company to contribute where possible to further improving the overall experience in the Kelburn precinct at the top of the cable car.</p> <p>Our priority project, <i>The Look Out! Pukehinau</i> (Cable Car Precinct and Surrounds), is a collaboration/partnership vehicle to engage with the other organisations operating in the Cable Car Precinct. So far through this initiative we have celebrated the 115th anniversary of the Cable Car's first journey with <i>Cable Car Hoopla</i>; refurbished, with Council's Property Team, the Thomas King Observatory for public use, including trialling an artist in residence programme; and contributed to the Botanic Garden's 150th Birthday celebrations.</p>
Update Council on its progress toward developing its business case for the proposed seismic strengthening and exhibition upgrades of Wellington Museum as signalled in the 2018-28 Long-Term Plan	<p>A process has been agreed with Council regarding the development and presentation of the business case which we expect will confirm timing of Council's funding for the project.</p> <p>In 2019-20 we will confirm the master plan describing building fit-out, complete the building consent process, and award contracts to commence the building works in 2020-21.</p> <p>Fundraising for the development project will be a major focus of 2019-20.</p>

Governance

The Board aspires to be a leading governance group with the safety and wellbeing of our people of the upmost importance. The Board is confident that it will comply with Council's expectations regarding legislative compliance and in particular the Health and Safety at Work Act 2015.

Our legislative compliance schedule is reviewed annually by the Board and our compliance is closely monitored through a rolling audit programme.

Our health and safety goal is a zero harm culture and our Key Result Indicator is no notifiable incidents. We have adopted systems and processes to ensure our Health and Safety compliance and we work closely with Council to ensure that our approach is consistent with its expectations. This is particularly relevant in the context of building management where our Health and Safety obligations overlap.

The Sections on the Board's Approach to Governance (page 15) and Management, Organisational Health, Capability and Risk Assessment (pages 17-18) cover these expectations in more detail.



OPERATING ENVIRONMENT UPDATE

Access to our Visitor Experiences

- We will work closely with Council to mitigate access issues to Te Ngākau Civic Square and to City Gallery Wellington as the earthquake strengthening of the Town Hall and other construction projects get underway.
- We will plan to keep disruption to access to a minimum as we plan the redevelopment of Wellington Museum and the probable move of Capital E to new accommodation.

Funding Sources

- We expect to continue to diversify our revenue base and a key aspect of this is fundraising. While grant funding continues to be a significant funding source to meet programming costs we are committed to building our capability in personal giving through loyalty programmes including our legacy giving programme.
- The use of new technology, online fundraising options and ensuring that our business systems are fit for purpose are important aspects of our fundraising approach.
- We will continue to explore corporate sponsorship opportunities particularly in the context of high profile programming and major capital developments.

Stakeholders and Partners

- We continue to develop relationships with stakeholders and organisations particularly in the development of visitor experiences. The partnerships which result contribute to our organisation's success and bring new experiences to Wellington. The Wellington Museum development has provided further opportunity to work closely with Mana Whenua which will help us build organisation capability and result in richer Māori dimension within the visitor experience.

Sector Activity

- We monitor trends and activities within the arts and culture sector in New Zealand and overseas, looking for opportunities to increase our reach and revenue.

Technology

- We continue to strive to be in a position to take advantage of the growth in new technologies in order to improve organisation effectiveness including to enhance our reach and relevance to the communities we serve.



NATURE AND SCOPE OF EXPERIENCE WELLINGTON'S ACTIVITIES

Experience Wellington's purpose is *working with and for Wellington to create remarkable art, culture and science experiences that generate vitality: enriching the city we love* and with our vision, *Engaged Curious Communities* defines our value proposition and how we contribute to Wellington's liveability and prosperity.



Capital E Nōku Te Ao responds to the need for Wellington and New Zealand to foster confident, creative, capable citizens who can be architects of their own future.

City Gallery Wellington Te Whare Toi leads the conversation about contemporary art in New Zealand.



Wellington Museum* shares the stories and objects of Wellington.

Space Place Te Ara a Whanui Ki Te Rangi transports visitors from Wellington to outer space.



Cable Car Museum encourages visitors to explore and share the technology, history and experience of Wellington's Cable Car.

Nairn Street Cottage illustrates the story of Wellington through the Wallis family.



We will present a full visitor experience programme in 2019-20 which will include:

- City Gallery Wellington presenting the much awaited survey exhibition of the work of Theo Schoon; a partnership with the Ian Potter Gallery in Melbourne for an exhibition called *Eavesdropping*; and a new commissioned solo project with one of New Zealand's rising stars Fiona Connor.
- Commemorating *Tuia – Encounters 250* with a series of small exhibitions at City Gallery Wellington; and a national tour of a specially developed Capital E National Theatre for Children show featuring children's own stories of their first cultural encounters.
- Taking our Te Reo Māori Capital E/Taki Rua Theatre Company co-production of *Te Kuia me te Pungawerewere* on tour in the South Island.
- Building on the success of Capital E's inaugural *Maker Faire* with an increased focus on young makers' creativity, bringing their ideas to life.
- Joining with other city attractions in the celebration of Matariki which will include: Capital E presenting child-focussed programmes as part of Council's Matariki celebration; *Matariki Dawn* and star gazing at Space Place; the continuation of our partnership with Chamber Music New Zealand at Wellington Museum and other events aimed at showcasing Wellington during Matariki in June 2020.
- Four new planetarium shows at Space Place including: one focussed on the Moon – part of the 50th Anniversary of the first person to walk on the Moon in July 1919; and one comparing and contrasting traditional Māori and Pacific voyaging knowledge and practice with Western knowledge.

Experience Wellington cares for the recovered Plimmer's Ark timbers and Wellington city's heritage collections in storage.

We also have a management agreement with the New Zealand Cricket Museum Trust to provide in-kind support, including financial management, for the New Zealand Cricket Museum.

*Including the Plimmer's Ark display in the Old Bank Arcade.



PERFORMANCE MEASUREMENT

We will continue to refine performance measurement over the planning period to better reflect the needs of stakeholders for information that helps to assess the contribution or impact Experience Wellington makes to Wellington's prosperity and liveability. Any changes will be made in consultation with Council.

All financial statements and targets reflect broad assumptions regarding the impact on City Gallery Wellington of the earthquake strengthening work on Te Ngākau Civic Square and the proposed 18-month closure of Wellington Museum for earthquake strengthening and development.

Our City

Key Result Indicators

City Residents' Awareness: The number of Wellingtonians who know about our institutions as assessed through the Annual Residents' Survey conducted by Council.

Residents' Awareness	2017-18 Actual	2018-19 SOI	2019-20	2020-21	2021-22
City Gallery Wellington	91%	95%	95%	95%	95%
Wellington Museum	93%	97%	95%	95%	95%
Capital E	81%	90%	90%	90%	90%
Cable Car Museum	95%	97%	95%	95%	95%
Space Place	90%	97%	92%	92%	92%
Nairn Street Cottage	50%	60%	54%	54%	54%

Our Visitors

Key Result Indicators

Physical Visitation: The total number of on-site visits to institutions including general public, education and function attendees. The annual target is reviewed each year and benchmarked against the average visitation for the institution during the previous three years.

Visitor Numbers	2017-18 Actual	2018-19 SOI	2019-20	Q1 Jul-Sep	Q2 Oct-Dec	Q3 Jan-Mar	Q4 Apr-Jun	2020-21	2021-22
City Gallery Wellington	153,194	170,000	156,000	40,000	38,000	38,000	40,000	170,000	162,000
Wellington Museum	127,413	132,000	130,000	25,300	35,900	41,800	27,000	50,000	50,000
Capital E	113,414	157,500	70,500	21,638	19,120	12,013	17,729	115,500	80,000
Cable Car Museum	269,028	237,000	256,000	36,300	77,700	93,300	48,700	260,000	264,000
Space Place	60,441	55,000	57,000	12,800	12,700	13,800	17,700	59,000	61,000
Nairn Street Cottage	1,724	2,000	2,000	400	400	800	400	2,000	2,000
Experience Wellington Total	725,214	753,500	671,500	136,438	183,820	199,713	151,529	656,500	619,000

Capital E will host the National Arts Festival for Children in 2018-19 and again 2020-21.

Capital E visitation figures from 2019-20 onwards excludes the Hannah Playhouse.

City Gallery visitation may be affected by Te Ngākau Civic Square earthquake strengthening. In 2020-21 a high-value art exhibition is expected to increase visitation.

It is proposed that Wellington Museum Building will be closed for a period of 18 months for earthquake strengthening from 1 July 2020.



COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE 3 APRIL 2019

Virtual Visitation: The total number of unique user visits to institutional web/mobile sites.

Virtual Visitor Numbers	2017-18 Actual	2018-19 SOI	2019-20	2020-21	2021-22
City Gallery Wellington	76,515	120,000	125,000	127,500	129,000
Museums Wellington	115,101	88,000	96,000	100,000	104,000
Capital E	40,719	45,000	45,500	46,000	47,000
Experience Wellington Total	232,335	253,000	266,500	273,500	280,000

Social Media Profile: A snapshot of Facebook friends, Instagram and Twitter followers.

Social Media Numbers	2017-18 Actual	2018-19 SOI	2019-20	2020-21	2021-22
City Gallery Wellington	34,724	26,000	27,000	30,000	32,000
Museums Wellington	10,401	10,000	11,500	12,000	12,500
Capital E	6,905	6,250	6,500	6,750	7,250
Space Place	9,224	11,500	10,000	10,500	11,000
Experience Wellington Total	61,254	53,750	55,000	59,250	62,750

First Time Wellington City Visitors: The number of visitors who are residents of Wellington visiting for the first time.

We are currently developing the tools to accurately measure this indicator and will have targets set for the 2020-21 Statement of Intent.

Quality of Visit: Visitor feedback based on comfort, access, experience, knowledge gained, the friendliness of staff, the length of visit and overall enjoyment.

Quality of the Visitor Experience	2017-18 Actual	2018-19 SOI	2019-20	2020-21	2021-22
City Gallery Wellington	88%	90%	90%	90%	90%
Wellington Museum	92%	90%	90%	90%	90%
Capital E	93%	90%	90%	90%	90%
Cable Car Museum	85%	90%	90%	90%	90%
Space Place	87%	90%	90%	90%	90%
Nairn Street Cottage	-	90%	90%	90%	90%

There was no Visitor Satisfaction Survey completed at Nairn Street Cottage during 2017-18.

Capital E's Quality of Visit figures from 2019-20 onwards excludes the Hannah Playhouse.



COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE 3 APRIL 2019

Children & Young People Visiting for a Learning Experience: The number of students (aged 0-18 years) participating in a learning experience organised by their education provider.

Learning experience visitors	2017-18 Actual	2018-19 SOI	2019-20	2020-21	2021-22
City Gallery Wellington	3,355	4,500	4,500	4,500	4,500
Museums Wellington	7,819	7,000	7,000	7,000	4,000
Capital E	39,429	50,000	20,500	50,000	20,900
Space Place	8,192	8,250	8,250	8,250	8,250
Experience Wellington Total	58,795	69,750	40,250	69,750	37,650

Figures include LEOTC funded learning experiences as well as self-directed and outreach learning experiences.

Museums Wellington includes the Wellington Museum, Cable Car Museum and Nairn Street Cottage.

Wellington Museum will be under construction during 2021-22 so Learning Experience opportunities will be reduced.

Capital E hosted the National Arts Festival for Children in 2018-19 and will do so again in and 2020-21.

Capital E Learning Experience figures from 2019-20 onwards exclude the Hannah Playhouse.

Our Sustainability

Key Result Indicators

Financial Performance: A break-even budget and fully-funded depreciation.

Non-Council Revenue: The total amount of revenue (net of costs) generated from non-Council sources:

- Trading includes admissions, retail, venue hire, sub-letting and interest.
- Fundraising includes donations, sponsorships, other grants and cultural grants (CNZ and MOE for LEOTC).

Trading (\$'000)	2017-18 Actual \$000	2018-19 SOI \$000	2019-20 \$000	2020-21 \$000	2021-22 \$000
City Gallery Wellington	310	307	180	185	190
Museums Wellington	909	845	486	225	152
Capital E	562	509	237	529	255
Space Place	531	542	496	500	505
Sub Total	2,312	2,203	1,399	1,439	1,102
Sub-letting, Interest & Other	236	275	224	230	230
Experience Wellington Total	2,548	2,478	1,623	1,669	1,332
Fundraising (\$'000)	2017-18 Actual \$000	2018-19 SOI \$000	2019-20 \$000	2020-21 \$000	2021-22 \$000
City Gallery Wellington	299	274	574	474	555
Museums Wellington	178	173	158	130	130
Capital E	756	1,051	858	1,058	865
Space Place	53	103	111	127	132
Experience Wellington Total	1,286	1,601	1,701	1,789	1,682

Museums Wellington includes the Wellington Museum, Cable Car Museum and Nairn Street Cottage.

Capital E will host the National Arts Festival for Children in 2020-21.

Capital E Non-Council Revenue figures from 2019-20 onwards exclude the Hannah Playhouse. The trading figures from 2020 are shown net of cost of sales.



COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE 3 APRIL 2019

Spend per Visitor: Visitor related revenue.

Spend per Visit (\$)	2017-18 Actual \$	2018-19 SOI \$	2019-20 \$	2020-21 \$	2021-22 \$
City Gallery Wellington	2.02	1.80	1.83	1.91	1.91
Museums Wellington	2.28	2.28	3.37	1.24	0.83
Capital E	4.58	3.12	3.29	3.19	3.19
Space Place	8.74	9.85	10.91	9.83	10.23

Museums Wellington includes Wellington Museum, Cable Car Museum and Nairn Street Cottage.

Capital E will host the National Arts Festival for Children in 2018-19 and will do so again in 2020-21.

Capital E Non-Council Revenue figures from 2019-20 onwards exclude the Hannah Playhouse.

Our People

Key Result Indicators

Health and Safety: No notifiable incidents involving workers or visitors as defined by the Health and Safety at Work Act 2015.

Number of Notifiable Incidents	2017-18 Actual	2018-19 SOI	2019-20	2020-21	2021-22
Experience Wellington Total	1	0	0	0	0

Staff Satisfaction: At least 75% of staff are engaged with the organisation as indicated through the annual Staff Engagement Survey.

Staff Satisfaction	2017-18 Actual	2018-19 SOI	2019-20	2020-21	2021-22
Experience Wellington Total	71%	75%	75%	77%	80%

Our Heritage

Key Result Indicators

Collection Development: Our Heritage Collections contribute to our understanding of Wellington's identity; its history, art and creativity which include visitors to some of Wellington's most important heritage sites (see Visitor Number KRI).

Collection Development	2018-19 SOI	2019-20	2020-21	2021-22
New to the Collection	45	100	200	100
Collection Assessment	1,875	1,000	800	200
Collection Accessibility	7.5%	10%	10%	2%

New to the Collection: Commissions, acquisitions or donations of an item or a collection of items that have been accessioned into the collection.

Collection Assessment: The number of items (individual or type e.g. lifebuoys) that are reviewed for retention or disposal.

Collection Accessibility: The % of the Collection that is on display, on loan, used for research purposes or accessed through other mediums such as online.

Wellington Museum will be under construction during 2021-22 so there will be less of the collection on public display during this time.



COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE 3 APRIL 2019

Council's Subsidy per Visit

The Council subsidy per physical visitor is calculated first by dividing the number of forecast visits into the operating grant received from Council (Table 1). Council's ownership costs such as insurance, maintenance and depreciation are then added (Table 2) to provide an estimate of the full subsidy per visit. The information regarding ownership costs is supplied by Council.

Table 1: Operating subsidy per visit

Subsidy per Visit (\$)	2017-18 Actual \$	2018-19 SOI \$	2019-20 \$	2020-21 \$	2021-22 \$
City Gallery Wellington	15.10	12.65	14.39	13.46	14.41
Museums Wellington	4.67	5.00	5.01	6.36	6.41
Capital E	12.22	10.76	23.35	14.54	21.40
Space Place	8.05	9.72	6.43	6.34	6.25

Subsidy per Visit forecast is based on the probable percentage of the operating grant received from Council as follows:

City Gallery Wellington – 30%

Museums Wellington (Wellington Museum, Cable Car Museum and Nairn Street Cottage) – 26%

Capital E – 22%

Space Place – 4.9% plus the cash underwrite

Experience Wellington Executive Office – 17.1%

It is proposed that Wellington Museum Building will be closed for a period of 18 months for earthquake strengthening from 1 July 2020.

Capital E will host the National Arts Festival for Children in 2018-19 and again 2020-21.

Capital E visitation figures from 2019-20 onwards excludes the Hannah Playhouse.

Table 2: Full subsidy per visit inclusive of Council's ownership costs

Full Subsidy per Visit (\$)	2017-18 Actual \$	2018-19 SOI \$	2019-20 \$	2020-21 \$	2021-22 \$
City Gallery Wellington	15.10	16.05	16.06	16.10	17.05
Museums Wellington	6.91	7.42	7.41	8.78	8.83
Capital E	12.22	14.91	27.50	19.04	25.90
Space Place	14.94	14.22	10.93	10.84	10.75

Council's estimated ownership costs are supplied by Council.



BOARD'S APPROACH TO GOVERNANCE

Governance

Trustees are appointed by Council and are standard-bearers for our vision. They are responsible for setting the strategic direction and approving the Statement of Intent and the Strategic Plan. The Board monitors organisational performance, the organisation's on-going viability and the maintenance of its competitiveness. It delegates the day-to-day operation to the Chief Executive, who reports to the Board.

The Board meets no fewer than nine times per year and operates three committees which review relevant matters prior to consideration by the full Board. These are the Audit and Risk (A&R) Committee, the Chief Executive Performance and Remuneration (CEP&R) Committee, and the People Performance and Safety (PPS) Committee. In addition, the Board will convene *ad hoc* working groups to consider specific issues. Guidance in specialist areas is also provided as appropriate.

Board Committees

Audit and Risk (A&R) Committee assists the Board in carrying out its duties in regard to financial reporting, risk management and legislative compliance.

Chief Executive Performance and Remuneration (CEP&R) Committee to advise the Chair in connection with the performance and remuneration of Experience Wellington's Chief Executive.

People, Performance and Safety (PPS) Committee provides guidance and support to the Chief Executive in a Human Resources context and assists the Board to meet its due diligence responsibilities regarding Experience Wellington's compliance with Health and Safety legislation.

Board Membership

Trustee	Term Expires	Committees
Jackie Lloyd, Chair	30 June 2020	Chair CEP&R and <i>ex officio</i> of PPS and A&R
Diane Calvert	31 October 2019	A&R
Rachel Farrant	30 June 2019	Chair A&R and member of CEP&R
Holden Hohaia	30 June 2021	PPS
Jane Wrightson	31 December 2021	Chair PPS and member of CEP&R

Board Performance

The Board strives to meet best practice governance standards and will undertake an annual review of the overall Board, individual Trustees and the Chair's performance and report to the Chief Executive of Council by 30 September 2019.

The Board may appoint a Future Director if the opportunity arises.



COUNCIL RELATIONSHIP PRINCIPLES

The principles governing the relationship with Council as our primary stakeholder include:

- Operating on a “no surprises” basis so that any significant event that may impact on either party is brought to their attention as soon as it can be reasonably done.
- Open and frank communication will occur between Experience Wellington and Council.
- Provide advice to Council on the management and development of museums, art galleries, space science and other relevant services within Wellington.
- Full disclosure of information will be provided to Council from Experience Wellington as deemed necessary by Council to ensure its interests are upheld.
- Disclosing within the Experience Wellington’s Strategic Plan any significant transactions that are planned.

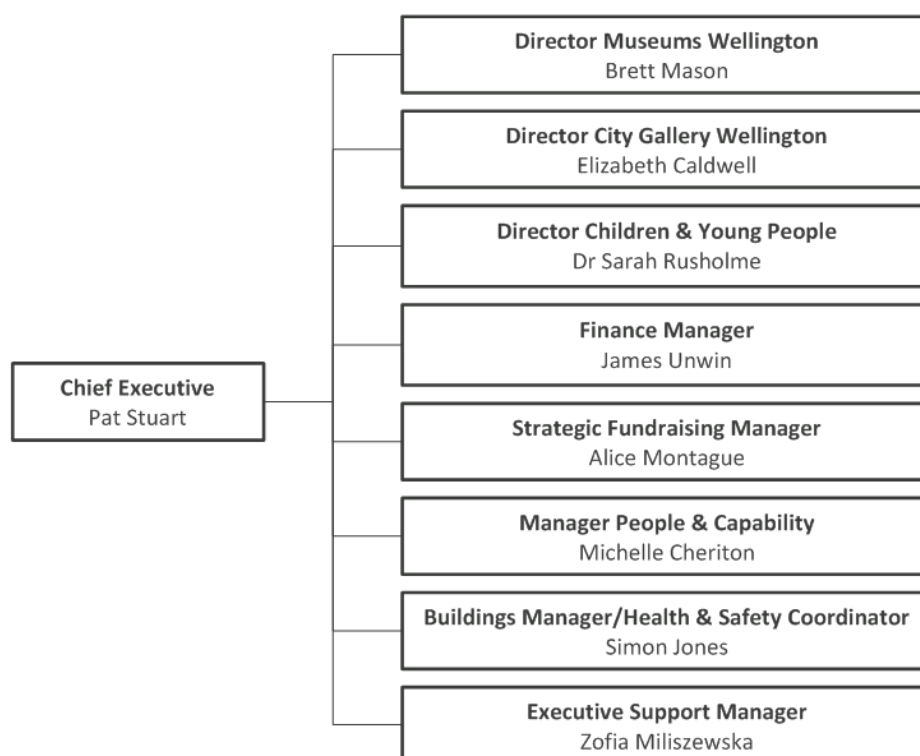


MANAGEMENT, ORGANISATIONAL HEALTH, CAPABILITY AND RISK ASSESSMENT

Management

Experience Wellington provides strategic leadership and centralised management and accountability for visitor experiences delivered through institutions. Our corporate values: *Connected, Quality First, Boldness and Leading* are the quadrants of our balanced scorecard and describe the strategies, performance monitoring and reporting that together describe how we wish to go about our business and how we measure performance and success. Central to this is the ability to create and sustain an operating environment that supports the achievement of a high performing organisation that encourages staff to strive for excellence.

Reporting to the Chief Executive are three Directors who have responsibility for our visitor experience outputs, the Finance Manager, the Manager People and Capability, the Strategic Fundraising Manager, the Executive Support Manager and the Buildings Manager/Health and Safety Coordinator. The organisation chart follows:



Organisational Health and Wellbeing

Critical to achieving our vision and supporting Council's vision is the talent and experience of our staff.

Staff induction, training, regular communication and celebrations of success reinforce our team spirit. We seek feedback annually on key factors relating to organisation performance including vision and values, sense of community, leadership, communication, learning and development, performance and rewards, working relationships and health and safety. We also have an active Health and Safety Committee.



Capability

Our commitment to presenting thought-provoking and entertaining visitor experiences relies on our staff who bring to their work: leadership; strategic thinking; knowledge of heritage collections, art, science and creativity; commitment to audiences; networks and contacts; and professional standards.

We are a highly motivated organisation and rely on our workforce to be flexible and to go the extra mile. Our Executive Team is highly experienced in their respective fields.

Training and professional development is a priority and an annual resource is set aside for this purpose.

We are committed to the principle of collaboration and shared services and we are committed to working with Council, its associated organisations, and sector partners.

Risk Management and Business Continuity

Our Risk Profile is reviewed regularly and identifies events and or circumstances and the impact that these have on our operation using a system that ranks the probability and level of impact of the event. It includes risk management strategies such as recovery plans for specific events which carry high risk values.

Our ability to continue to operate following a major event will depend on factors outside of our control such as the extent of material damage to buildings and the continuation of Council funding.

We acknowledge that under the Health and Safety at Work Act 2015 we share Person Conducting a Business or Undertaking (PCBU) responsibilities with Council with regard to Council buildings we manage and occupy.

Assessed risks which carry a lower risk value tend to be within our operational purview with the exception of risks associated with buildings maintenance and plant performance issues which are Council's responsibility. Building and plant issues that are likely to impact on business continuity or present a risk to health and safety of workers and visitors are immediately brought to Council's attention.

A business continuity plan is in development.

Insurance

We have adequate insurance cover to meet specific business needs and deductibles are in line with generally accepted risk management principles and affordability.



COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

3 APRIL 2019

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APPENDIX 1: FORECAST FINANCIAL STATEMENTS

Forecast 30-Jun-19	STATEMENT OF FINANCIAL PERFORMANCE Experience Wellington Total (\$'000)	Budget Qtr to 30-Sep-19	Budget Qtr to 31-Dec-19	Budget Qtr to 31-Mar-20	Budget Qtr to 30-Jun-20	Total YE 30-Jun-20	Total YE 30-Jun-21	Total YE 30-Jun-22
Revenue								
1,905	Trading Income (Net)	284	356	410	367	1,417	1,669	1,332
7,336	Council Operating Grant	1,870	1,871	1,871	1,870	7,482	7,631	7,784
1,769	Council Rental Grant	442	442	442	443	1,769	1,769	1,769
1397	Grants	335	310	277	390	1,312	1,407	1,397
239	Sponsorships and Donations	33	67	62	227	389	382	286
42	Investment Income	15	6	15	6	42	50	55
468	Other Income	41	41	41	215	338	489	499
13,156	Total Revenue	3,020	3,093	3,118	3,518	12,749	13,396	13,122
Expenditure								
6,237	Employee Costs	1,560	1,558	1,557	1,558	6,233	6,261	6,379
1,339	Council Rent	335	335	334	335	1,339	1,399	1,399
2,538	Exhibitions & Programmes	667	447	406	695	2,215	2,682	2,337
633	Marketing & Promotions	187	126	123	153	589	635	576
1,255	Occupancy Costs (excluding Council Rent)	297	295	296	299	1,187	1,220	1,225
119	Communication Costs	31	31	31	31	124	112	113
85	Trustee Fees & Expenses	22	21	21	22	86	88	90
159	Technology Costs	37	38	40	43	158	172	164
85	Professional Fees	19	19	20	19	77	80	90
202	Administration Expenses	47	54	50	51	202	208	210
548	Depreciation	138	138	138	136	550	550	550
0	Interest	0	0	0	0	0	0	0
13,200	Total Expenditure	3,340	3,062	3,016	3,342	12,760	13,407	13,133
(44)	Net Surplus/(Deficit) before Taxation	(320)	31	102	176	(11)	(11)	(11)
	Taxation Expense							
(44)	Net Surplus/(Deficit)	(320)	31	102	176	(11)	(11)	(11)
(0.33%)	Operating Margin	(10.60%)	1.00%	3.27%	5.00%	(0.09%)	(0.08%)	(0.09%)



COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

3 APRIL 2019

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Forecast 30-Jun-19	STATEMENT OF FINANCIAL PERFORMANCE Experience Wellington excl. Space Place (\$'000)	Budget Qtr to 30-Sep-19	Budget Qtr to 31-Dec-19	Budget Qtr to 31-Mar-20	Budget Qtr to 30-Jun-20	Total YE 30-Jun-20	Total YE 30-Jun-21	Total YE 30-Jun-22
Revenue								
1,409	Trading Income	157	228	282	240	907	1,149	802
6,975	Council Operating Grant	1,778	1,779	1,779	1,778	7,114	7,256	7,401
1,769	Council Rental Grant	442	442	442	443	1,769	1,769	1,769
1,295	Other Grants	308	282	250	362	1,202	1,295	1,283
238	Sponsorships and Donations	33	66	62	227	388	367	267
42	Investment Income	15	6	15	6	42	50	55
294	Other Income	41	41	41	41	164	315	325
12,022	Total Revenue	2,774	2,844	2,871	3,097	11,586	12,200	11,902
Expenditure								
5,395	Employee Costs	1,346	1,344	1,343	1,344	5,377	5,388	5,488
1,339	Council Rent	335	335	334	335	1,339	1,399	1,399
2,442	Exhibitions & Programmes	643	422	381	671	2,117	2,568	2,220
541	Marketing & Promotions	164	102	100	129	495	540	480
1,182	Occupancy Costs (excluding Council Rent)	276	274	275	278	1,103	1,146	1,149
109	Communication Costs	28	28	29	29	114	101	101
85	Trustee Fees & Expenses	22	21	21	22	86	88	90
157	Technology Costs	36	38	39	43	156	165	159
85	Professional Fees	19	19	20	19	77	80	90
183	Administration Expenses	42	49	45	47	183	186	187
537	Depreciation	135	135	135	134	539	539	539
0	Interest	0	0	0	0	0	0	0
12,055	Total Expenditure	3,046	2,767	2,722	3,051	11,586	12,200	11,902
(33)	Net Surplus/(Deficit) before Taxation	(272)	77	149	46	0	0	0
	Taxation Expense							
(33)	Net Surplus/(Deficit)	(272)	77	149	46	0	0	0
(0.27%)	Operating Margin	(9.81%)	2.71%	5.19%	1.49%	0.00%	0.00%	0.00%



COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

3 APRIL 2019

Forecast 30-Jun-19	STATEMENT OF FINANCIAL PERFORMANCE Space Place (\$'000)	Budget Qtr to 30-Sep-19	Budget Qtr to 31-Dec-19	Budget Qtr to 31-Mar-20	Budget Qtr to 30-Jun-20	Total YE 30-Jun-20	Total YE 30-Jun-21	Total YE 30-Jun-22
Revenue								
496	Trading Income (Net)	127	128	128	127	510	520	530
361	Council Operating Grant	92	92	92	92	368	375	383
0	Council Rental Grant	0	0	0	0	0	0	0
102	Other Grants	27	28	27	28	110	112	114
1	Sponsorships and Donations	0	1	0	0	1	15	19
0	Investment Income	0	0	0	0	0	0	0
174	Other Income	0	0	0	174	174	174	174
1,134	Total Revenue	246	249	247	421	1,163	1,197	1,220
Expenditure								
842	Employee Costs	214	214	214	214	856	873	891
0	Council Rent	0	0	0	0	0	0	0
96	Exhibitions & Programmes	24	25	25	24	98	114	117
92	Marketing & Promotions	23	24	23	24	94	95	96
73	Occupancy Costs (excluding Council Rent)	21	21	21	21	84	74	76
10	Communication Costs	3	3	2	2	10	11	12
0	Trustee Fees & Expenses	0	0	0	0	0	0	0
2	Technology Costs	1	0	1	0	2	7	5
0	Professional Fees	0	0	0	0	0	0	0
19	Administration Expenses	5	5	5	4	19	22	23
11	Depreciation	3	3	3	2	11	11	11
0	Interest	0	0	0	0	0	0	0
1,145	Total Expenditure	294	295	294	291	1,174	1,208	1,231
(11)	Net Surplus/(Deficit) before Taxation	(48)	(46)	(47)	130	(11)	(11)	(11)
Taxation Expense								
(11)	Net Surplus/(Deficit)	(48)	(46)	(47)	130	(11)	(11)	(11)
(0.97%)	Operating Margin	(19.51%)	(18.47%)	(19.03%)	30.88%	(0.95%)	(0.93%)	(0.94%)



COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

3 APRIL 2019

Forecast 30-Jun-19	STATEMENT OF FINANCIAL POSITION (\$'000)	Budget Qtr to 30-Sep-19	Budget Qtr to 31-Dec-19	Budget Qtr to 31-Mar-20	Budget Qtr to 30-Jun-20	Total YE 30-Jun-20	Total YE 30-Jun-21	Total YE 30-Jun-22
Shareholder/Trust Funds								
2,123	Share Capital/Settled Funds	2,123	2,123	2,123	2,123	2,123	2,123	2,123
0	Revaluation Reserves	0	0	0	0	0	0	0
478	Restricted Funds	478	478	478	478	478	478	478
1,869	Retained Earnings	1,549	1,580	1,682	1,858	1,858	1,847	1,836
4,470	Total Shareholder/Trust Funds	4,150	4,181	4,283	4,459	4,459	4,448	4,437
Current Assets								
40	Cash and Bank	40	40	40	40	40	40	40
600	Accounts Receivable	600	600	600	600	600	600	600
150	Other Current Assets	150	150	150	150	150	150	150
790	Total Current Assets	790	790	790	790	790	790	790
Investments								
790	Deposits on Call	3,080	475	2,805	790	790	790	790
0	Other Investments	0	0	0	0	0	0	0
790	Total Investments	3,080	475	2,805	790	790	790	790
Non-Current Assets								
4,500	Fixed Assets	4,500	4,500	4,500	4,500	4,500	4,500	4,500
0	Other Non-current Assets	0	0	0	0	0	0	0
4,500	Total Non-current Assets	4,500	4,500	4,500	4,500	4,500	4,500	4,500
6,080	Total Assets	8,370	5,765	8,095	6,080	6,080	6,080	6,080
Current Liabilities								
1310	Accounts Payable and Accruals	2320	1254	1912	1321	1321	1,332	1,343
300	Other Current Liabilities	1900	330	1900	300	300	300	300
1,610	Total Current Liabilities	4,220	1,584	3,812	1,621	1,621	1,632	1,643
Non-Current Liabilities								
0	Loans - WCC	0	0	0	0	0	0	0
0	Loans - Other	0	0	0	0	0	0	0
0	Other Non-Current Liabilities	0	0	0	0	0	0	0
0	Total Non-Current Liabilities	0	0	0	0	0	0	0
4,470	Net Assets	4,150	4,181	4,283	4,459	4,459	4,448	4,437
0.98	Current Ratio	0.92	0.80	0.94	0.97	0.97	0.98	0.98
0.73	Equity Ratio	0.50	0.73	0.53	0.73	0.73	0.73	0.73



COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

3 APRIL 2019

Forecast 30-Jun-19	STATEMENT OF CASH FLOWS (\$'000)	Budget Qtr to 30-Sep-19	Budget Qtr to 31-Dec-19	Budget Qtr to 31-Mar-20	Budget Qtr to 30-Jun-20	Total YE 30-Jun-20	Total YE 30-Jun-21	Total YE 30-Jun-22
Cash provided from:								
1,905	Trading Receipts	284	356	410	367	1,417	1,990	1,483
9,105	WCC Grants	4,625	0	4,626	0	9,251	9,400	9,553
1397	Other Grants	335	310	277	390	1,312	1,407	1,397
239	Sponsorships and Donations	33	67	62	227	389	260	285
42	Investment Income	15	6	15	6	42	50	55
468	Other Income	41	41	41	215	338	489	499
13,156		5,333	780	5,431	1,205	12,749	13,597	13,272
Cash applied to:								
6,237	Payments to Employees	1,560	1,558	1,557	1,558	6,233	6,361	6,488
6,203	Payments to Suppliers	945	1,779	1,006	1,586	5,316	6,034	5,579
140	Net GST Cash Flow	400	(90)	400	(60)	650	652	655
0	Interest Paid	0	0	0	0	0	0	0
12,580		2,905	3,247	2,963	3,084	12,199	13,047	12,722
576	Total Operating Cash Flow	2,428	(2,467)	2,468	(1,879)	550	550	550
Investing Cash Flow								
Cash provided from:								
0	Sale of Fixed Assets	0	0	0	0	0	0	0
0	Other	0	0	0	0	0	0	0
Cash applied to:								
626	Purchase of Fixed Assets	138	138	138	136	550	550	550
0	Other	0	0	0	0	0	0	0
626		138	138	138	136	550	550	550
(626)	Total Investing Cash Flow	(138)	(138)	(138)	(136)	(550)	(550)	(550)
Financing Cash Flow								
Cash provided from:								
0	Drawdown of Loans	0	0	0	0	0	0	0
0	Other	0	0	0	0	0	0	0
Cash applied to:								
0	Repayment of Loans	0	0	0	0	0	0	0
0	Other					0	0	0
0		0	0	0	0	0	0	0
0	Total Financing Cash Flow	0	0	0	0	0	0	0
(50)	Net Increase/(Decrease) in Cash Held	2,290	(2,605)	2,330	(2,015)	0	0	0
880	Opening Cash Equivalents	830	3,120	515	2,845	830	830	830
830	Closing Cash Equivalents	3,120	515	2,845	830	830	830	830



COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

3 APRIL 2019

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Forecast 30-Jun-19	CASH FLOW RECONCILIATION (\$'000)	Budget Qtr to 30-Sep-19	Budget Qtr to 31-Dec-19	Budget Qtr to 31-Mar-20	Budget Qtr to 30-Jun-20	Total YE 30-Jun-20	Total YE 30-Jun-21	Total YE 30-Jun-22
(44)	Operating Surplus/(Deficit) for the Year	(320)	31	102	176	(11)	(11)	(12)
<i>Add Non-Cash Items:</i>								
548	Depreciation	138	138	138	136	550	550	550
0	Other	0	0	0	0	0	0	0
504		(182)	169	240	312	539	539	538
Movements in Working Capital								
41	(Increase)/Decrease in Receivables	0	0	0	0	0	0	0
(9)	(Increase)/Decrease in Other Current Assets	0	0	0	0	0	0	0
10	Increase/(Decrease) in Accounts Payable	1,010	(1,066)	658	(591)	11	11	12
30	Increase/(Decrease) in Other Current Liabilities	1,600	(1,570)	1,570	(1,600)	0	0	0
72		2,610	(2,636)	2,228	(2,191)	11	11	12
Net Gain/(Loss) on Sale:								
0	Fixed Assets	0	0	0	0	0	0	0
0	Investments	0	0	0	0	0	0	0
576	Net Cash Flow from Operations	2,428	(2,467)	2,468	(1,879)	550	550	550



APPENDIX 2: ACCOUNTING POLICIES

Significant Accounting Policies

The following accounting policies which have a material effect on the measurement of results have been adopted by Experience Wellington.

1. Reporting entity

The Wellington Museums Trust Incorporated, trading as Experience Wellington, is registered as a charitable entity under the Charities Act 2005. It is a Council Controlled Organisation (CCO) in terms of the Local Government Act 2002.

The financial statements of Experience Wellington includes the activities of the following business units - the Wellington Museums Trust Incorporated, Wellington Museum, City Gallery Wellington, Capital E including Hannah Playhouse, Nairn Street Cottage, the Wellington Cable Car Museum, and Space Place at Carter Observatory. In the projected period from 2019-20 onwards, Hannah Playhouse will no longer be accounted for in Experience Wellington's Financial Statements.

The principal activity of Experience Wellington is to develop and manage Institutions and to operate them for the benefit of the residents of Wellington and the public generally. For the purposes of financial reporting, Experience Wellington is a public benefit entity (public sector).

Experience Wellington has no intention of subscribing for, purchasing or otherwise acquiring shares in any other company or other organisation.

2. Basis of preparation

a) Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZGAAP). They comply with Tier 2 PBE Accounting Standards (Public Sector) and disclosure concessions have been applied.

Experience Wellington has elected to report in accordance with Tier 2 PBE Accounting Standards (Public Sector) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$30 million.

b) Basis of measurement

The financial statements are prepared on the historical cost basis.

c) Presentation currency

These financial statements are presented in New Zealand dollars (\$).

3. Significant accounting policies

The accounting policies set out below will be applied consistently to all periods presented in the financial statements.

a) Property, plant and equipment

Items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses.

(i) Subsequent costs

Subsequent costs are added to the carrying amount of an item of property, plant and equipment when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to Experience Wellington and the cost of the item can be measured reliably. All other costs are recognised in surplus/ (deficit) as an expense as incurred.



(ii) Depreciation

Depreciation is charged to surplus/ (deficit) using the straight line method. Depreciation is set at rates that will write off the cost or fair value of the assets, less their estimated residual values, over their useful lives. The estimated useful lives of major classes of assets and resulting rates are as follows:

▪ Computer equipment	33% SL
▪ Office and equipment	25% SL
▪ Motor vehicles	20% SL
▪ Building Fittings	5%-25% SL
▪ Collections & artefacts	Not depreciated

The residual value of assets is reassessed annually.

b) Collections and artefacts

Collections are artefacts that are of cultural or historical importance. A substantial amount of the Experience Wellington's Collections were acquired on 29 February 1996 from the Wellington Maritime Museum Trust (WMMT) with others added either as gifts or purchases since 1996. Collections are carried at historic cost as assessed at the time of transfer from the WMMT. All subsequent acquisitions to the collections are recorded at cost if purchased. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition. Where the fair value of the assets is not able to be reliably measured, they are recorded at nil. Because the useful life of the collections is indeterminate they are not depreciated.

An external valuation of the Collections from an independent valuer is obtained on a periodic basis to ensure that the carrying value of the Collections that are held at cost does not exceed their fair value.

The Trustees obtained a valuation at 30 June 2014 and have confirmed that the carrying value at 30 June 2016 is appropriate and that no impairment has occurred.

c) Intangible assets

Computer software

Software applications that are acquired by Experience Wellington are stated at cost less accumulated amortisation and impairment losses.

Amortisation is recognised in surplus/ (deficit) on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

▪ Computer software	33% SL
---------------------	--------

d) Trade and other receivables

Trade and other receivables are measured at their cost less impairment losses.

e) Inventories

Inventories (merchandise) are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.



g) Impairment

The carrying amounts of Experience Wellington's assets other than inventories are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is also recognised in the surplus or deficit.

h) Employee benefits

Long service leave: Experience Wellington's net obligation in respect of long service leave is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value. The discount rate is the market yield on relevant New Zealand government bonds at the Balance Sheet date.

i) Provisions

A provision is recognised when Experience Wellington has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market rates and, where appropriate, the risks specific to the liability.

j) Trade and other payables

Trade and other payables are stated at cost.

k) Revenue

(i) Funding

Experience Wellington's activities are supported by grants, sponsorship, admissions and other trading activities. Grants received that have an obligation in substance to return the funds if conditions of the grant are not met are initially recognised as a liability and revenue is recognised only when the services are performed or conditions are fulfilled.

Funds received that have no such obligation attached and merely a restriction imposed on the use of funds, are recognised as revenue when they become available.

(ii) Services provided

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. Income is recognized as the service is provided (e.g. exhibition run). Where exhibitions are not scheduled to run until the following fiscal year, revenue is deferred and amortized to income throughout the period of the exhibition.

(iii) Donations

Cash donations from the community are recognized in the Income Statement at the point at which they are receipted into Experience Wellington's bank account.



(iv) Sale of merchandise

Revenue from the sale of merchandise is recognised in surplus/ (deficit) when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of the merchandise, or where there is continuing management involvement with the merchandise.

l) Expenses

(i) Operating lease payments

Payments made under operating leases are recognised in surplus/ (deficit) on a straight-line basis over the term of the lease. Lease incentives received are recognised in surplus/ (deficit) over the lease term as an integral part of the total lease expense.

(ii) Finance income and expenses

Finance income comprises interest income. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expense on borrowings. All borrowing costs are recognised in surplus/ (deficit) using the effective interest method.

m) Availability of future funding

Experience Wellington is reliant on the Wellington City Council for a large part of its income and operates under a Funding Deed with the Council. The Funding Deed is for a period of three years and is extended annually for a further year subsequent to the initial 3 year term.

If Experience Wellington was unable to continue in operational existence for the foreseeable future, adjustments may have to be made to reflect the fact that assets may need to be realized other than at the amounts stated in the balance sheet. In addition, Experience Wellington may have to provide for further liabilities that might arise, and to reclassify property, plant and equipment as current assets.

n) Income tax

Experience Wellington is registered as a Charitable Trust and is exempt from income tax. Experience Wellington is not exempt from indirect tax legislation such as Goods and Services Tax, Fringe Benefit Tax, PAYE or ACC and accordingly it is required to comply with these regulations.

o) Goods and services tax

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST.

4. Ratio of Total Assets: Liabilities

- Experience Wellington prefers to remain debt-free.
- Debt may not be raised to finance operating expenses.
- Experience Wellington has a policy ratio of total assets to total liabilities of 3:1.

5. Activities for which compensation from Council is sought

Experience Wellington seeks funding of \$7,482,835 for the core operation including Space Place at Carter Observatory and an accommodation rental subsidy of \$1,769,323 for the 2019-20 financial year and an extension of the Wellington Museums Trust Funding Deed executed on 28 October 1999 in accordance with clause 5.2 of the Deed.



6. Ratio of Shareholders' funds to total assets

Based on the forecasted Statement of Financial Position as at 30 June 2019 the ratio of shareholders' funds to total assets is 0.73 and this is maintained in the forecasted Statement of Financial Position as at 30 June 2020.

7. Significant Obligations/Contingent Liabilities

Experience Wellington currently holds no cash reserves to meet operational requirements and to mitigate risks.

Experience Wellington has no contingent liabilities.

8. Distribution to Settlor

Experience Wellington does not make a distribution to the Settlor.



DIRECTORY

Experience Wellington Executive Office

Level 8, AMI Plaza, 342 Lambton Quay
PO Box 893, Wellington
P: 04 471 0919
E: experience@experiencewellington.org.nz
www.experiencewellington.org.nz

City Gallery Wellington

Te Ngākau Civic Square
101 Wakefield Street
PO Box 893, Wellington
P: 04 913 9032
E: citygallery@experiencewellington.org.nz
www.citygallery.org.nz

Capital E

4 Queens Wharf
PO Box 893, Wellington
P: 04 913 3740
E: capitale@experiencewellington.org.nz
www.capitale.org.nz

Space Place

Botanic Gardens
PO Box 893, Wellington
P: 04 910 3140
E: spaceplace@experiencewellington.org.nz
www.museumswellington.org.nz/space-place

Wellington Museum

The Bond Store, Queens Wharf
PO Box 893, Wellington
P: 04 472 8904, F: 04 496 1949
E: museumswellington@experiencewellington.org.nz
www.museumswellington.org.nz/wellington-museum

Cable Car Museum

1 Upland Road
PO Box 893, Wellington
P: 04 475 3578
E: cablecar@experiencewellington.org.nz
www.museumswellington.org.nz/cable-car-museum

Nairn Street Cottage

68 Nairn Street
PO Box 893, Wellington
P: 04 384 9122
E: cottage@experiencewellington.org.nz
www.museumswellington.org.nz/nairn-street-cottage

Plimmer's Ark Galleries

Old Bank Arcade (timbers *in situ*)

New Zealand Cricket Museum

The Old Grandstand, Basin Reserve
PO Box 578, Wellington
P: 04 385 6602
E: cricket@experiencewellington.org.nz
<http://nzcricketmuseum.co.nz/>

Note: the New Zealand Cricket Museum is closed from January 2019 while earthquake strengthening work is completed on the Museum Stand at the Basin Reserve. The refurbished (and earthquake strengthened) Museum is expected to re-open in early 2020.



Our Experiences





**Wellington Regional Stadium Trust
Draft Statement of Trustees Intent
For the year ending 30 June 2020**

Registered Office: Westpac Stadium
Waterloo Quay
Wellington

Chair: John Shewan

Chief Executive: Shane Harmon

The Wellington Regional Stadium Trust (the Trust) was established by the Wellington Regional Council (Stadium Empowering) Act 1996 and the settlors of the Trust are the Wellington City Council and the Greater Wellington Regional Council.

The Trust recognises the interest that the ratepayers of Wellington City Council and the Greater Wellington Regional Council have in the Trust and its activities and have agreed to be subject to the reporting requirements of both Councils and their monitoring procedures. The Trust is not a Council Controlled Organisation, for the purposes of the Local Government Act 2002.

March 2019



1. INTRODUCTION

The financial year ending 30 June 2020 will once again be a very active year for the Trust highlighted by a full events calendar and ongoing improvements to the building.

In 2018 the Trust refreshed its strategic priorities centred on the following areas:

1. Deliver great customer experiences
2. Grow commercial revenues
3. Invest in and improve our facilities
4. Value our people, our community and our stakeholders
5. Operate a safe building
6. Operational excellence
7. Attract and deliver world class events
8. Sustainability

These priorities remain current.

Matters raised in Letters of Expectation from both Wellington City Council and Wellington Regional Council are addressed in the Statement of Intent.

In the 2020 financial year, as has been the case in recent years, the Trust expects that the Stadium will remain New Zealand's most utilised stadium.

The Trust derives a diverse range of recurring revenue streams. However, securing a new naming rights partner from the start of 2020 remains a priority.

Over the next twelve months the Trust, with the support of Wellington City Council, will continue to invest in the upgrade of the internal concourse. This follows the first stage of the concourse upgrade which saw the removal of some of the steel cladding to bring natural light and the city's wonderful vista into the Stadium.

The Trust continues to enjoy a collaborative and supportive relationship with the Greater Wellington Regional Council (GWRC) and Wellington City Council (WCC) as well as the Wellington Regional Economic Development Agency (WREDA).



2. STRATEGIC DIRECTION

a) CORE PURPOSE

The objectives of the Wellington Regional Stadium Trust as set out in the founding Trust Deed established by the Wellington City and Greater Wellington Regional Councils ('the Councils') are as follows:

- To own, operate and maintain the Stadium as a high quality multi-purpose sporting and cultural venue;
- To provide high quality facilities to be used by rugby, cricket and other sports codes, musical, cultural and other users including sponsors, event and fixture organisers and promoters so as to attract to the Stadium high quality and popular events for the benefit of the public of the region; and
- To administer the Trust's assets on a prudent commercial basis so that the Stadium is a successful, financially autonomous community asset.

The Councils have also established general objectives for the Trust. These are that it should:

- Adopt a partnership approach in dealing with the Councils and their associated entities;
- Have a regional focus where this is appropriate;
- Appropriately acknowledge the contribution of Councils;
- Achieve maximum effectiveness and efficiency of, and concentrated focus on service delivery;
- Operate at better than breakeven after depreciation expense.

The Trust meets all the general objectives of the Councils noting that the overriding requirement of the Trust Deed means that the Trust must generate sufficient profit to repay loans and finance capital expenditure.

Alignment with Council's Policies and Strategies

In 2011 the Wellington City Council (WCC) developed a 2040 Strategy setting out its vision for the city. The Trust fully supports these policies and strategies and contributes directly to the priority areas set out including the Economic Development Strategy, the Event Policy and the Digital Strategy.

WRST's plans support both Wellington City Council's and Greater Wellington Regional Council's long terms plans as outlined below.

Wellington City Council's Long-Term Plan (2015-2025)

The Trust is fully supportive of the city and region's long term plans. In particular the Trust identifies the following that provide strong synergies with the Stadium's plans:

1. A longer airport runway: bringing in more international visitors, and enhancing business and education connections.

The Stadium will be a beneficiary of a longer runway through increased visitor numbers for major events. In addition a longer runway removes one of the impediments for major artists visiting Wellington, as staging and equipment often has to be transported via road from Auckland.



2. Screen and tech industries: supporting smart and sustainable economic growth.

The Stadium is using Wellington based Eyemagnet to deliver internet protocol television (IPTV) and content management to the WiFi services. Spark provides its connected stadium platform. Technology is playing an increasing role in stadium operations and enhancing the event day experience.

3. New and improved venues for music, sport, and conventions

The Trust is very supportive of the proposed investment in sports and events infrastructure.

A new indoor arena and the proposed Wellington Convention Centre will complement the Stadium's current offerings. The convention centre will complement the Stadium's already busy functions business.

The Trust is also supportive of the investment in the Basin Reserve. It is important that both venues continue to complement each other and that the investment ensures a growth in the number of events and overall attendances for Wellington as opposed to displacement of existing events within the region.

4. Reigniting our sense of place through events and public space improvements

The Trust applauds the commitment to increase funding for major events. A partnership driven approach to attracting and securing the right events for Wellington is vital. The Trust commits to being an active partner in this strategy.

Greater Wellington Regional Council's Long Term Plan

The Trust supports Greater Wellington Regional Council's Long Term Plan in particular those plans which cover public transport infrastructure and getting more people on public transport

The Trust supports further investment in public transport and actively encourages patrons to utilise public transport while attending events at the Stadium.

The Trust monitors green-house gas emissions. In 2018/19 the Trust has been exploring various options of reducing waste and in particular single use plastic.

b) OPERATING ENVIRONMENT UPDATE

The operating environment remains positive for the Trust, albeit with a number of challenges.

The past few years have boasted a strong events calendar. The events outlook for 2019/20, while still a work in progress, looks positive as the Trust in partnership with WREDA, continues to work on attracting events.

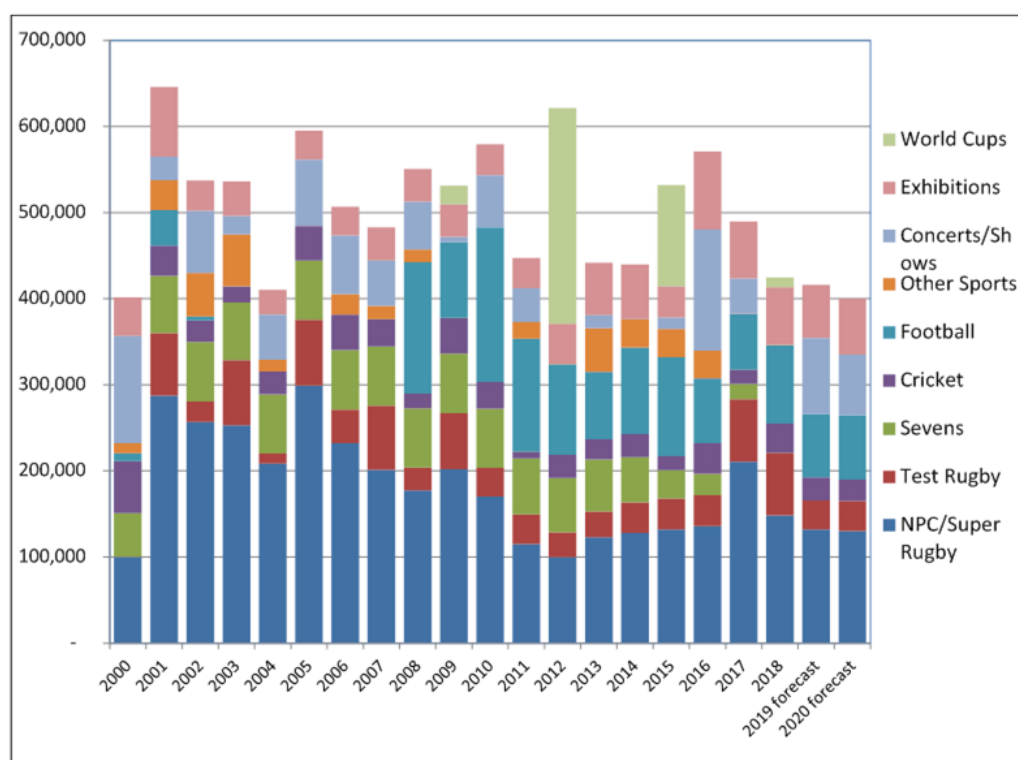
The Trust's focus lies particularly on those events that will fill the Stadium and generate economic return for the region.



The ongoing focus on capital expenditure to enhance the facility and improve the patron experience will see borrowings and therefore interest on borrowings increase. Depreciation will also increase as a result. The insurance environment remains extremely challenging, and the Trust has seen significant increase in premiums since 2016 and is not anticipating any respite in the upcoming year.

Despite these challenges, the Trust will continue to operate with positive cash flows enabling the Trust to continue to invest in the facility.

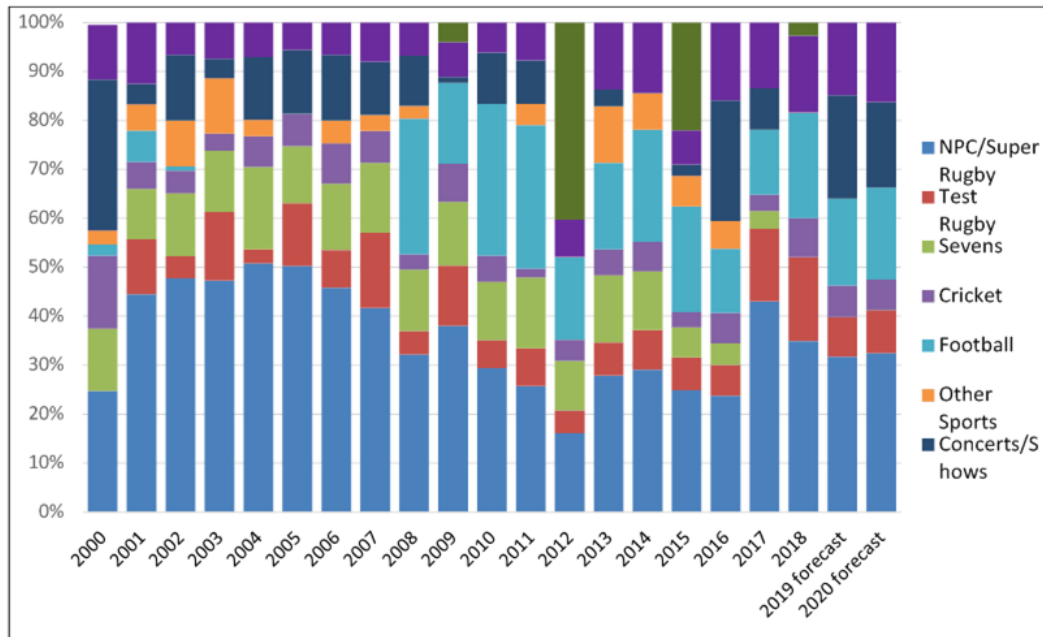
The following table highlights aggregate crowds by event type since the Stadium opened.



The mix of events has changed significantly since the Stadium opened, and it is no longer reliant on any one code or event for its attendances.

The following table highlights the diverse mix of attendances over the years represented as a percentage of the overall attendance in any given year.

Westpac | STADIUM



c) STRATEGIC FRAMEWORK

The Trust's objectives are:

1. To be viewed by the residents of the region and other stakeholders as a valued and essential asset.
2. To operate the best venue in New Zealand measured by:
 - Satisfaction of hirers
 - Patron satisfaction
 - Event calendar and diversity
 - Calibre of international events held
 - Environmental impact
 - Relationship with our neighbours
 - Adherence to world's best practice
3. To remain financially autonomous
4. To provide a full and balanced event calendar to patrons
5. To maintain and enhance the facility to the standard of international best practice
6. To be a good employer and provide personal development opportunities to employees
7. To provide and maintain a safe and healthy working environment for employees, visitors and all persons using the premises as a place of work

The board undertakes a strategic planning day in March/April of each year to reassess priorities and strategic direction.



3. NATURE AND SCOPE OF ACTIVITIES

The nature and scope of the Trust's activities are dictated in the first instance by the Trust Deed, settled with both Councils.

To meet its obligations under its Trust Deed, the Trust identifies the key objectives of:

- Presenting a full and balanced event calendar;
- Maintaining and enhancing the facility;
- Achieving a level of profitability that finances continuing capital expenditure and meets debt reduction obligations.

The Board and management have taken a longer term view of the Stadium's business.

In line with the obligations listed above under its Trust Deed, in 2018 the Trust has recently refreshed its strategic priorities centred on the following areas:

1. Deliver great customer experiences
2. Grow commercial revenues
3. Invest in and improve our facilities
4. Value our people, our community and our stakeholders
5. Operate a safe building
6. Operational excellence
7. Attract and deliver world class events
8. Sustainability



For the 2019/20 year the Trust's focus is on the following areas as outlined in the Letters of Expectations:

1. Support Wellington City Council's Te Tauihu Te Reo Maori Policy

As the concourse upgrade continues the Trust will seek ways to incorporate Te Reo into wayfinding and other signage. Hosting Te Matatini in 2019 provided the Trust with an excellent opportunity to increase use and visibility of Te Reo at the Stadium.

2. Ensuring the Stadium is safe and harassment-free environment for all staff, contractors and attendees at the stadium.

The Trust has engaged the services of the Sexual Abuse Prevention Network to facilitate a workshop at the Stadium for staff and contractors. This workshop helps support staff to identify unsafe situations and know how to take action safely to help keep the venue safe and fun for all patrons. The initial training is aimed at permanent staff of the Stadium as well as its key contractors. In coming months this will be rolled out to casual staff particularly team leaders and duty managers.

In 2019 we increased the visibility of channels through which patrons may contact us in the event of experiencing harassment of any kind at the Stadium.

3. Leisure Card review

The Trust commits to participating in the City Council's Leisure Card review in the coming year in supporting council's desire to increase utilisation of council's facilities by marginalised or hard-to-reach groups.

4. Delivery of a high quality and diversified events programme.

Over the last twenty years Westpac Stadium has been the busiest stadium in New Zealand, hosting over 50 event days each year in addition to community event days. In addition, the Stadium hosts up to 1,000 non-event day functions, conference and meetings each year.

Large events are significant drivers of revenue and are crucial to the viability of the Stadium. Securing such events remains a major focus of the Trust ongoing.

The events schedule through to June 2020, while still being finalised, will remain healthy.

Following the huge success of the Eminem concert, we will continue to engage with all key promoters on a regular basis and be flexible in our dealings in order to give Wellington the best opportunity to secure events. The Trust has at times taken a joint venture approach in order to secure events. While such an approach inevitably means a greater exposure to risk, this had been enabled by the Trust's current financial position.

5. Working with Wellington Regional Economic Development Agency (WREDA)

The Trust adopts a strong partnership approach with WREDA with a view to enhancing Wellington's standing as a major event host. Management and Trustees engage with the WREDA Chair, Chief



Executive and officers on a regular basis and are supportive of WREDA's goal of driving innovation and economic activity and enhancing the region's reputation as a centre of world-class film, IT, education, arts, food and tourism.

The Trust has recently partnered with WREDA to successfully secure major events for Wellington.

6. Invest in and improve our facilities

Continued investment in the Stadium is vital to ensure events are not lost to new facilities.

The main focus for the past year has been the commencement of the upgrade of the internal concourse. The first major phase has been completed with the removal of some of the steel cladding around the major thoroughfares to bring natural light and the city's wonderful vista into the Stadium.

All this work has to be fitted in around our event calendar and that has been somewhat challenging given we have hosted events every weekend from early February 2019 to the end of May 2019.

Nonetheless, final plans are being made for the next stage of the project and this will commence in the early part of the next financial year and be completed during the 2019/20 year.

This includes:

- The enhancement and renovation of food and beverage outlets;
- Refurbishment of parts of the concourse floor;
- Cladding of some of the current grey concrete walls and pillars;
- Develop consistent look and feel and way finding around the concourse;
- Making the space more suitable for exhibition clients;
- Improved lighting.

This project has a budget of \$10m and is being supported by WCC with a \$5m contribution from its long-term plan budget.

The Trust is also at the final stage of developing a plan to further strengthen the building and walkway to improve resilience in the event of a major seismic event. The building performed well during the Kaikoura earthquake. Once these plans are finalised the Trust will brief its council partners.

7. Maintaining a safe and healthy working environment

The Trust is committed to providing and maintaining a safe and healthy working environment for its employees, visitors, and all persons using the premises as a place of work as well as event attendees.

To ensure a safe and healthy work environment, the Trust maintains a Health and Safety Management System. In addition, the Trust has an established Health and Safety Committee which comprises three Trustees that meets on a regular basis to review and measure crucial areas of health and safety.



8. Sustainability

The Trust is committed to developing ways to reduce, recover, recycle, or re-use waste in all aspects of our business, including considering and integrating environmental factors in our decision making process.

In 2018/19 we have been exploring a range of options with a view to eliminate single use plastic. We expect to arrive at a conclusion by the end of this current year with a view to rolling it out in the coming year.

9. Secure a new Naming Rights partner

In February 2019 Westpac and the Trust announced the end of its 20-year naming rights partnership. The Trust has been active in the market to secure a new partner. This remains a key focus for the Trust for the remainder of 2019.



Operating Profitability

The Trust Deed requires the Trust to be financially autonomous. This requires the generation of sufficient profits to meet loan repayments and provide funds for the capital replacement and development programmes that are necessary to enable the Trust to meet its obligation to maintain the building to the standard of international best practice.

The major difference the Stadium can make to attendance at events is to improve the experience of the patrons across all areas of the facility. The Stadium Master Plan was developed to do that, but it can only be completed if we can continue to satisfactorily fund these projects.

Securing a new naming rights partner for 2020 will be important for the Trust.

Note: This section will be updated pending completion of the annual business plan, which will include projected financial statements and the projected event calendar.



PERFORMANCE MEASURES

Non-Financial Performance Measures

Measure	How Measured
<ul style="list-style-type: none"> Deliver a strong Rugby international test programme for 2019 and 2020 	<ul style="list-style-type: none"> Key stakeholders are satisfied with management of the test operation Sell-out crowds for test matches 40% out of region visitors
<ul style="list-style-type: none"> Deliver more large scale non-sporting events 	<ul style="list-style-type: none"> Secure at least one concert per year Secure at least two other events outside the traditional rugby and football regular season calendar per year
<ul style="list-style-type: none"> Continued investment in stadium infrastructure 	<ul style="list-style-type: none"> Concourse upgrade is completed Resilience plans finalised and shared with council partners.
<ul style="list-style-type: none"> Deliver a full event calendar 	<ul style="list-style-type: none"> Securing 45-50 event days per year. (Excludes community events).
<ul style="list-style-type: none"> Host unique events that deliver economic benefit to the region 	<ul style="list-style-type: none"> Maintaining economic benefit to the Region at an average of \$40 million per year Working with promoters to deliver special events to Wellington
<ul style="list-style-type: none"> Continue to enhance food and beverage offering 	<ul style="list-style-type: none"> Greater range and quality of offerings Higher customer satisfaction
<ul style="list-style-type: none"> Sustainability 	<ul style="list-style-type: none"> Reduce single use plastic

Financial Performance Measures

The key performance indicators agreed with the Wellington City Council and Greater Wellington Regional Council are:

- Revenue – total, and event
- Net surplus (deficit)
- Net cash flow
- Liquidity ratio
- Bank borrowing to total assets
- Capital expenditure

We have reviewed these indicators and believe these are appropriate to the purpose of the Council's monitoring the Trust performance. They are reported on by the Trustees in their six monthly reports.

4. BOARD APPROACH TO GOVERNANCE

Role of the Board

The Board of Trustees is responsible for the proper direction and control of the Trust's activities. This responsibility includes such areas of stewardship as the identification and control of the Trust's business risks, the integrity of management information systems and reporting to stakeholders. While the Board acknowledges that it is responsible for the overall control framework of the Trust, it



recognises that no cost effective internal control system will prevent all errors and irregularities. The system is based on written procedures, policies and guidelines, and an organisational structure that provides an appropriate division of responsibility, sound risk management and the careful selection and training of qualified personnel.

Board Operation

The Board has three Standing Committees that focus on specific areas of the Board's responsibilities. These Committees are the Finance Committee, the Audit Committee and Health & Safety Board Sub-Committee.

The Board meets eight times per year. The Finance Committee meets when required. The Audit Committee meets at least annually. The Health & Safety Committee meets quarterly.

Board Performance

The policy of the Board has been that the Chairman conducts an interview with each Board member prior to the expiry of their term. Each new Board member undertakes an induction program to familiarise themselves with the Stadium, its operation and Board issues. Given the experience of the current Board it has been deemed that a Board development program is not necessary. If there are any Board performance issues, the Chair will bring them to the attention of the Mayor of WCC and the Chair of GWRC.

At the first meeting of the new financial year, the Chairman of the Audit Committee conducts a review of the Chairman's performance.

A full Board performance review has recently been conducted and no significant issues identified.

Board Membership

The Trust Deed states that there shall be not less than five, nor more than eight Trustees.

The Trustees are appointed jointly by the Settlers (Wellington City Council and Greater Wellington Regional Council).

The Wellington City Council and the Greater Wellington Regional Council can each independently appoint one of their elected Councillors as a Trustee.



The current Trustees are:

Name	Appointed until:
John Shewan (Chair)	30 June 2021
Therese Walsh	30 June 2021
Steven Fyfe	30 June 2019
Mark McGuinness	30 June 2020
Rachel Taulelei	30 June 2020
Tracey Bridges	31 December 2020
Simon Marsh	declaration of results of 2019 Council elections
David Ogden	declaration of results of 2019 Council elections

5. ORGANISATIONAL HEALTH, CAPABILITY AND RISK ASSESSMENT

Health & Safety

The Trust has well developed health & safety policies which were reviewed by an external consultant and are regularly updated.

Staff who have influence over Health and Safety matters are required to acquire and keep up to date with Health and Safety matters including attendance at relevant course and conferences.

All staff receive regular training in respect of health & safety procedures.

A Health & Safety booklet has been produced which includes Stadium policies, the roles for staff and contractors, incidents and accident investigation, general site safety, emergency procedures and induction.

There are three Committees with a health and safety focus:

- Emergency Control Organisation/Emergency Planning Committee (meets ahead of each major event);
- Health and Safety Committee which includes key the Trust staff as well as contractors and tenant organisations (meets monthly);
- Board Health and Safety Committee (meets quarterly).

All contractors coming on-site are required to:

- Complete a health & safety agreement
- Complete a health & safety induction plan
- Provide a contractors safety plan
- Operate safely and report any hazards, near misses and injuries

RISK MANAGEMENT

Earthquakes

Prior to construction (July 1995), the Trust commissioned a full geo-technical report on the site. The ground was improved with vibro-replacement producing gravel columns at spacing of two to three metres to mitigate the effect of earthquakes.

The Trust has used the learnings from the recent earthquakes to strengthen its crowd control and evacuation procedures.



The Trust has conducted a study to enable the Stadium to better understand its current percentage of New Building Standard (% NBS), the interaction between the reclaimed land and the building structure, the differential lateral spread expected and as well as a building seismic assessment. While no significant issues emerged, we will be implementing some resilience works that will enhance the structures.

Insurance

The Stadium insurance programme is managed by Marsh Ltd. The Trust operates a maximum first loss policy that provides cover for the maximum credible loss for fire, earthquake and other perils. The current maximum cover insured is \$202m for material damage and \$28 m for business interruption.

The building reinstatement value was assessed in September 2017 at \$264m. The Trust has used the maximum first loss policy since 2003 based on modelling work undertaken with Marsh which has supported \$202m as being appropriate cover in this context.

The Stadium is required to cover the first \$7.0 million of any earthquake claim. There have been no material changes to the cover or the deductibles from the previous year.

Business Continuity Plan

The Trust has a Business Continuity Plan. The Trust has ongoing interactive training sessions with all staff to reinforce the content and requirements of the plan. This will be refreshed in 2019/20.

Communication and Access to Information

The Trust enjoys a positive and open relationship with both of its settlors, and both settlors have representation on the Board of Trustees. The Trustees confirm they intend to continue to operate on a “no surprises” basis with communication of any significant event likely to impact on either party made as soon as possible. This has worked well in the past.

6. ADDITIONAL INFORMATION

Reporting

The Trustees will present a six monthly report to both Councils, which will include a written report on agreed key performance indicators and financial statements for the period. The Trust will provide a formal briefing to both Councils, twice a year, on activities to date and review the outlook.

Audited financial statements will also be available on completion of the annual audit.

The Trustees will inform the Councils of any significant expected obligations or contingent liabilities to third parties.

Major Transactions

There are no major transactions likely to occur in the planning period that are not identified in the Business Plan.

Any particularly contentious transactions will be brought to attention of the Council at the earliest opportunity.



Accounting Policies

General accounting policies of the Trust are set out in the Statement of Significant Accounting Policies. These policies are consistent with the policies applied in the previous year, apart from the presentation change relating to the limited recourse loans.

OTHER ITEMS TO BE INCLUDED IN THE STATEMENT OF INTENT

Ratios

The ratio of Trust Funds to Total Assets is expected to be:

30 June 2020	TBC%
30 June 2021	TBC%
30 June 2022	TBC%

The ratio of total Trust Assets to Trust Liabilities is expected to be:

30 June 2020	TBC%
30 June 2021	TBC%
30 June 2022	TBC%

Trust Funds are defined as the residual interest in the assets of the Trust after the deduction of its liabilities.

Assets are defined as service potential or future economic benefits controlled by the Trust as a result of past transactions or other past events.

Liabilities are defined as future sacrifices of service potential or of future economic benefits that the Trust is presently obliged to make to other entities as a result of past transactions or other past events.

Distributions to Settlers

Section 5 of the Trust Deed sets out the powers of the Trustees regarding the income of the Trust.

The Trust is required to pay surplus funds to the Wellington City Council and Wellington Regional Council in reduction of their limited recourse loans after meeting costs, liabilities and debt reductions and after allowing for the appropriate capital expenditure and transfers to reserves.

The Trust does not expect to have surplus funds available for repayment in the years covered by this Statement of Intent.

No other distributions to settlers are intended to be made.

Investments in other organisations

The Trustees currently have no intention of subscribing for, purchasing or otherwise acquiring shares in any other company or other organisation.



Compensation from local authority

There are no activities for which the Trust seeks compensation from any local authority.

Trust's estimate of the commercial value of settlor's investment in the Trust

Not applicable

Other matters as set out in the Funding Deed

Significant Third Party Obligations

There are no significant third party obligations other than those disclosed in the Financial Statements.

Relevant Legislation

The Trustees confirm that the Trust will comply with all relevant legislation affecting the conduct of this business.



STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity and Period

Wellington Regional Stadium Trust Incorporated (the Trust) is a charitable trust established by the Wellington City Council ('WCC') and Greater Wellington Regional Council ('GWRC'). The Trust is domiciled in New Zealand.

The Trust is responsible for the planning, development, construction, ownership, operation and maintenance of the Westpac Stadium, Wellington, as a multi-purpose sporting and cultural venue.

The Trust was incorporated under the Charitable Trust Act 1957. The Trust is also a charitable entity under the Charities Act 2005, registration CC10754.

Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with the Trust Deed which requires compliance with generally accepted accounting practice in New Zealand.

As the primary purpose of the Trust to provide a community and social benefit, it is a public benefit entity for financial reporting purposes

The financial statements of the Trust comply with Public Benefit Entity (PBE) standards.

The financial statements have been prepared in accordance with Tier 2 PBE Standards. The Trust meets the requirements for Tier 2 reporting as it does not have public accountability and is not large (as defined by XRB A1).

The financial statements have been prepared on an historical cost basis, except for interest rate swaps.

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars (000) unless otherwise stated.

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

Revenue

Revenue is recognised when billed or earned on an accrual basis.

Corporate Box, Memberships & Sponsorship Revenues

Licenses for Corporate boxes are issued for terms of between four and six years. Signage and sponsorship properties are sold for a range of terms of between one and 10 years. The related license fees/revenues are paid annually with the revenue recognised on a straight line basis throughout the year.

Stadium memberships have been sold for terms of two years. Payment may be made upfront or in a series of instalments. The payments received are recorded as Revenue in Advance, and recognised on a straight line basis over the term of the membership.



Interest

Interest income is accrued using the effective interest rate method.

Rental income

Rents are recognised on a straight line basis over the term of the lease.

Expenses

Expenses are recognised on an accrual basis when the goods or services have been received.

Interest

Interest expense is accrued using the effective interest rate method. The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

Taxation

As a Charitable Trust, the Trust meets requirements for exemption from income tax and accordingly no provision for income tax is recorded in the financial statements.

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive.

Financial Instruments

The Trust classifies its financial assets and financial liabilities according to the purpose for which they were acquired. The Trust determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Non-derivative Financial Instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Trust becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Trust's contractual rights to the cash flows from the financial assets expire or if the Trust transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Purchases and sales of financial assets in the ordinary course of business are accounted for at trade date. Financial liabilities are derecognised if the Trust's obligations specified in the contract expire or are discharged or cancelled.

Financial Assets

Cash and cash equivalents comprise cash balances and call deposits with up to six months' maturity. These are recorded at their nominal value.

Trade and other receivables are stated at their cost less impairment losses.



Financial Liabilities

Financial liabilities comprise trade and other payables and borrowings, and are all classified as other financial liabilities. Financial liabilities with a duration of more than 12 months are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Amortisation is recognised in the Statement of Comprehensive Revenue & Expense as is any gain or loss when the liability is derecognised.

Financial liabilities entered into with duration less than 12 months are recognised at their nominal value.

Derivative Financial Instruments

Derivative financial instruments are recognised at fair value as either assets or liabilities. The Trust does not hold any derivatives that qualify for hedge accounting. Derivatives that do not qualify for hedge accounting are classified as held for trading financial instruments with fair value gains or losses recognised in the Statement of Comprehensive Revenue & Expense. Fair value is determined based on quoted market prices.

Employee Entitlements

Employee entitlements that the Trust expects to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay. These benefits are principally annual leave earned but not yet taken at balance date, and bonus payments.

No provision for sick leave is accrued, as past experience indicates that compensated absences in the current year are not expected to be greater than sick leave entitlements earned in the coming year.

Other Liabilities & Provisions

Other Liabilities and provisions are recorded at the best estimate of the expenditure required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

Leases

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased items are classified as operating leases. Payments made under these leases are expensed in the Statement of Comprehensive Revenue & Expense in the period in which they are incurred. Payments made under operating leases are recognised in the Statement of Comprehensive Revenue & Expense on a straight-line basis over the term of the lease.

Property, Plant and Equipment

Recognition

Expenditure is capitalised as property, plant and equipment when it creates a new asset or increases the economic benefits over the total life of an existing asset and can be measured reliably. Costs that do not meet the criteria for capitalisation are expensed.



Measurement

Items of property, plant and equipment are initially recorded at cost.

The initial cost of property, plant and equipment includes the purchase consideration and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential and that can be measured reliably is capitalised. Borrowing costs are not capitalised.

Impairment

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported in the Statement of Comprehensive Revenue & Expense.

Disposal

Gains and losses arising from the disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Revenue & Expense in the period in which the transaction occurs.

Depreciation

Depreciation is provided on all property, plant and equipment, with certain exceptions. The exceptions are land, some aspects of the pitch and assets under construction (work in progress). Depreciation is calculated on a straight line basis, to allocate the cost or value of the asset (less any residual value) over its useful life. The estimated useful lives of the major classes of property, plant and equipment are as follows:

Land	indefinite
Pitch	10 years to indefinite
Buildings	8 to 70 years
Replay screen & production equipment	3 to 25 years
Fitout	5 to 50 years
Fittings	3 to 20 years
Plant & machinery & equipment	2 to 70 years

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance date.

Work in progress

The cost of projects within work in progress is transferred to the relevant asset class when the project is completed, and then depreciated.

Critical accounting estimates and assumptions

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material



adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimating useful lives and residual values of property, plant, and equipment

At each balance date, the useful lives and residual values of property, plant, and equipment are reviewed. Assessing the appropriateness of useful life and residual value estimates of property, plant, and equipment requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by Trust, and expected disposal proceeds from the future sale of the asset

An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the statement of comprehensive revenue and expense, and carrying amount of the asset in the statement of financial position. The Trust minimises the risk of this estimation uncertainty by regular physical inspection of assets, and a planned preventative maintenance and asset replacement programme.

Statement of Cash Flows

The statement of cash flows has been prepared using the direct approach. Operating activities include cash received from all income sources of the Trust, record cash payments made for the supply of goods and services and include cash flows from other activities that are neither investing nor financing activities. Investing activities relate to the acquisition and disposal of assets. Financing activities relate to activities that result from the funding structure of the Trust.

Changes in Accounting Policies

There have been no changes in accounting policies.

John Shewan
Chair
FOR THE TRUSTEES
WELLINGTON REGIONAL STADIUM TRUST



**Final Draft Statement of Intent and Business Plan
2019-20
Wellington Zoo Trust
Me tiaki, kia ora!**

Pursuant to Schedule 8 of the Local Government Act (2002)



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1. INTRODUCTION

Wellington Zoo is a zoo with a big heart – a creative, innovative and progressive zoo which exists to create community value and to solve important social and environmental problems. We have local and global influence in animal welfare, sustainability initiatives, community engagement and conservation outcomes. We live by the kaupapa of **Me tiaki, kia ora!** This means that we **must** care for the planet so that life will thrive.

The Zoo aims to be a reflection of our city and contribute to the thriving cultural and natural heritage of Wellington as an accessible and liveable city.

We believe that future capital investment will ensure the Zoo remains leading edge and we believe acquisition of animals, such as snow leopards, allows us to tell a global conservation story which will drive action for the environment. We see our capital investment and asset planning **as a response to community** expectations of a progressive and professional zoo and to create **ongoing resilience** for one of our city's most iconic places.

We agree to the financial and non-financial expectations outlined in the Letter of Expectation.

2. CONTRIBUTION TO OUR CITY

Wellington Zoo is a strong contributor to our city, focusing on knowledge, collaboration, innovation and positive action. It contributes to the vibrancy and forward thinking of our city. We aim to be a reflection of our city and contribute, as a cutting edge cause related business with talented people, to the thriving cultural and natural heritage of Wellington as a liveable city. The Zoo contributes strongly to liveability outcomes by being an integral part of the well-being of people that Wellington is renowned for amongst New Zealand cities.

We are working with WREDA and other partners to ensure economic growth for our city. As winners of the World Association of Zoos and Aquariums inaugural Environmental Sustainability Award in 2018, Green Gold and Vibrant Gold in the Wellington Gold Awards and the supreme winner of the Wellington Region Business Awards 2015, we believe we are perfectly placed to add value to the economy of our region.

Wellington Zoo will be seen as:

- A leader in the city in shaping the community's views on and action for conservation and sustainable living.
- A valued and valuable member of the Wellington regional community that adds to the prosperity of our city through business activity, events, connections, inclusivity and engagement for children and their families and other members of our society.
- A substantial player in the drive to position Wellington as a centre for learning about and expertise in conservation and sustainability.
- A key contributor to helping the city become internationally competitive, entrepreneurial and innovative by attracting investment in education, research, tourism and employment and contributing to the provision of a vibrant city attracting a creative working population.
- An important part of Wellington's history as New Zealand's first zoo and the most visited paid cultural attraction in Wellington.
- An important part of the regional fabric that stimulates overall wealth creation, social stability and connects people to conservation and environmental issues. As our region's only zoo we are a unique asset for a vision for a sustainable city.

3. STRATEGIC DIRECTION

Purpose

Wellington Zoo Trust Incorporated is incorporated under the Charitable Trusts Act 1957 and is a not for profit organisation.

Wellington Zoo is reviewing its strategy for 2019-23. In the final Statement of Intent we will be providing the finalised strategy which will integrate our strategic focus areas with te ao Māori and the UN Sustainable Development Goals. We are currently undertaking this large piece of work with the Board.

Core Business

The Trust will continue to provide the core business services that the Zoo has historically delivered to Wellington. These can be summarised as follows:

- Strategic direction and operational management of the Zoo.
- Development and maintenance of animal habitats which offer engaging experiences to visitors and high quality living environments to the resident animals.
- Provision of engaging learning experiences for visitors and community involvement with the Zoo as a community asset.
- Educational curriculum delivery to develop children as contributing citizens.
- A safe and inspiring place for family engagement and community learning.
- Care of the Zoo's animals to achieve excellent levels of health and emotional/psychological well-being according to the Five Domains of Animal Welfare.
- Contribution to conservation through advocacy, support for field conservation programmes and sustainable management practices.
- Participation in collaborative inter-zoo, and other conservation agency, programmes.
- Contribution to conservation, scientific, learning and management research projects in the field and on site.
- Fundraising for the organisation's future sustainability, development and conservation projects.

Trust Deed

Wellington Zoo Trust Deed states the objects of the Trust as follows:

"7.1 The objects for which the Trust is established, to the extent that they are a charitable purpose within New Zealand, are as follows:

7.1.1 To manage, administer, plan, develop, maintain, operate and promote Wellington Zoo as a zoological park for the benefit of the Wellington community and as an attraction for visitors to Wellington;

7.1.2 To educate the community by building an awareness of plant and animal species and the actions required to promote conservation;

7.1.3 To promote species conservation;

7.1.4 To support and complement the conservation and learning activities undertaken by other organisations;

7.1.5 To develop, manage and plan animal species management programmes;

7.1.6 To promote and coordinate the raising of funds to assist the management, administration, maintenance, planning, promotion and further development of Wellington Zoo;

7.1.7 To acquire additional plant and animal species; and

7.1.8 Generally to do all acts, matters and things that the Trustees think necessary or conducive to further or attain the objects of the Trust set out above for the benefit of the Wellington community."

Operating Environment

As the capital city zoo we believe we should be providing a uniquely Wellington experience for families, school groups and other visitor groups - innovative, fun, professional, creative and personal.

We face challenges as a fixed cost organisation, especially in areas such as annual salary increases, cost increases from suppliers and the increasing need for commitment to conservation projects nationally and globally. However, **we support the Living Wage ethos and all Wellington Zoo employees are paid at, or above, the Living Wage.**

The operating environment is supportive but also challenging in view of ongoing renewals of physical assets, ensuring the utmost safety for our people and the provision of current thinking on animal welfare. We have just recently passed our three-year Animal Welfare Accreditation and this area of science continues to change rapidly so we must ensure we are meeting or exceeding current standards.

Strategic Framework

We have been successful with our strategic outcomes since 2006 and we are now in the process of setting the new frontier for our strategy. The exciting opportunity to integrate conservation, animal welfare, community engagement and sustainability will form the basis of our 2019-23 strategy. **We will be integrating te ao Māori into our new five year strategy in line with Wellington City Council's Te Taihū Te Reo Māori Policy.** As a sustainable organisation we also consider the **UN Sustainable**

Development Goals in our approach. These 17 global goals set the framework for global prosperity - the very things we all want for our city. Over the next five years we will be integrating the SDGs into the strategy and outcomes of the Zoo. Sustainability is more than environmental initiatives and the SDGs frame that bigger picture. We have undertaken a materiality assessment with Enviro-Mark Solutions so we better understand the Global Goals which we must address within our context.

Your materiality matrix



We have been working with a range of expert partners to develop the integrated strategy and this will be finalised for the final SOI.

The completion of the ZCP has seen the Zoo transform itself into a vibrant attraction with facilities that meet modern standards. Stage Two involves further improvements to Zoo facilities to house snow leopards in the first half of the LTP and cheetahs/lions redevelopments in the later half. Investment of \$3.7 million of capital expenditure in year two to four, and a further \$6 million in the last three years, is planned to upgrade facilities at the Zoo to accommodate these changes. Respectively, the Zoo will fundraise to contribute \$875,000 and \$1.25 million towards these projects. We will be providing a progress report for the Council regarding the investment case for snow leopards.

The work of the Zoo supports the four pillars of the Towards 2040 Strategy: eco city, people-centred city, connected city and dynamic city centre. The Zoo is an iconic asset for our city and as our city population grows there will be an even greater desire for the Zoo to be a sophisticated and accessible attraction which delivers 21st century conservation programmes and actions.

Wellington Zoo's strategy is about the Wellington Zoo of the 21st century and seeks to take us into a new realm, building on our success of the past few years. We will be using the Zoo's rebuilt physical platform to set the stage for Wellington Zoo to be seen as a leader and trusted voice in the conservation of species, engagement with community, excellence in animal welfare and sustainability outcomes.

Our values underpin our strategy and structure and they resound with our approach to being a welcoming, happy place. Our iwi alignment is reflected in the iwi interpretation of the values and we have worked with Taranaki Whānui ki Te Upoko o Te Ika to ensure the correct te ao Māori concepts reflect our intentions.

Wellington Zoo Trust's strategic areas are aligned to:

Connected City, Eco City, People Centred City

The Zoo is perfectly positioned, as a multi award winner in visitor experience, business leadership, vibrancy, sustainability and conservation, to take an active role in delivering conservation and sustainability messages to a large audience of over 250,000 visitors on-site and many more online. We create compelling stories with clear calls to action and we craft community campaigns that move beyond simply raising awareness of an issue to driving lasting change and building a better world.

Wellington Zoo will continue to build its reputation as a creative and innovative zoo by including more opportunities for our visitors to experience multi-layered and multi-sensory learning experiences. We have rich content for storytelling and engagement with communities. We design creative and profound visitor experiences which connect people and animals in ways which inspire communities to take positive action for the environment.

Our commitment is to ensure continual improvement in visitor experience to achieve wider engagement within the community. We offer a range of events, discount days and other visitor programmes which ensure we engage our whole community in the work of the Zoo. Accessibility is important to us as we believe that the Zoo belongs to everyone. We have achieved Be:Accessible Gold rating and we continue to improve the Zoo experience for all visitors, so that many more people have access to the Zoo in the ways that best suit them. We have embraced accessibility for the whole community by investing in recommendations from Be:Accessible to improve the experience for all people. **We have already begun to work with Council Officers on the review of the Leisure Card to increase our accessibility initiatives even further.**

Programmes such as The Warehouse Zoofari to support **low decile schools** in our region to have free transport costs and Zoo admission; LEOTC school discounted entry; free Neighbour's Night for our Newtown and Melrose locals in conjunction with City Housing and Trade Me; discounted entry on Winter Wednesdays and \$2 Open Weekend ensure accessibility for a wider segment of the community. Over 50,000 people were able to visit the Zoo last year through these community accessibility initiatives.

Zoo Crew membership is continually increasing and this is a strategic aim for us as Zoo Crew provides an excellent value proposition for Wellington city ratepayers and residents who visit the Zoo often throughout the year. We know that Zoo Crew members visit on average four to five times per year (many individuals visit more often) so this offering makes a Zoo visit far more possible for many people.

As a child friendly city it's important for Wellington to cater for young people and their families, and for the Council this means providing safe, accessible and enjoyable places for recreation and play, and offering community events and activities that are suitable for all. **Our school holiday programmes are well attended and many other external holiday programmes visit the Zoo as part of their offering to the community.**

Eco City

Our end game is to save animals in the wild, locally and globally. We have a global conservation remit. We strive to show thought leadership in global conservation and sustainability by involvement with global partners and by taking leadership roles in the world and regional zoo professional community. We are respected in the zoo profession for our success in sustainability and we are a leading example of conservation investment and on ground conservation outcomes.

We are a key stakeholder in collaborative conservation breeding as well as science and veterinary research programmes within the zoo community, with other conservation agencies and higher learning organisations in Wellington, across New Zealand and beyond.

Our Species Plan focuses on the number of critically endangered and endangered species we have in human care at the Zoo and those we support through our conservation programmes in the animal's range state. This 20 year plan process is reviewed annually and redefined as we better align the animals we care for to the critical need in the wild. The field conservation programmes for critically endangered and endangered species in their range state that we support are: Sumatran Tigers through Wildcats Conservation Alliance; Tasmanian Devils through Save the Devil Program; Malayan Sun bears through Free the Bears South East Asia; Cotton Top Tamarins through Proyecto Titi; Black and White Ruffed Lemurs through Madagascar Fauna and Flora Group; Chimpanzees through the Jane Goodall Institute; White-cheeked Gibbons through Fauna and Flora International, Vietnam; Kea through Kea Conservation Trust; North Island Kākā through breed for restoration programmes; Grand and Otago Skinks with DOC; Kororā and Tawaki through West Coast Penguin Trust and Golden Lion Tamarins through Associação Mico-Leão Dourado. The planned acquisition of Snow Leopards, Ring-tailed Lemurs and endangered Southern Hairy-nosed Wombats in the future will provide further opportunities for our community to engage with global conservation issues for endangered species.

The Nest Te Kōhanga, our state of the art veterinary hospital, works with a variety of native species. Native wildlife cases now make up 70% of the veterinary medicine case load – including many who are critically endangered. Our success in this area of successfully releasing injured native wildlife back to the wild, is above world standard for zoo veterinary hospitals and we take great pride in this achievement.

People-Centred City, Connected City, Dynamic Central City

The Zoo's contribution to the economic development of our city is through its financial results, creating a place Wellingtonians can feel proud of, by the employment of over 90 people (73 FTE) and by being one of the largest employers in Newtown.

The Trust will continue to drive for results in its commercial imperatives this year to ensure financial sustainability. As a social enterprise we seek to ensure our financial sustainability so that our social and environmental goals can be achieved.

Wellington Zoo is inclusive for all sectors of our community – our visitor mix is diverse and we ensure that all visitors feel safe and respected. Our visitor numbers continue to grow. Our visitor feedback is positive and people are enjoying the continual change in the Zoo.

Connected City, Dynamic Central City

Wellington Zoo has been recognised in a multitude of awards over the past few years, from holistic sustainability to business and environmental leadership. We will continue to strive for excellence across our organisation. To achieve our strategy we will be ensuring our commitment to sustainability and our carboNZero certification continues with projects such as the solar power installation in as many Zoo buildings as we can. We now have two EVs which support Council's intentions in this area and obtain our electricity from Ecotricity, the only carboNZero certified electricity provider in New Zealand.

As one of the key environmental education providers in Wellington, the Zoo has a Learning Experience Outside the Classroom (LEOTC) contract with the Ministry of Education (MOE). Last year **10,500 school children** connected with animals at Wellington Zoo during a learning session.

The MOE measures the success of the learning programmes at Wellington Zoo and we continue to receive positive feedback on our educator-led learning sessions and our innovative programmes that align with the Ministry's target areas, including improving education outcomes for Māori and Pasifika learners, special education learners and those from low socio-economic backgrounds.

Our partnership with The Warehouse continues to bring **low decile schools** from across the Wellington region to the Zoo for learning sessions as part of *The Warehouse Wellington Zoofari* (Zoofari). Last year around 1,500 children from low decile schools, along with their parents and teachers, visited the Zoo as a result of Zoofari so the Zoo continues to build links to communities around the region.

Wellington Zoo's *Bush Builders* is a unique environmental literacy programme that helps children to discover for themselves the wonder of the world around them, in their own schools and homes, and to empower them to take positive action in their own communities. This successful programme has influenced over 4,000 students in our region.

Bush Builders emphasises the importance of building habitats for animals. The importance of plants within the animal habitats as well as in the visitor space is reflected in the beautiful gardens and native plants throughout the Zoo.

4. PERFORMANCE MEASUREMENTS

For the next three years the following table indicates the measures for WCC to monitor. These are linked to our strategic areas.

WCC Performance Measures						
Measure	Frequency of Measure	Forecast 2018-19	Target 2019-20	Target 2020-21	Target 2021-22	Notes
Visitors	Quarter*	244,420	246,864	249,333	251,827	
Education visits	Quarter	10,500	10,500	10,750	11,000	This is the number of people participating in conservation education.
Volunteer engagement survey	Annual	1	1	1	1	
People participating in animal Close Encounters	Annual	4,000	4,000	4,200	4,200	
Measure visitor feedback and satisfaction	Annual	9.0	8.5	8.5	8.5	This target is based on the overall experience rating which is measured out of ten.
WCC operating grant	Annual	\$3,320K	\$3,406K	\$3,494K	\$3,596K	
WCC cash subsidy (grant) per visit	Annual	\$12.90	\$13.41	\$13.62	\$13.88	
Non-WCC revenue earned	Annual	\$4,406K	\$4,968K	\$5,055K	\$5,225K	
Average revenue per visit	Annual	\$17.07	\$19.56	\$19.70	\$20.17	This is calculated as the average income per visitor from Trust-generated revenue.
Total revenue earned	Annual	\$7,726K	\$8,374K	\$8,549K	\$8,821K	
WCC property ownership costs	Annual	TBC	TBC	TBC	TBC	This target is generated by WCC and is not controlled by the Trust.

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

3 APRIL 2019

Measure (Continued)	Frequency of Measure	Forecast 2018-19	Target 2019-20	Target 2020-21	Target 2021-22	Notes
Total cost to WCC including grant and property costs	Annual	TBC	TBC	TBC	TBC	This target is generated by WCC and is not controlled by the Trust. It includes depreciation and shared services costs, CCO team costs, insurance, CAPEX interest and the OPEX grant.
Full cost to WCC per visit	Annual	\$21.73	TBC	TBC	TBC	This target is generated by WCC and is not controlled by the Trust. It includes depreciation and shared services costs, CCO team costs, insurance, CAPEX interest and the OPEX grant.
Percentage of operating costs generated by the Trust	Annual	57%	59%	59%	59%	
Trust generated income as percentage of WCC grant	Annual	132%	146%	145%	145%	
% of OPEX directly contributed to field conservation	Annual	5%	6%	7%	8%	This measure uses the Zoo Aquarium Association (ZAA) Australasia Framework to measure direct contributions to field conservation.

*Target Visitor Numbers by Quarter 2019-20

Q1	Q2	Q3	Q4	Total
49,304	66,626	68,451	69,619	254,000

Additional Zoo Performance Measures							
Measure		Frequency of Measure	Forecast 2018-19	Target 2019-20	Target 2020-21	Target 2021-22	Notes
Number of vulnerable, endangered or critically endangered species (IUCN Red List and DOC National list) at the Zoo		Annual	27	28	28	28	
Number of native animals receiving medical attention by The Nest Te Kōhanga (TNTK)		Annual	New Measure	450	475	500	New measure. Number of native animals brought into TNTK for treatment or treated off-site by the TNTK team.
Percentage of native animals released to the wild after triage and treatment by The Nest Te Kōhanga (TNTK)		Annual	59	50	50	50	Post 72 hour triage period.
Number of Field Conservation Projects supported for threatened (NZ) endangered or critically endangered (global) species		Annual	13	8	8	8	As part of our strategic review, we will be assessing our field conservation projects and partnerships over the coming 12 months.
Participate in zoo-based research projects and paper publication		Annual	10	11	12	13	These projects are directly related to conservation medicine, animal welfare science and visitor engagement research.
Maintain Zoo and Aquarium Association Animal Welfare Accreditation		Annual	Achieved	Achieved	Achieved	Achieved	
Maintain carboNZero certification.		Annual	Achieved	Achieved	Achieved	Achieved	
Health & Safety targets	Safety Improvement Team meeting attendance	Annual	H&S Safety targets Achieved	70%	80%	80%	Measured against those staff available to attend meetings - 12 meetings per annum.
	Successful Emergency drill/incident debriefs held	Annual	H&S targets Achieved	8	8	8	Includes emergency drills, trial evacuations and real incidents occurring which require debriefing.
People & Culture Targets	Staff Recognition programme	Annual	People and Culture targets Achieved	1	1	1	This measure refers to the year-long recognition of staff excellence at full staff meetings and culminates in the annual staff awards event in August
	Staff Learning and Development Sessions held	Annual	People and Culture targets Achieved	10	10	10	

5. APPROACH TO GOVERNANCE

Wellington Zoo Trust is a Council-Controlled Organisation (CCO) having been established in 2003 by the Wellington City Council to develop and manage Wellington Zoo.

Relationship with Council

The Trust ensures the ongoing viability of the organisation is maintained through the monitoring of Key Performance Measures. Governing policies have been developed by Trustees to ensure the business of the Trust is managed consistently with its Deed and stated direction.

As part of the ongoing relationship with the Wellington City Council, the Chair and Chief Executive meet with the Mayor and Wellington City Council Chief Executive on a regular basis. The Wellington Zoo Chief Executive meets regularly with Council officers for CCOs and other Council management when appropriate. The Chair and Chief Executive attend the CCO Performance Committee meetings as required.

The Trust's Statement of Financial Performance and audited accounts will be presented to Council within 60 days of financial year end. **These statements include the budget from the SOI for the same period as per the Letter of Expectation and our usual approach to the accounts.**

The Trust will disclose any material or potentially contentious transactions that are planned within its annual business plan. Where this is not possible, the earliest practicable notice will be given to Council of such transactions.

Wellington Zoo always publicly acknowledges Council's contribution to the Zoo as much as possible. We are grateful for Council support and seek to acknowledge this at events, animal habitat openings and other appropriate opportunities.

The principles governing the relationship between the Trust and Council will include:

- A "no surprises" approach;
- Open communications which acknowledge each partner's objectives and constraints;
- Mutually respectful negotiation of resolution of differences;
- Reciprocal recognition of the requirements of each other's processes; and
- Provision of quarterly reports against agreed KPMs and an annual report within three months of balance date.

Board Membership

Name	Term Expires
Craig Ellison (<i>Chair</i>)	31 December 2020
Ben Bateman	30 June 2020
Raewyn Bleakley	31 December 2020
Peter Gilberd	31 October 2019
Michael Potts	31 December 2019
Nina Welanyk Brown	31 December 2021

All Board members are non-executive.

Board Committees

The Board operates one committee - the Finance, Audit and Risk Committee.

Board Development

The Board conducts an annual review of overall Board performance which determines individual and chair development needs and any other actions required to ensure best practice governance and performance standards are met. The Trust promotes Board development for corporate governance and spends at least ten hours a year on this at Board meetings and additional workshops and discussions. **A report will be tabled to the Wellington City Council Chief Executive on the Board review and outcomes by 30 September 2019.**

6. ORGANISATIONAL RESILIENCE AND RISK ASSESSMENT

Wellington Zoo Trust has a Finance, Audit and Risk Committee which meets quarterly throughout the year. The Board monitors our Risk Analysis and Mitigation Plan at least annually and this document is updated as required. Health and Safety (H&S) is currently managed via the GM Safety, Assets and Sustainability who is a direct report to the Chief Executive. The H&S Advisor works with our Safety Improvement Team to ensure safe practices in the Zoo for animals, staff and visitors. All Health and Safety incidents are monitored weekly by the SMT and by the Board at their regular meetings.

As with all our H&S responsibilities the Board (and other officers of the Trust) acknowledges and understands its accountability. We have made the appropriate improvements to ensure the new H&S legislation is well managed and that the Trust meets the required reporting, monitoring and reviewing of H&S objectives. We have regular conversations with relevant WCC officers in regard to H&S activities to ensure WZT and WCC are aligned in our approaches.



The renewals budget allows us to maintain a resilient asset for the city. **Future CAPEX investment** will ensure the Zoo continues to meet expected zoo standards of animal care, visitor experience and staff welfare. **The Asset Management Plan will capture the required maintenance and renewals programme for the Zoo's built assets. We have begun working with WCC officers to advise Council of our approach to asset management planning in line with Council processes for asset renewals.**

Significant investment from WCC to allow the successful completion of the Zoo Capital Plan (ZCP) in 2015/16 has meant many of the older areas have been upgraded and elevated Wellington Zoo to be a world-leading progressive zoo. We need to continue to build on this and provide for our visitors, staff and animals.

The Zoo intends to develop a detailed Asset Management Plan (AMP) to ensure the ongoing maintenance and renewal of the Zoo asset and that we are executing our obligations under the Contract for Services. The AMP will enable the Zoo to manage asset lifecycles for a whole-of-life approach with due consideration given to WCC and Zoo joint objectives, stakeholder needs, level of service and risks. The AMP will provide assurance of funding required to cover existing and future asset renewals and avoid critical failure of ageing infrastructure assets, update any assets not fit for purpose and resolve any potential Health and Safety issues and the associated reputational risk these issues could bring.

One of the challenges of maintaining the Zoo asset is the variable lifecycle ages of structures and animal habitats. As our knowledge of the animals in Zoo care increases, previous habitats and animal care and welfare practices can become outdated. Zoos' internationally now consider 20 years to be too long and in global experience it is more realistic to plan for a ten year life expectancy for zoo animal habitat assets.

Below are two examples of different Zoo assets and how the total effective lifespan differs:

African Savannah – Giraffe House	The Nest Te Kōhanga – Animal Hospital
 <p>Built in 2007, the building and internal structures are in a good condition from a maintenance point of view, however, in the past ten years the understanding of giraffe husbandry, training and herd management have advanced to the point that the layout and equipment within the building are no longer fit for purpose. The internal structures need to be replaced in order to stay at the forefront of animal welfare practice.</p>	 <p>Built in 2008, the Zoo's flagship veterinary hospital is vital to the ongoing success of the Zoo and a significant contributor to our conservation targets. The building and internal structures are in a good condition from a maintenance point of view and will be unlikely to need significant replacement in the next ten years, however, the AMP will need to consider the high-value specialist equipment to ensure the Zoo can continue to deliver excellence in animal care and welfare.</p>

The Zoo's position is that the current infrastructure renewals budget is insufficient to cover existing asset renewals. In the 2017/18 SOI we estimated additional funding of **\$200k per annum** was required to assist a programme of asset renewals, including animal habitats, visitor areas and pathways, buildings and essential plant and equipment.

The shortfall in the graph (right in pale green) indicates the propensity of the Zoo to achieve a total AMP result. In terms of maintaining current levels of service, this shortfall could result in a failure of ageing infrastructure assets, meaning assets are not fit for purpose, and could create potential H&S and animal welfare issues. The development of a detailed AMP will allow the Zoo and WCC to interrogate this shortfall in greater detail, focusing on critical assets as a priority.



The Zoo's Risk Matrix highlights the criticality of maintaining a resilient asset for the City. Impacts of a natural disaster impacts such as earthquakes, serious incidents and reputational falter are all potential risks if we are not able to adequately manage or resource the asset management programme and appropriately fund the renewals programmes sufficiently.

The Trust commits to raising 25% of the cost of any new CAPEX investment. This percentage is included in the gross costs of the table below.

Proposed New Capital Projects	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	TOTAL
Snow Leopards Snow Leopards are endangered in the wild, with a population of less than 7,000 thought to exist in their mountainous range state. International research shows that big cats are the biggest draw card for visitors attending zoos. As the only zoo in New Zealand with Snow Leopards, we would be part of the international commitment to protect this species via home range conservation action. The preliminary design is complete for this project. This project has been prioritised by WZT for some years now. We will be providing a progress report on the investment case for this project.	307,500	1,640,000	1,640,000							\$3.588m Included in the LTP
Savannah Survival (Cheetah and Lions) The current cheetah and lion habitats and dens are old. Cheetah are an iconic species for Wellington Zoo and we support Cheetah Outreach in South Africa as part of our suite of range state conservation programmes. Cheetah are also a major factor in our Close Encounters which provide a more in-depth learning opportunity for visitors. We would also like to be able to have both male and female lions on display together which we cannot with the current arrangement. These iconic cats need better housing and viewing arrangements. As part of the Africa precinct visitor engagement strategy we believe eco-built overnight stay options in this area would be successful.						333,333	2,666,667	2,000,000		\$5m Included in the LTP

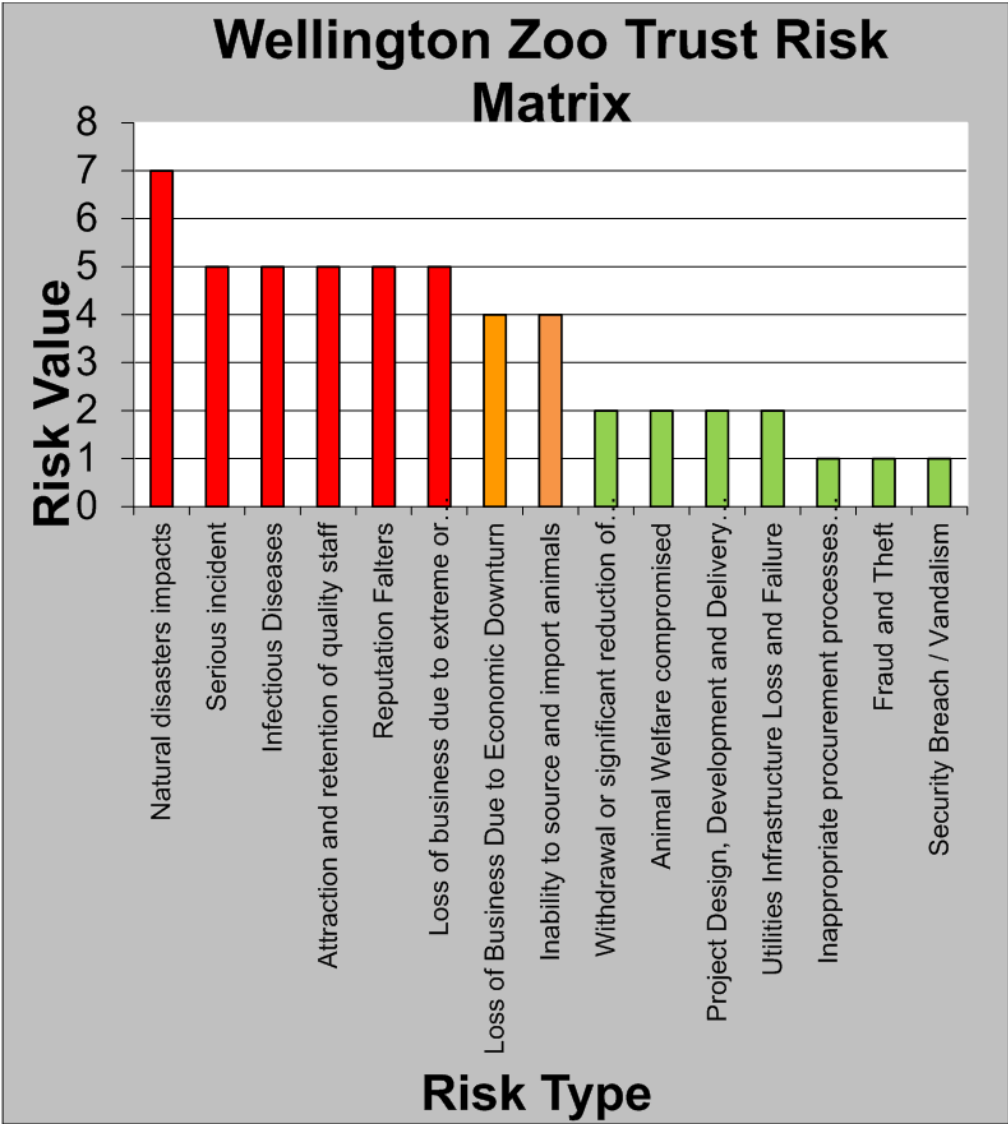
Risk Analysis & Mitigation Plan for Wellington Zoo Trust

Risk Identification	Probability	Impact	Risk Value	Risk Mitigation	Accountability	Responsibility
Natural disasters impacts	0	7	7	Business Continuity Plan, Emergency Management Plans. All documents reviewed annually. Regular practice drills carried out. Once emergency is over then a tactical marketing and communications plan will be implemented.	CE & Board	Board, SMT
Serious incident (including animal-related incidents) where there is the risk of the loss of life (human or animals)	-2	7	5	Emergency Management Plans, Health & Safety Management System, Communications Plans reviewed annually. Regular practice drills carried out. Monitored Fire Alarms in all people-occupied buildings and where possible in animal housing depending on risk. Building WOFs. Annual MPI audit and Containment Standards maintained. Inductions (staff and contractors). Monitor competency of staff and contractors. Two keeper system in place. Board and SMT site reviews.	CE & Board	Board, SMT
Infectious diseases	-1	6	5	Health & Safety Management Plan, EPA/MPI policies, Infectious Diseases Policy, veterinary protocols and pre-import screenings.	CE & Board	Board GMAC&S, GMSAS
Attraction and retention of quality staff	-1	6	5	Recruitment and induction processes. Learning and Development strategy. Career progression initiatives. Remuneration Policy. Engagement through shared values.	CE & Board	Board CFO
Reputation falters	-1	6	5	Communications protocols to communicate with key stakeholders, media and community in event of reputational risk. Strong relationship management with partners and stakeholders, eg DOC, MPI, WCC. Mitigations in place to avoid this happening include: Animal Welfare Accreditation, Euthanasia Policy, Code of Conduct, Media Relations Policy, Use of Electronic Media Policy, Disciplinary Policy, H&S Policy.	CE & Board	Board, SMT
Loss of business due to extreme or prolonged inclement weather	0	5	5	In the event of an extreme weather event that results in a prolonged impact on our business, tactical marketing and pricing will be put into effect. Aspects of the planned recovery from such an extreme one-off event are also covered in the Business Continuity Plan. Review budgets, reduce spending and investigate new revenue raising initiatives.	CE & Board	Board GMBP GMCEC
Loss of business due to economic downturn	-1	5	4	As part of the annual planning process the economic climate is evaluated and reviewed. In the event of an unexpected sharp economic downturn tactical marketing and pricing will be put into effect and tempered by prudent financial management.	CE & Board	CE Board

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

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Risk Identification	Probability	Impact	Risk Value	Risk Mitigation	Accountability	Responsibility
Inability to source and import animals	-1	5	4	Zoo Species Plan that is continually updated. Animal Science Manager position that is responsible for sourcing animals. ZAA and WAZA members and have relationships with other zoos around the world to source animals through programmes such as ASMP.	CE & Board	Board GMAC&S
Withdrawal or significant reduction of support or unfunded compliance costs from WCC	-2	4	2	Statement of Intent, Contract for Services, relationship plans where appropriate and regular meetings with key contacts at WCC such as The Mayor, Deputy Mayor, Portfolio leaders, Councillors, Chief Executive and ELT, Presentations at relevant Committee meetings, inclusion of WCC partners at all events, regular reporting on Zoo-based activities, relationships developed between relevant officers across WCC and related Zoo portfolios managers.	CE & Board	CE Board
Animal welfare compromised	-3	5	2	Through ZAA Accreditation the Zoo's animal welfare state is evaluated. Husbandry Manuals which are regularly reviewed and updated ensure that all animal needs are met. Staff attending national and international conferences as part of development policies ensure their knowledge stays current. Governed by WZT Animal Welfare Committee.	CE & Board	Board GMAC&S
Project design, development and delivery risk	-3	5	2	Project management process as agreed with the Board. Following procurement processes for engaging Consultants and Contractors. Regular progress meetings to maintain projects on time and within budget. Regular reporting to the Board on capital and renewals projects.	CE & Board	Board GMSAS
Utilities infrastructure loss and failure	-1	3	2	Business Continuity Plan, WCC Business Continuity Plan. Minor Works programme ensure maintenance up to date. Connection to WCC systems where appropriate to utilise WCC backup systems.	CE & Board	Board, SMT
Inappropriate procurement processes followed	-3	4	1	Delegations Policy. Register of Interests. Delegations for approvals. Board approval process for capital procurement and WCC signoff for Capital Procurement for major capital projects.	CE & Board	Board CFO
Fraud and theft	-2	3	1	CCTV at front entrance which is monitored weekly by SMT members and also monitored by Sales and Services Manager. Code of Conduct. Financial management procedures. Daily banking checks by Corporate Services Manager with written procedures for following up variances. Annual audit by Audit NZ. Pre-employment criminal checks.	CE & Board	Board GMBP/CFO
Security breach/vandalism	-2	3	1	CCTV system and security alarms in all our buildings and where applicable in animal areas. Weekly perimeter checks. Maintenance of perimeter fence. Routine nightly security checks. After hours doors and security gate monitoring.	CE & Board	Board GMSAS







Risk Analysis Scale

Score	Probability that the Event will Occur
1	Almost Certain and / or could occur frequently
0	Very likely to occur and / or could occur more than once
-1	Moderately likely to occur and / or could occur at least once
-2	Unlikely to occur and / or might occur once
-3	Very unlikely to occur

Score	Level of Impact of the Event Occurring
7	Catastrophic Damage value greater than 50% of the project value, or Major delay to the project completion, or Major impact on this and other business opportunities
6	Very High Impact Damage value about 20% - 50% of the project value, or Significant delay to project completion, or Significant impact on this and other business opportunities
5	Major Damage value about 5% - 20% of the project value, or Project completion affected, or Some impact on this or other business opportunities
4	Minor Damage value less than 5% of the project value, or Project completion not impacted (although a phase of the project may be), or This business opportunity could be impacted
3	Negligible Damage value covered by contingency, any delays barely noticeable and client unaffected
2	Minimal

These two scores are added together to give a "Risk Value". This will be in the range zero to eight.

-  All risks with a Risk Value of 5 - 8 must have a mitigation plan developed and agreed with the Board.
-  All risks with a Risk Value of 3 or 4 shall have a mitigation plan so they can be managed by SMT.
-  All risks with a Risk Value of 0 - 2 can just be recorded and accepted as such until such time as they produce a higher score.
-  Any risk that has a Probability Value of one (1) or an Impact Value of five (5) or more must still have a mitigation plan even if the overall Risk Value is less than five.

7. ADDITIONAL INFORMATION

a) Response to other specific Letter of Expectation matters (if applicable)

Not applicable.

b) Ratio of shareholders' funds to total assets

Please refer to the Balance Sheet and Accounting Policies included.

c) Estimate of amount intended for distribution

Wellington Zoo Trust does not make a distribution to the Settlor.

d) Acquisition procedures

The Trustees currently have no intention of subscribing for, purchasing or otherwise acquiring shares in any other company or other organisation.

e) Activities for which the Board seeks compensation from a Local Authority

The Board acknowledges the **\$3,405,921 for 2019-2020 operational funding in the Long Term Plan.**

The Board acknowledges the **\$882,458 included currently in the Long Term Plan** for Zoo Asset renewals for 2019-20. However, we note that in the full cost of the Zoo measure calculated by WCC, depreciation for the Zoo asset is running at \$1.5m pa. This is considerably more than the renewals funding we receive. We have been discussing this issue with Officers during 2017-18 in time for LTP decisions. We believe that uplift in renewals would enable the Trust to better maintain the Zoo asset and would reduce the need for large capital investment in the coming 20 years (excluding the projects already indicated).

f) Estimate of commercial value of shareholders investment

Not applicable.

g) Other matters (if applicable), eg water supply services LGA requirements

Not applicable.

h) Supplementary information the entity wishes to include

Not applicable.

8. ACCOUNTING POLICIES

Reporting Entity

The Wellington Zoo Trust (the Trust) is a charitable trust registered under the Charitable Trusts Act 1957 domiciled in New Zealand and is also a council-controlled organisation as defined under Section 6, Part 1 of the Local Government Act 2002, by virtue of the Council's right to appoint the Board of Trustees. The Trust was established on 1 July 2003 by the Wellington City Council.

The financial statements have been prepared in accordance with the requirements of the Charitable Trusts Act 1957 and section 69 of the Local Government Act 2002.

The Trust is reliant on the Wellington City Council (the Council) for the majority of its income and operates under a Contract for Services with the Council. The Contract for Services was negotiated for a period of five years to 30 June 2021. Ongoing funding for the Trust has been approved in the 2018/2028 Long Term Plan.

The primary objective of the Trust is to manage, administer, plan, develop, maintain, operate and promote the Wellington Zoo for the benefits of the inhabitants of Wellington and as an attraction to visitors to Wellington, not to make a financial return. Accordingly, the Trust has designated itself as a public benefit entity for the purposes of New Zealand PBE IPSAS.

Under this framework, the Trust is eligible to apply the reduced disclosure regime (Tier 2 entity) of the Public Benefit Entity Accounting Standards.

The reporting period for these forecast financial statements is for the year ended 30 June 2020.

Statement of Compliance

The financial statements have been prepared in accordance with generally accepted New Zealand accounting practice. They comply with New Zealand equivalents to PBE IPSAS and other applicable Financial Reporting Standards, as appropriate for Tier 2 public benefit entities.

Measurement Base

The measurement base applied is historical cost. The accrual basis of accounting has been used.

Functional and Presentation Currency

These financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless otherwise stated. As a result of rounding there may be slight discrepancies in subtotals.

Significant Accounting Policies

Critical Accounting Estimates and Assumptions

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future. The Trust has assessed the financial records and there are no significant critical accounting estimates. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Grants

Grants received from the Wellington City Council are the primary source of funding to the Trust and are restricted for the purposes of the Trust meeting its objectives as specified in the Trust Deed. The Trust also receives other assistance for specific purposes, and these grants usually contain restrictions on their use.

Grants are recognised as revenue when they become receivable unless there is an obligation to return the funds if the conditions of the grant are not met. If there is such an obligation the grants are initially recorded as grants received in advance, and recognised as revenue when the conditions of the grant are satisfied.

Revenue

Revenue comprises revenue from operating activities, investment revenue, grants and donations and other revenue and is measured at the fair value of consideration received or receivable.

Revenue may be derived from either exchange or non-exchange transactions.

Most of the services that the Trust provides for a fee are subsidised by grants therefore do not constitute an approximately equal exchange. Accordingly, most of the Trust's revenue is categorised as non-exchange.

Donated, Subsidised or Vested Assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Such revenue is recognised when control over the asset is obtained.

Interest

Interest revenue is recognised using the effective interest rate method.

Volunteer Services Recognition

The Trust benefits from the service of dedicated volunteers in the delivery of its activities. Due to the difficulty in determining the value of these donated services with sufficient reliability, donated services are not recognised in these financial statements.

Taxation

The Trust is registered as a Charitable Trust and is exempt from income tax under the Income Tax Act 2007. The Trust is not exempt from indirect tax legislation such as Goods and Services Tax and accordingly is required to comply with these regulations.

Goods and Services Tax (GST)

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

Debtors and Other Receivables

Debtor and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of less than three months.

Investments

Term deposits are initially measured at the amount invested.

Creditors and Other Payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Inventory

Inventories are recorded at the lower of cost (determined on a first-in first-out basis) or net realisable value. This valuation includes allowances for slow moving and obsolete stock. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Property, Plant and Equipment

Recognition

Property, plant and equipment consist primarily of operational assets. Expenditure is capitalised when it creates a new asset or increases the economic benefits over the total life of an existing asset. Costs that do not meet criteria for capitalisation are expensed.

The Trust also manages the construction and development of buildings, structures and habitats on behalf of the Council. These assets are not recorded in the Trust's financial statements as ownership vests in the Council.

Measurement

Property, plant and equipment are valued at historical cost less accumulated depreciation and impairment losses.

The initial cost of property, plant and equipment includes the purchase consideration, and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential is capitalised.

Impairment

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use.

Disposal

Realised gains and losses arising from the disposal of property, plant and equipment are recognised in the Statement of Comprehensive Revenue and Expense in the period in which the transaction occurs.

Depreciation

Depreciation is provided on all assets owned by the Trust excluding assets under construction (work in progress).

Depreciation is calculated on a straight line basis, to allocate the cost or value of the asset (less any residual value) over its useful life. The estimated useful lives of the assets are as follows:

Plant

Audio Visual Equipment	3 years
Projector	5 years
Shade Sail	10 years
Hospital Equipment	10 years
Garden Furniture	10 years
Living Room Furniture	15 years
Endoscope	8 years

Furniture and Equipment

Composter	10 years
CCTV	3 years
Incubators	12.5 years

Work in Progress

The cost of projects within work in progress is transferred to the relevant asset class when the project is completed and then depreciated.

Employee Benefits

A provision for employee benefits (holiday leave, long service leave, and retirement gratuities) is recognised as a liability when benefits are earned but not paid. The Trust recognises a liability and an expense for a one-off payment where contractually obliged or where there is a past practice that has created a constructive obligation.

Short Term Employee Benefits

Holiday leave (annual leave and time off in lieu) is calculated on an actual entitlement basis at the greater of the average or current hourly earnings in accordance with sections 16(2) & 16(4) of the Holidays Act 2003.

Other Contractual Entitlements

Other contractual entitlements include termination benefits. Termination benefits are recognised in the Statement of Financial Performance only when there is a demonstrable commitment to terminate employment. Termination benefits settled within 12 months are reported at the amount expected to be paid, otherwise they are reported as the present value of the estimated future cash outflows.

Provisions

The Trust recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

Revenue in Advance

The Trust has received non-exchange funds for specific purposes with conditions that would require the return of the monies if the Trust is not able to fulfil the agreement. The revenue from these agreements will only be recognised as the conditions are fulfilled over time.

The Trust has received non-exchange funds which apply to periods beyond the current year with conditions that would require the return of the monies if the Trust is not able to fulfil the obligation.

Contingent Assets and Liabilities

Contingent liabilities and contingent assets are disclosed in the notes to the financial statements. Contingent liabilities are disclosed if the possibility that they will crystallise is not remote. Contingent assets are disclosed if it is probable that the benefits will be realised.

Animal Collection

In accordance with customary practice among Zoological organisations, animals are not recorded as there is no objective basis for establishing value. Additionally, animals have numerous attributes, including species, age, sex, relationship and value to other animals, endangered status and breeding potential whereby it is impracticable to assign value. Expenditure related to animal acquisitions is expensed in the period of acquisition.

Equity

Equity is the residual interest in the Trust and is measured as the difference between total assets and total liabilities. The components of equity are accumulated surpluses and deficits and restricted funds (special funds, trusts and bequests).

Restricted funds are those reserves that are subject to specific conditions of use whether under statute or accepted as binding by the Trust because of the specific reason for which the funds were provided.

Transfers from these reserves may be made only for specified purposes or when certain specified conditions are met.

Statement of Cash Flows

The statement of cash flows is prepared using the direct approach. Operating activities include cash received from all revenue sources of the Trust and record the cash payments made for the supply of goods and services. Investing activities relate to the acquisition and disposal of assets. Financing activities relate to transactions that change the equity and debt capital structure of the Trust.

Related Parties

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include Wellington City Council, key management personnel and the governing body (Trust Board).

Trustees' remuneration is any money, consideration or benefit received receivable or otherwise made available, directly or indirectly, to a trustee during the reporting period. The disclosures for the Trust include the remuneration of the Trustee board as they occupy the position of a member of the governing body of the Trust.

Changes to Accounting Policies

There have been no changes in accounting policies this year.

9. FORECAST FINANCIAL STATEMENTS

CCO: Wellington Zoo Trust Business Plan 2019/20		\$NZ000's						
Estimate 30-Jun-19	EARNINGS STATEMENT	Qtr to 30-Sep-19	Qtr to 31-Dec-19	Qtr to 31-Mar-20	Qtr to 30-Jun-20	Total YE 30-Jun-20	Total YE 30-Jun-21	Total YE 30-Jun-22
	Revenue							
3914	Trading Income	959	1249	1101	970	4,279	4,561	4,731
3320	WCC Grants	851	852	851	852	3,406	3,494	3,596
84	Other Grants	21	21	21	21	84	84	84
225	Sponsorships and Donations-Operational	57	56	56	56	225	240	240
12	Sponsorships and Donations-Capital					0	-	0
55	Investment Income	10	10	10	10	40	35	35
116	Other Income	85	85	85	85	340	135	135
7,726	Total Revenue	1,983	2,273	2,124	1,994	8,374	8,549	8,821
	Expenditure							
5,318	Employee Costs	1,499	1,499	1,499	1,501	5,998	6,148	6,301
2,390	Other Operating Expenses	588	613	574	595	2,370	2,400	2,520
6	Depreciation	2	2	1	1	6	1	0
0	Interest	0	0	0	0	0	0	0
803	Vested Assets					0	0	0
8,517	Total Expenditure	2,089	2,114	2,074	2,097	8,374	8,549	8,821
(791)	Net Surplus/(Deficit) before Taxation	(106)	159	50	(103)	0	0	0
0	Taxation Expense					0	0	0
0	Operating Surplus (Deficit)	(106)	159	50	(103)	0	0	0
(791)	Net Surplus/(Deficit)	(106)	159	50	(103)	0	0	0
0.0%	Operating Margin	-5.3%	7.0%	2.4%	-5.2%	0.0%	0.0%	0.0%

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

3 APRIL 2019

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Estimate 30-Jun-19	STATEMENT OF FINANCIAL POSITION	As at 30-Sep-19	As at 31-Dec-19	As at 31-Mar-20	As at 30-Jun-20		As at 30-Jun-21	As at 30-Jun-22
	Shareholder/Trust Funds							
0	Share Capital/Settled Funds	0	0	0	0		0	0
0	Revaluation Reserves	0	0	0	0		0	0
1,698	Restricted Funds	907	907	907	907		907	907
351	Retained Earnings	245	404	454	351		351	351
2,049	Total Shareholder/Trust Funds	1,152	1,311	1,361	1,258		1,258	1,258
	Current Assets							
2,883	Cash and Bank	2,778	2,087	2,928	1,974		1,973	1,993
350	Accounts Receivable	300	80	80	130		60	60
97	Other Current Assets	100	100	100	100		100	100
3,330	Total Current Assets	3,178	2,267	3,108	2,204		2,133	2,153
	Investments							
0	Deposits on Call	0	0	0	0		0	0
0	Other Investments	0	0	0	0		0	0
0	Total Investments	0	0	0	0		0	0
	Non-Current Assets							
7	Fixed Assets	5	3	2	1		0	0
0	Other Non-current Assets	0	0	0	0		0	0
7	Total Non-current Assets	5	3	2	1		0	0
3,337	Total Assets	3,183	2,270	3,110	2,205		2,133	2,153
	Current Liabilities							
700	Accounts Payable and Accruals	831	449	499	547		575	575
	Provisions						0	0
588	Other Current Liabilities	1,200	510	1,250	400		300	320
1,288	Total Current Liabilities	2,031	959	1,749	947		875	895
	Non-Current Liabilities							
0	Loans - WCC	0	0	0	0		0	
0	Loans - Other	0	0	0	0		0	
0	Other Non-Current Liabilities	0	0	0	0		0	0
0	Total Non-Current Liabilities	0	0	0	0		0	0
2,049	Net Assets	1,152	1,311	1,361	1,258		1,258	1,258
2.6	Current Ratio	1.6	2.4	2	2.3		2	2.4
61.4%	Equity Ratio	36.2%	57.8%	43.8%	57.1%		59.0%	58.4%

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

3 APRIL 2019

Estimate 30-Jun-19	STATEMENT OF CASH FLOWS	Qtr to 30-Sep-19	Qtr to 31-Dec-19	Qtr to 31-Mar-20	Qtr to 30-Jun-20	Total YE 30-Jun-20	Total YE 30-Jun-21	Total YE 30-Jun-22
	<i>Cash provided from:</i>							
3,914	Trading Receipts	959	1,249	1,101	970	4,279	4,561	4,731
3,320	WCC Grants	1641	0	1641	0	3,282	3,494	3,596
84	Other Grants	21	21	21	21	84	82	82
237	Sponsorships and Donations	57	56	56	56	225	240	240
55	Investment Income	10	10	10	10	40	35	35
116	Other Income	85	85	85	85	340	135	135
7,726		2,773	1,421	2,914	1,142	8,250	8,547	8,819
	<i>Cash applied to:</i>							
5,318	Payments to Employees	1,499	1,499	1,499	1,501	5,998	6,148	6,301
2,390	Payments to Suppliers	588	613	574	595	2,370	2,400	2,498
	Net GST Cashflow					0	0	0
803	Other Operating Costs (VESTING)			0	0	0	0	0
	Interest Paid	0				0	0	0
8,511		2,087	2,112	2,073	2,096	8,368	8,548	8,799
(785)	Total Operating Cash Flow	686	(691)	841	(954)	(118)	(1)	20
	Investing Cash Flow							
	<i>Cash provided from:</i>							
	Sale of Fixed Assets					0	0	0
	Other					0	0	0
0		0	0	0	0	0	0	0
	<i>Cash applied to:</i>							
0	Purchase of Fixed Assets					0	0	0
	Other -vesting Cash for Capital Projects	791			0	791	0	0
0		791	0	0	0	791	0	0
0	Total Investing Cash Flow	(791)	0	0	0	(791)	0	0

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

3 APRIL 2019

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Estimate 30-Jun-19	STATEMENT OF CASH FLOWS (CONT)	Qtr to 30-Sep-19	Qtr to 31-Dec-19	Qtr to 31-Mar-20	Qtr to 30-Jun-20	Total YE 30-Jun-20	Total YE 30-Jun-21	Total YE 30-Jun-22
	Financing Cash Flow							
	<i>Cash provided from:</i>							
	Drawdown of Loans					0	0	0
	Other					0	0	0
0		0	0	0	0	0	0	0
	<i>Cash applied to:</i>							
	Repayment of Loans					0	0	0
	Other					0	0	0
0		0	0	0	0	0	0	0
0	Total Financing Cash Flow	0	0	0	0	0	0	0
(785)	Net Increase/(Decrease) in Cash Held	(105)	(691)	841	(954)	(909)	(1)	20
3,668	Opening Cash Equivalents	2,883	2,778	2,087	2,928	2,883	1,974	1,973
2,883	Closing Cash Equivalents	2,778	2,087	2,928	1,974	1,974	1,973	1,993

Estimate 30-Jun-19	CASH FLOW RECONCILIATION	Qtr to 30-Sep-19	Qtr to 31-Dec-19	Qtr to 31-Mar-20	Qtr to 30-Jun-20	Total YE 30-Jun-20	Total YE 30-Jun-21	Total YE 30-Jun-22
(791)	Operating Surplus/(Deficit) for the Year	(106)	159	50	(103)	0	0	0
6	Add Non Cash Items							
	Depreciation	2	2	1	1	6	1	0
	Other (Gifted Hospital Assets)		0		0	0	0	
(785)		(104)	161	51	(102)	6	1	0
	Movements in Working Capital							
	(Increase)/Decrease in Receivables	50	220	0	(50)	220	70	0
	(Increase)/Decrease in Other Current Assets	(3)	0	0	0	(3)	0	0
	Increase/(Decrease) in Accounts Payable	131	(382)	50	48	(153)	28	0
	Increase/(Decrease) in Other Current Liabilities	612	(690)	740	(850)	(188)	(100)	20
0		790	(852)	790	(852)	(124)	(2)	20
	Net Gain/(Loss) on Sale:							
	Fixed Assets	0				0		
	Investments	0				0		
0		0	0	0	0	0	0	0
(785)	Net Cash Flow from Operations	686	(691)	841	(954)	(118)	(1)	20



Craig Ellison
Board Chair, Wellington Zoo Trust

REVIEW OF THE HALF YEAR REPORT FOR WELLINGTON REGIONAL STADIUM TRUST FOR THE PERIOD ENDING 31 DECEMBER 2018

Purpose

1. This report provides the sub-committee with a review of the half year report to 31 December 2018 submitted by Wellington Regional Stadium Trust for consideration in accordance with the requirements of the Local Government Act 2002.

Recommendations

That the Council Controlled Organisations Subcommittee 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 Wellington Regional Stadium Trust.

Discussion

3. The half year report has been reviewed by officers to assess any risks or issues. No significant issues or risks were identified.

ACTIVITY SUMMARY

Total event days were 24 (plus four community events), and attendance was 125,726. This compares to 190,322 for the prior year which included the All Blacks v British & Irish Lions test and the All Whites v Peru match. The split of Wellingtonians attending events is around 50% from the city and 50% from the wider region.

Mitre 10 Cup Rugby attendances averaged 2,179 for the round robin games, a decrease on last year (average 2,928). This year the Wellington Lions hosted both a home semi-final and the final, and won the Mitre 10 Championship Cup, with promotion back to the Premiership.

There were six Phoenix games in the period, with average attendance of 5,418. This is up on the prior season average of 4,873.

Regular exhibitions held during the period were Beervana and the Home and Garden Show hosting over 21,000 patrons.

An All Blacks v South Africa test in September hosted 33,561 fans and was the largest single event held at the stadium during the winter sporting calendar. Two other Super Rugby matches attracted an aggregate of 27,000 fans in July.

The Trust changed its catering supplier from Spotless to Delaware North during the period and is working with its new caterers to review and refresh the food and beverage options. To date, the new offerings have been well received.

Since launching the new stadium membership offering in late 2017 the Trust has enjoyed steady

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

3 APRIL 2019

sales of new memberships and renewal of existing members as their current terms expire.

The aspect of the concourse upgrade to bring more light into the concourse by replacing some of the steel cladding was largely completed by 31 December. Tenders have been received for other interior aspects of the concourse upgrade, (excluding the flooring) and responses are currently being worked through.

The Trust and New Zealand Cricket recently admitted a mistake at a Twenty20 cricket event, when a security staff member removed a patron's sign which was promoting sexual consent. Both the stadium Chief Executive and NZ Cricket admitted fault in the matter and apologised for the incident.

"Don't Guess The Yes" campaign has been promoted throughout stadium for past 12 months. The stadium has also actively promoted its stadium communication channels for patrons who require assistance or feel uncomfortable. 'It's Our Business' training for staff and key contractors takes place in March facilitated by Sexual Abuse Prevention Network.

SUMMARY FINANCIALS

* Variance (Actual minus Budget). ✓ Favourable variance to budget ✗ Unfavourable variance to budget

FINANCIAL PERFORMANCE (\$000)	H1 Actual 31-Dec-16	H1 Actual 31-Dec-17	H1 Actual 31-Dec-18	H1 Budget 31-Dec-18	Variance* 31 Dec 18	FY Budget 30-Jun-19
Total Revenue	6,691	8,659	5,925	7,591	1,666 ✗	17,453
Opex before Interest & Depn	4,419	5,116	4,320	4,709	389 ✓	10,296
Interest & Depn	1,742	2,087	2,099	2,142	43 ✓	4,417
Net Surplus (Loss)	530	1,456	(494)	740	1,234 ✗	2,740
FINANCIAL POSITION						
Total Assets	97,596	98,428	98,720	n/a	n/a	96,927
Bank borrowings	3,300	3,000	3,160	n/a	n/a	2,500
Total Liabilities	50,944	49,147	50,122	n/a	n/a	47,835
Equity	46,652	49,280	48,598	n/a	n/a	49,092
CASH FLOWS						
Net Cash Flow	(466)	1,673	(785)	n/a	n/a	(700)
Opening Cash	669	120	914	n/a	n/a	1,700
Closing Cash On Hand	203	1,793	129	n/a	n/a	1,000

The financial result for the six months to 31 December 2018 is a net loss of \$494,000 compared to a budgeted surplus of \$740,000. The result includes a grant from Council of \$840,000, which had been budgeted at \$1.35 million. The timing of the payment of this grant is based on progress of the concourse upgrade project. The balance of the variance is attributable to the new catering contract, which has different commercial arrangements relative to the previous contract and is taking longer than expected to transition into.

Overall, the Trust expects to achieve close to break-even for the full year after adjusting for the capital grants, as the second half of the year has several events that are much larger than those held in the first half.

EVENT DASHBOARD

✓ Achieved ✗ Not Achieved. The table contains a selection of KPIs and measures and is not a complete list.

MEASURE	H1 Actual 31 Dec 15	H1 Actual 31 Dec 16	H1 Actual 31 Dec 17	H1 Actual 31 Dec 18	FY Target 30 Jun 19
Total event days	28 ✓	23 ✓	24 ✓	24 ✓	51
Attendance	213,226	200,723	190,322	125,726	n/a
Rugby event days	7 ✓	11 ✓	10 ✓	8 ✓	14
Attendance	54,302	141,398	88,642	71,573	n/a
Sold out All Blacks v South Africa test match delivered in September 2018. 33% out of region visitors.					
Cricket event days	0 ✓	0 ✓	0 ✓	0 ✓	2
Attendance	0	0	0	0	n/a
n/a					
Football event days	4 ✗	3 ✗	7 ✓	6 ✓	10
Attendance	31,540	21,663	64,306	32,508	n/a
A-League (Phoenix): 6 regular season games. Last year included NZ All Whites v Peru.					
Exhibition days	14* ✓	6 ✓	9 ✓	5 ✓	14
Attendance	52,733*	28,262	26,073	21,791	n/a
Other sporting event days	1 ✓	0 ✓	1 ✓	0 ✓	1
Attendance	15,902	0	11,302	0	n/a
Concerts / non-sporting days	2 ✓	1 ✓	0 ✓	0 ✓	5
Attendance	58,726	9,397	0	0	n/a
Te Matatini Kapa Haka Festival being held in February 2019. Eminem concert held in March 2019.					
Community use	4 ✓	2 ✓	4 ✓	4 ✓	5
Attendance	n/a	n/a	n/a	n/a	n/a

ISSUES & OUTLOOK

The Trust recently announced the conclusion of its 20 year naming rights partnership with Westpac. While it was hoped that a new sponsor would have been secured before this announcement, the Trust is actively working on securing a new naming rights sponsor.

In terms of sustainability and minimising its environmental footprint, the stadium's main focus for

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

3 APRIL 2019

Absolutely Positively
Wellington City Council
Me Heke Ki Pōneke

2018/19 has been reviewing its use of single use plastic. The Trust is currently exploring options in this space and will seek solutions that achieve the aim of reducing usage while being operationally and cost efficient.

Further concert opportunities will be pursued in 2019/20

Attachments

Attachment 1. Wellington Regional Stadium Trust Half Year Report to 31
December 2018

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Author	Warwick Hayes, Project Manager Economic & Commercial
Authoriser	Danny McComb, Manager Economic & Commercial

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.



**Wellington Regional Stadium Trust
Half yearly report to Settlers
For six months ending 31 December 2018**

The Trustees are pleased to present this report of operations for the six months ending 31 December 2018.

As outlined in the Statement of Intent, to meet its obligations under its Trust Deed the Trust pursues the key objectives of:

- Presenting a full and balanced event calendar;
- Maintaining and enhancing the facility;
- Achieving a level of profitability that finances continuing capital expenditure and meets debt repayment obligations.

In support of the above key objectives, in its 2018-2019 Statement of Intent the Trust refreshed its strategic priorities centred on the following areas:

1. Deliver great customer experiences
2. Grow commercial revenues
3. Invest in and improve our facilities
4. Value our people, our community and our stakeholders
5. Operate a safe building
6. Operational excellence
7. Attract and deliver world class events
8. Sustainability

An update on each of these themes is provided below.

A summary of performance measures (both financial and non-financial) is included at the end of this report.



DELIVER GREAT CUSTOMER EXPERIENCES

<i>Objective</i>	<i>Progress</i>
Invest in customer service training to deliver a consistent Westpac Stadium experience across all staff and contractors	Moved to 2019/20 as we bed in new catering arrangements
Renew entry terms and conditions	Underway and will be complete in H2
Create an accessibility user group that meets twice a year to help us continually improve how we operate an accessible venue	First meeting to take place in April.
Develop a stadium app to improve the game day experience	The Stadium App was launched successfully and is proving popular. Work continues to add additional features.
Develop our Food and Beverage offering to a point where it is a selling point for attendance	The Trust is working with its new caterers to review and refresh the food and beverage options. The new offerings have been well received.

GROW COMMERCIAL REVENUES

<i>Objective</i>	<i>Progress</i>
Grow Stadium memberships	Since launching the new offering in late 2017 we have had steady sales of new memberships and renewal of existing members as their current terms expire.
Leverage our investment in technology to grow our signage and sponsorship revenues.	WRST has scoped its offerings in this space. Commercialisation is on hold until naming rights finalised.
Renew or acquire a naming rights partner from 2020 onwards	WRST and Westpac recently announced the conclusion of their 20-year naming rights partnership. We are currently actively seeking new naming partnership.
Grow our non-event day event and functions revenues	Working with Delaware North we have created and recruited a new Sales and Marketing Manager role with specific focus on growing the functions business.



INVEST IN AND IMPROVE OUR FACILITIES

<i>Objective</i>	<i>Progress</i>
Complete the majority of the concourse upgrade including removal of some of the steel cladding as well as upgrades to all of the catering outlets. This work commenced in Q2 2018 and the majority of the work is planned to be completed during the 2018/19 year.	The aspect of the concourse upgrade to bring more light into the concourse by replacing some of the steel cladding was largely completed by 31 December and has made a huge difference. Tenders for issued for other interior aspects of the concourse upgrade prior to Christmas, (excluding the flooring) and responses are currently being worked through.
Develop a plan to further strengthen the building and walkway to improve resilience in the event of a major seismic event	The Trust is continuing to work with its engineers on how best to improve the resilience of the building and walkway.
Actively support investment in other events infrastructure in the region	WRST is actively involved with the Councils in relation to potential new facilities in the region.

VALUE OUR PEOPLE, OUR COMMUNITY AND OUR STAKEHOLDERS

<i>Objective</i>	<i>Progress</i>
Develop specific programmes for relationship strengthening across key stakeholders including hirers, councils, WREDA, regional initiatives and government	Regular hosting opportunities with key stakeholders. Ongoing active discussion with key hirers on their needs.
Foster a culture of innovation and continuous improvement and invest further in staff training.	Staff training needs addressed annually and training programmes in place.
Maximise opportunities to communicate to and engage with the wider Wellington regional community	Through our newsletter and social media channels we maintain an active presence and dialogue with the wider Wellington community. We enjoy a healthy split of Wellingtonians attending events at the stadium with around 50% from the city and 50% from the wider region

OPERATE A SAFE BUILDING

<i>Objective</i>	<i>Progress</i>
Complete the new SafePlus Assessment as developed by developed by WorkSafe New Zealand, ACC and the Ministry of Business, Innovation and Employment (MBIE)	Working with our H&S advisors towards this.



Actively promote a safe and harassment-free environment for all staff, contractors and attendees at the stadium.	‘It’s Our Business’ training for staff and key contractors taking place in March facilitated by Sexual Abuse Prevention Network. “Don’t Guess The Yes” campaign promoted throughout stadium for past 12 months. Active promotion of stadium communication channels for patrons who require assistance or feel uncomfortable.
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OPERATIONAL EXCELLENCE

<i>Objective</i>	<i>Progress</i>
Harness technology to improve our business processes	Introduction of cloud based sign in system for visitors and contractors.
Seek to improve our business continuity capability	Business Continuity Plan currently being updated.

ATTRACT & DELIVER WORD CLASS EVENTS

<i>Objective</i>	<i>Progress</i>
Aspire to host at least one major concert	Eminem is scheduled for 2 March 2019. The Trust continues to work with hirers and promoters to secure a strong pipeline of major events in coming years
In conjunction with WREDA we will explore opportunities to attract or create an annual recurring major event for Wellington	While not a recurring event for Wellington, in February 2019 we host the Te Matatini Kapa Haka festival.

We have had a busy six-month period, with a variety of events. Total event days were 24 (plus four community events), and attendance was 125,726. This compares to 190,322 for the six months to December 2017 which included the All Blacks v British & Lions test, and the All Whites v Peru match.

<i>Event</i>	<i>Month</i>	<i>Attendance</i>
<i>Rugby</i> All Blacks v South Africa	September	33,561
Super Rugby – final 2018 round robin match	July	10,715
Super Rugby Quarter Final	July	16,402
Mitre 10 Cup Rugby: 5 round robin games	August to October	Avg 2,179



Football A-League – Phoenix: 6 Regular season games	October to December	Avg 5,418
Exhibitions Beervana Home & Garden Show	August September	21,791

SUSTAINABILITY

<i>Objective</i>	<i>Progress</i>
Review our sustainability plan and explore opportunities for reducing our environmental footprint.	Our main focus for 2018/19 has been reviewing our use of single use plastic. We are currently exploring our options in this space and are seeking solutions that achieve the aim of reducing usage while being operationally and cost efficient.

FINANCIAL RESULTS

The financial result for the six months to 31 December 2018 is a net loss of \$494,000 compared to a budgeted surplus of \$740,000.

The result includes a grant from the Wellington City Council of \$840,000, which had been budgeted at \$1.35 million. The timing of the payment of this grant is based on progress of the concourse upgrade project.

The balance of the variance is attributable to the new catering contract, which has different commercial arrangements relative to the previous contract and is taking longer than expected to transition into.

Overall, we aim to achieve close to break-even for the full year, as the second half of the year has several events that are much larger than those held in the first half.

Operating cash flows remain positive. (Operating cash flows in the comparative period were particularly high due to the timing of the British & Irish matches, and the All Whites v Peru game that occurred in that period).



ORGANISATIONAL HEALTH, CAPABILITY AND RISK ASSESSMENT

Health & Safety

The Board receives regular detailed Health and Safety reports from management. Good progress is being made on continuous improvement to our health and safety practices, including work with the many contractors, hirers and other users of the Stadium. The Board's Health & Safety sub-committee has been actively involved in the review and approval of updated policies and practices to address a range of safety scenarios that could arise in the period leading up to event days as well as during an event.

Trustees & Staffing

After more than 20 years involvement with the Stadium Trust and its predecessors, our Chief Operating Office Linda Rieper is retiring. She is continuing to assist on a part time basis through until the Eminem concert.

We have taken this opportunity to slightly restructure the management team, and Brandon Chik has joined the Trust in the role of Commercial & Contracts Manager.

Insurance

Our insurance renewal was successfully completed in November 2018. Premiums remain significantly higher than previous years. We have cover at the following levels: \$202m for material damage and \$28m for Business Interruption.

CONCLUSION

During the last six months we have:

- Provided residents of the region and visitors with a wide range of events to attend, including the second All Blacks test match of 2018, events such as Beervana and the Home and Garden Show, and games from the Wellington Lions and Wellington Phoenix.
- Continued work on major infrastructure projects to enhance the Stadium facility and experience.

We look forward to building on this work over the next six months, with some exciting events ahead, as well as our regular offerings of Cricket, Test and Super Rugby, Football, and exhibitions, and the continuation of work on the concourse upgrade.

John Shewan
Chairman
February 2019



Non-Financial Performance Measures

Measure	How Measured	Progress for six months to 31 Dec 2018
<ul style="list-style-type: none"> Deliver a strong Rugby international test programme for 2018 and 2019 	<ul style="list-style-type: none"> Key stakeholders are satisfied with management of the test operation Sell-out crowds for test matches 40% out of region visitors 	<ul style="list-style-type: none"> Successful and sold out All Blacks v South Africa test match delivered in September 2018. 33% out of region visitors.
<ul style="list-style-type: none"> Deliver more large scale non-sporting events 	<ul style="list-style-type: none"> Secure at least one concert per year Secure at least two other events outside the traditional rugby and football regular season calendar per year 	<ul style="list-style-type: none"> Te Matatini confirmed for Feb 2019 Eminem confirmed for March 2019 Concert opportunities being pursued for 2019/20
<ul style="list-style-type: none"> Continued investment in stadium infrastructure 	<ul style="list-style-type: none"> To develop a stadium app that features a number of enhancements to the fan experience Concourse upgrade commences and is 75% complete 	<ul style="list-style-type: none"> Stadium app launched Façade replacement with glass largely completed
<ul style="list-style-type: none"> Deliver a full event calendar 	<ul style="list-style-type: none"> Securing 45-50 event days per year. (Excludes community events). 	<ul style="list-style-type: none"> Full year projection is 49 (excluding community events)
<ul style="list-style-type: none"> Host unique events that deliver economic benefit to the region 	<ul style="list-style-type: none"> Maintaining economic benefit to the Region at an average of \$40 million per year Working with promoters to deliver special events to Wellington 	<ul style="list-style-type: none"> Te Matatini Kapa Haka Festival being held in February 2019 Eminem concert booked for March 2019.
<ul style="list-style-type: none"> Continue to enhance food and beverage offering 	<ul style="list-style-type: none"> Greater range and quality of offerings Higher customer satisfaction 	<ul style="list-style-type: none"> New caterer has introduced new menu options



<ul style="list-style-type: none"> Improved fan experience and hirer satisfaction 	<ul style="list-style-type: none"> To achieve a net satisfaction score above 80% for major sports and entertainment events. To achieve a net satisfaction score above 70% for all other sporting events. To develop an accessibility improvement plan 	<ul style="list-style-type: none"> Monthly Surveys on hold pending Concourse upgrade. Be Accessible – gold certification, ongoing improvement plans being developed
<ul style="list-style-type: none"> Sustainability 	<ul style="list-style-type: none"> Explore opportunities where the Trust can reduce environmental footprint 	<ul style="list-style-type: none"> Exploring options for reusable cups

Wellington Regional Stadium Trust
Key Performance Indicators

FINANCIAL	<i>Actual</i>			<i>Budget</i>			<i>Reforecast Budget</i>	<i>YTD Variance</i>	
	<i>1st half</i>	<i>2nd half</i>	<i>Total</i>	<i>1st half</i>	<i>2nd half</i>	<i>Annual</i>		<i>31-Dec-18</i>	
	<i>31-Dec-18</i>	<i>30-Jun-19</i>	<i>YTD</i>	<i>31-Dec-18</i>	<i>30-Jun-19</i>	<i>Budget</i>			
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>		<i>\$000</i>	<i>%</i>
Event revenue	1,162		1,162	1,865	4,033	5,898	5,680	(703)	(38%)
Total income	5,085		5,085	5,941	8,212	14,153	13,132	(856)	(14%)
Net surplus/(deficit)(before cap exp grant)	(1,334)		(1,334)	(910)	350	(560)	(1,460)	(424)	(47%)
Total surplus/(deficit) (inc grant)	(494)		(494)	740	2,000	2,740	(160)	(1,234)	(167%)
Net cashflow movement	(785)		(785)	(928)	232	(696)	88	143	(15%)
Net bank debt	3,031		3,031	3,130	4,029	4,029	3,800	99	3%
Liquidity Ratio (Current Assets to Current Liabilities)	0.88		0.88	0.72	0.92	0.92	1.05		
Bank borrowing to Total Assets	3.20%		3.20%	3.92%	4.94%	4.94%	4.87%		
Stadium Enhancements (Capex)	1,883		1,883	4,690	4,850	9,540	5,515	(2,807)	(60%)

Wellington Regional Stadium Trust
Key Performance Indicators

EVENTS	<i>1st half Actual 31-Dec-18</i>	<i>2nd half Actual 30-Jun-19</i>	<i>Total Actual YTD</i>	<i>1st half Budget 31-Dec-18</i>	<i>2nd half Budget 30-Jun-19</i>	<i>Total Budget</i>	<i>Reforecast Budget</i>	<i>YTD Variance 31-Dec-18</i>	
Events held during period									
Rugby	8		8	7	7	14	15		
Cricket	0		0	0	2	2	2		
Football	6		6	5	5	10	12		
Other Sport	0		0	0	1	1	0		
Concerts/Other events	0		0	0	5	5	6		
Exhibition Days	5		5	5	9	14	14		
Total events	19	0	19	17	29	46	49	2	12%
Community events	4		4	2	3	5	6		
Total events (days)	23	0	23	19	32	51	55	4	21%
Total numbers attending	125,876		125,876						

Wellington Regional Stadium Trust
Statement of Financial Performance
For the Six Months Ending 31 December 2018

	<i>Actual YTD \$000s</i>	<i>Budget YTD \$000s</i>	<i>Variance \$000s</i>	<i>Annual Budget \$000s</i>	<i>31-Dec-17 Actual 6 months</i>
Operating Revenue					
Event Revenues	1,162	1,865	(703)	5,898	4,732
License Fees & Sponsorship	2,277	2,428	(151)	5,080	2,375
Interest income	1	6	(5)	11	1
Sundry income	1,645	1,642	3	3,164	1,551
Total Revenue	5,085	5,941	(856)	14,153	8,659
Operating Expenses					
Event	1,091	1,006	(85)	2,959	2,031
Other operating expenses	3,229	3,703	474	7,337	3,085
	4,320	4,709	389	10,296	5,116
Operating Surplus before Depreciation and Interest	765	1,232	467	3,857	3,543
Depreciation	2,004	2,037	33	4,157	1,996
Interest	95	105	10	260	91
Net Operating Surplus	(1,334)	(910)	(424)	(560)	1,456
Grant towards capital expenditure	840	1,650	(810)	3,300	0
Total Surplus	(494)	740	(1,234)	2,740	1,456

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

3 APRIL 2019

Wellington Regional Stadium Trust
Statement of Financial Position
As at 31 December 2018

	31-Dec-18 \$000's	30-Jun-18 \$000's
Trust Funds		
Accumulated Surplus	48,598	49,092
Limited Recourse Loans		
Wellington Regional Council	25,000	25,000
Wellington City Council	15,000	15,000
Wellington City Council - Accrued Interest	395	395
Total Trust Funds & Limited Recourse Loans	<u>88,993</u>	<u>89,487</u>
Non Current Liabilities		
Term Loans	3,160	2,500
Revenue in Advance	666	809
Total Non Current Liabilities	<u>3,826</u>	<u>3,309</u>
Current Liabilities		
Payables & Accruals	1,831	1,687
Revenue in Advance	4,070	2,444
Total Current Liabilities	<u>5,901</u>	<u>4,131</u>
Total Funding	<u>98,720</u>	<u>96,927</u>
Represented by:		
Non Current Assets		
Fixed Assets	93,519	93,635
Total Non Current Assets	<u>93,519</u>	<u>93,635</u>
Current Assets		
Cash	129	914
Receivables & Prepayments	5,072	2,378
Total Current Assets	<u>5,201</u>	<u>3,292</u>
Total Assets	<u>98,720</u>	<u>96,927</u>

COUNCIL CONTROLLED ORGANISATIONS

SUBCOMMITTEE

3 APRIL 2019

<i>Wellington Regional Stadium Trust</i>	6 mths	6 mths
<i>Statement of Cash Flows</i>	31-Dec-18	31-Dec-17
<i>For the six months ended 31 December 2018</i>	\$000's	\$000's
Operating activities		
<i>Cash was provided from:</i>		
Event and operating income	1,695	5,810
License fees and sponsorships	2,796	3,125
Grant income	330	
Interest received	1	1
Goods and services tax (net)	0	284
Sundry income	1,561	1,569
	<u>6,383</u>	<u>10,789</u>
<i>Cash was applied to:</i>		
Payments to suppliers and employees	(5,548)	(6,677)
Interest paid	(104)	(111)
Goods and services tax (net)	(15)	
	<u>(5,667)</u>	<u>(6,788)</u>
Net cash inflow from operating activities	716	4,001
Investing activities		
<i>Cash was provided from:</i>		
Disposal of fixed assets		3
<i>Cash was applied to:</i>		
Purchase of fixed assets	(2,161)	(1,031)
Net cash outflow from investing activities	<u>(2,161)</u>	<u>(1,028)</u>
Financing activities		
<i>Cash was provided from:</i>		
Drawdown of loans	660	0
<i>Cash was applied to:</i>		
Loan repayments		(1,300)
Net cash inflow from financing activities	<u>660</u>	<u>(1,300)</u>
Net increase (decrease) in cash held	(785)	1,673
Cash at beginning of the period	914	120
Cash at the end of the period	<u>129</u>	<u>1,793</u>
<i>Composition of cash:</i>		
Cash at bank	129	1,793
	<u>129</u>	<u>1,793</u>