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**ORDINARY MEETING**

**OF**

**ECONOMIC GROWTH AND ARTS COMMITTEE**

**AGENDA**

**Time:** 9:15 a.m.  
**Date:** Tuesday, 26 April 2016  
**Venue:** Committee Room 1  
Ground Floor, Council Offices  
101 Wakefield Street  
Wellington

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**MEMBERSHIP**

Mayor Wade-Brown  
Councillor Ahipene-Mercer  
Councillor Coughlan (Chair)  
Councillor Eagle  
Councillor Foster  
Councillor Free  
Councillor Lee  
Councillor Lester  
Councillor Marsh (Deputy Chair)  
Councillor Pannett  
Councillor Peck  
Councillor Ritchie  
Councillor Sparrow  
Councillor Woolf  
Councillor Young

**Have your say!**

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

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## **AREA OF FOCUS**

The Economic Growth and Arts Committee will focus on delivering sustainable long-term economic growth, increased employment, promote the city's visitor attractions, deliver high-quality events and support the development of smart businesses in the city. The Committee will also work to build Wellington's unique identity, bolster business confidence, raise the city's international profile, and ensure Wellington continues to be New Zealand's arts and culture capital by supporting a range of opportunities for entertainment and expression. There will be a continuing focus on the ICT and Digital sector.

**Quorum:** 8 members

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**TABLE OF CONTENTS**  
**26 APRIL 2016**

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| <b>Business</b>  | <b>Page No.</b> |
|--|-----------------|
| <b>1. Meeting Conduct</b>  | <b>5</b>        |
| <b>1.1 Apologies</b>   | <b>5</b>        |
| <b>1.2 Conflict of Interest Declarations</b>   | <b>5</b>        |
| <b>1.3 Confirmation of Minutes</b>   | <b>5</b>        |
| <b>1.4 Public Participation</b>  | <b>5</b>        |
| <b>1.5 Items not on the Agenda</b>   | <b>5</b>        |
| <b>2. General Business</b>   | <b>7</b>        |
| <b>2.1 2016/17 Draft Statements of Intent for Council<br/>    Controlled Organisations</b> | <b>7</b>        |
| <b>2.2 Arts and Culture Fund, March 2016 and Multi-year<br/>    Funding Contracts</b>      | <b>97</b>       |
| <b>2.3 Update on Projects</b>  | <b>115</b>      |
| <b>2.4 Update on Commercial Property Market Activity</b>                                   | <b>117</b>      |



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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 15 March 2016 will be put to the Economic Growth and Arts Committee for confirmation.

### **1.4 Public Participation**

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

### **1.5 Items not on the Agenda**

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

***Matters Requiring Urgent Attention as Determined by Resolution of the Economic Growth and Arts Committee.***

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

***Minor Matters relating to the General Business of the Economic Growth and Arts Committee.***

No resolution, decision, or recommendation may be made in respect of the item except to refer it to a subsequent meeting of the Economic Growth and Arts Committee for further discussion.



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## 2. General Business

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### 2016/17 DRAFT STATEMENTS OF INTENT FOR COUNCIL CONTROLLED ORGANISATIONS

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#### Purpose

1. To receive and consider the draft Statements of Intent (SOIs) for 2016/17 for the Basin Reserve Trust (BRT), the Wellington Museums Trust (WMT), and the Wellington Regional Economic Development Agency (WREDA).

#### Summary

2. Officers have reviewed the draft SOIs for 2016/17 for BRT, WMT and WREDA, generally the draft SOIs have addressed the issues raised in the Letters of Expectations. Some changes are recommended to the Committee and, subject to its approval of these changes and any further items raised by the Committee, the Committee's views will be communicated to the entities so they can prepare the final Statements of Intent to be presented to this Committee at its meeting on 21 June 2016.

#### Recommendations

That the Economic Growth and Arts Committee:

1. Receive the information.
2. Note the Wellington Museums Trust is currently forecasting a \$149,000 deficit at Space Place in 2016/17, followed by reducing deficits in the subsequent years of \$129,000 and \$119,000 respectively.
3. Recommend that the Trust acknowledge the support from the Wellington Economic Initiatives Development Fund for the Cindy Sherman exhibition appropriately in the final Statement of Intent.
4. Recommend that the Wellington Museums Trust reconsider the visitation targets for the Wellington Museum and City Gallery prior to the finalising the Trust's 2016/17 Statement of Intent.
5. Note the Wellington Regional Strategy Committee has reviewed the Wellington Regional Economic Development Agency's draft Statement of Intent and provided formal feedback which will be reflected in the final Statement of Intent.
6. Agree that Council officers will work with the Basin Reserve Trust, the Wellington Museums Trust and the Wellington Regional Economic Development Agency to develop the final Statement of Intent for 2016/17 so as to address the items raised in this report and any further items raised by the committee.

## Background

3. Under the Local Government Act 2002, CCOs are required to submit a draft Statement of Intent (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 CCOs, which outlines the Council's expectations in respect of the SOIs it will receive.
4. The draft SOI process provides both the Council and CCOs with an opportunity to fine-tune respective expectations ahead of submitting a final SOI for Council approval on 29 June.
5. The Letter of Expectations for each entity was agreed by this committee on 24 November 2015. In respect of WREDA the Letter of Expectations was agreed by the Wellington Regional Strategy Committee.
6. Draft SOIs have been received from the Basin Reserve Trust and the Wellington Museums Trust.
7. A draft SOI has been received from WREDA for noting by the Committee. The formal monitoring of the SOI process for WREDA is undertaken by the Wellington Regional Strategy Committee (WRS). The WRS has reviewed WREDA's draft Statement of Intent and provided formal feedback which will be reflected in the final Statement of Intent (the feedback is included in Appendix 3).
8. The Wellington Regional Stadium Trust will provide its draft SOI to officers in May 2016 and will present its draft SOI to the committee at its meeting on 21 June 2016.

## Discussion

9. Officers have reviewed the draft SOIs and acknowledge that they respond constructively to the Letters of Expectations.
10. **Basin Reserve Trust:**

### OFFICER SUMMARY

In its 2016/17 draft SOI, the Basin Reserve Trust has addressed all the points requested in the Letter of Expectation. The draft SOI aligns the Trust's priorities to the Council's strategic direction as signalled in year two of the draft 2015/25 Ten-Year Plan. The draft SOI notes that the two areas of strategic priority for the Trust in 2016/17 are working with the Council and other stakeholders to deliver the next phase of Masterplan design, and working with WREDA to leverage trade and tourism opportunities associated with Test Cricket. While the Masterplan programme is outlined in the Ten-Year Plan, officers note that there is no corresponding target set for delivering trade and tourism opportunities associated with Test Cricket.

This update acknowledges the Trust's ambition to deliver more events at the venue and to more accurately reflect usage of the ground outside of the cricket season. The 2016/17 draft SOI presents more ambitious KPI targets for number of events and event days. Officers note that the number of cricket events could be impacted once the international and domestic cricket programme is confirmed by New Zealand Cricket in July. A new 'Functions' KPI has been added this year to show the use of the ground for functions and events managed by Black and Gold catering that are held in the R.A. Vance Stand.

Officers note the inclusion of a KPI for "Hirer satisfaction with venue and events". The final SOI should include more detail around how this KPI is to be assessed with respect to the performance of the venue and staff.



The draft SOI notes that the Trust continues to work towards securing a new naming rights sponsor for the Basin Reserve and has set a target for achieving this of mid 2016/17. The Trust states that progress on developing a Masterplan and detailed design for the Basin Reserve will raise potential sponsor interest and awareness around the commercial benefits of support for a redeveloped Basin Reserve.

### SUMMARY FINANCIALS

| FINANCIAL PERFORMANCE<br>30 JUNE | SOI<br>2015/16 | SOI<br>2016/17 | SOI<br>2017/18 | SOI<br>2018/19 |
|----------------------------------|----------------|----------------|----------------|----------------|
| Total Revenue                    | 885,600        | <b>822,550</b> | 932,450        | 964,650        |
| Total Expenses                   | 879,540        | <b>813,625</b> | 853,925        | 899,725        |
| Net Profit after tax and depn    | 6,060          | <b>8,925</b>   | 78,525         | 64,925         |
| <b>FINANCIAL POSITION</b>        |                |                |                |                |
| Total Assets                     | 866,500        | <b>908,432</b> | 970,637        | 1,051,662      |
| Total Liabilities                | 145,500        | <b>142,520</b> | 126,200        | 142,300        |
| Equity                           | 721,000        | <b>765,912</b> | 844,437        | 909,362        |
| <b>CASH FLOWS</b>                |                |                |                |                |
| Total Net Cash Flows             | 72,500         | <b>11,150</b>  | 1,000          | 32,050         |
| Opening Cash                     | 100,000        | <b>65,192</b>  | 76,342         | 77,342         |
| Closing Cash                     | 172,500        | <b>76,342</b>  | 77,342         | 109,392        |

### KEY PERFORMANCE INDICATORS (Extract -- Full KPIs are included in Appendix 1)

| 30 JUNE                        | SOI<br>2015/16 | SOI<br>2016/17 | SOI<br>2017/18 | SOI<br>2018/19 |
|--------------------------------|----------------|----------------|----------------|----------------|
| <b>Number of Events</b>        |                |                |                |                |
| Cricket                        | 11             | <b>25</b>      | 26             | 26             |
| Other Sports                   | 12             | <b>22</b>      | 23             | 24             |
| Community                      | 4              | <b>12</b>      | 13             | 14             |
| Functions                      | NA             | <b>15</b>      | 17             | 19             |
| Total                          | 27             | <b>74</b>      | 79             | 83             |
| <b>Number of Event Days</b>    |                |                |                |                |
| Cricket                        | 27             | <b>38</b>      | 38             | 38             |
| Other Sports                   | 12             | <b>22</b>      | 23             | 24             |
| Community                      | 4              | <b>12</b>      | 13             | 14             |
| Functions                      | NA             | <b>15</b>      | 17             | 19             |
| Total                          | 43             | <b>87</b>      | 91             | 95             |
| Numbers attending events       | 27,300         | <b>31,000</b>  | 33,000         | 35,000         |
| Practice Facility Usage (days) | 71             | <b>85</b>      | 85             | 85             |

11. **Wellington Museums Trust:**

**OFFICER SUMMARY**

The Wellington Museums Trust has presented its draft Statement Of Intent for 2016/17 (SOI) and it responds positively to the Economic Growth & Arts Committee's letter of expectations. The SOI provides a concise and well laid-out outline of the Trusts key focus areas and performance measures.

The SOI identifies two significant focuses for the City Gallery. The recently announced Cindy Sherman exhibition, which will be the first major paid exhibition since the successful Kusama exhibition, and the refurbishment of the Gallery entrance to create a more inviting entrance and integration with Civic Square. The financial position for the Trust for 2016/17 reflects a significant uplift in revenues and expenses compared to 2015/16, largely as a consequence of the Cindy Sherman exhibition.

The Cindy Sherman exhibition has received funding from Council through the Wellington Economic Initiatives Development (WEID) Fund and this should be recognised within the SOI.

Visitation at the City Gallery and the Wellington Museum has been strong. However, the visitation targets for these facilities in 2016/17 appear to be conservative in the light of what previously has been strong visitation.

Officers note that the Cable Car is expected to be out of service (for planned maintenance) for up to 8 weeks during the 2016/17 year which is likely to impact the total visitor numbers to the Cable Car Museum and also potentially Space Place over the year. This has been adequately reflected in the visitation figures for these facilities in the SOI.

The Trust is forecasting a deficit for Space Place in 2016/17 of \$149,000. This is forecast to improve slightly in 2017/18 to a deficit of \$129,000 and again in 2018/19 to \$119,000. The "new" business model implemented by the Trust for Space Place has been in place for less than a year and while visitation numbers are broadly in line with expectations, the challenge has been achieving the revenue targets. Officers would like to see a greater focus in the SOI to reflect the positive actions the Trust will undertake to attempt to reduce these projected deficits further.

The Trust is forecasting a break-even financial outcome after fully funding depreciation (excluding Space Place) for 2016/17 and 2017/18 with a small \$80,000 deficit forecast for 2018/19.

**SUMMARY FINANCIALS**

**Museums Trust (incl. Space Place)**

| FINANCIAL PERFORMANCE        | Actual  | Actual  | SOI     | SOI           | SOI     | SOI     |
|------------------------------|---------|---------|---------|---------------|---------|---------|
| 30 JUNE                      | 2013/14 | 2014/15 | 2015/16 | 2016/17       | 2016/17 | 2016/17 |
| Total Revenue                | 11,340  | 12,832  | 11,704  | <b>12,730</b> | 12,107  | 12,540  |
| Op. Exp. before Depreciation | 10,729  | 12,025  | 11,445  | <b>12,443</b> | 11,801  | 12,302  |
| Depreciation                 | 603*    | 511     | 411     | <b>436</b>    | 436     | 436     |
| Net Surplus/(Deficit)        | 8       | 296     | (152)   | <b>(149)</b>  | (129)   | (199)   |
| <b>FINANCIAL POSITION</b>    |         |         |         |               |         |         |
| Total Assets                 | 6,035   | 8,300   | 5,384   | <b>5,288</b>  | 5,499   | 5,921   |
| Total Liabilities            | 2,043   | 4,011   | 1,250   | <b>1,300</b>  | 1,640   | 2,262   |
| Equity                       | 3,992   | 4,288   | 4,136   | <b>3,987</b>  | 3,858   | 3,660   |
| <b>CASH FLOWS</b>            |         |         |         |               |         |         |
| Total Net Cash Flows         | 1,027   | 2,014   | (2,229) | <b>68</b>     | 165     | 378     |
| Opening Cash                 | 25      | 1,053   | 3,066   | <b>837</b>    | 905     | 1,071   |
| Closing Cash                 | 1,053   | 3,066   | 837     | <b>905</b>    | 1,071   | 1,449   |

\*Depreciation for building fittings for the year included a \$230k write-off of assets not in use at the beginning of the year.

The Trust's forecast deficits represent the expected trading losses at Space Place, except that in the year ended 30-Jun-2019 the Trust is forecasting a deficit from its other activities of \$80,000 which combined with the forecast deficit from Space Place of \$119,000 indicates a deficit of \$199,000 at 30-Jun-2019 for the Trust overall.

**KEY PERFORMANCE INDICATORS (Extract -- Full KPIs are included in Appendix 2)**

**Visitation**

|                   | Actual  | Actual  | Actual  | SOI     | SOI            | SOI     | SOI     |
|-------------------|---------|---------|---------|---------|----------------|---------|---------|
| 30 June           | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17        | 2016/17 | 2016/17 |
| Total Visitors    | 649,021 | 601,743 | 702,625 | 600,000 | <b>630,000</b> | 663,300 | 695,400 |
| City Gallery      | 161,681 | 150,289 | 169,943 | 135,000 | <b>135,000</b> | 160,000 | 165,000 |
| Wellington Museum | 98,605  | 112,536 | 124,955 | 120,000 | <b>120,000</b> | 126,000 | 132,000 |
| Capital E         | 100,329 | 59,265  | 111,273 | 105,000 | <b>105,000</b> | 90,000  | 110,000 |
| Cable Car Museum  | 235,866 | 229,960 | 237,099 | 220,000 | <b>220,000</b> | 235,000 | 235,000 |
| Space Place       | 48,820  | 47,318  | 42,633  | 44,500  | <b>46,800</b>  | 49,000  | 50,000  |

Nairn Street Cottage is not shown on the basis of materiality.

- **City Gallery:** Figures appear conservative given the last three years actual visitation. As at 31-Mar-16 (Q3) City Gallery is already at 138,697. The Cindy Sherman exhibition, being a fully paid exhibition, will likely reduce visitation in 2017.
- **Wellington Museum:** The 2015 year was impacted by building activities for The Attic development. As at 31-Mar-16 (Q3) Wellington Museum is already at 104,148. The forecasts for the year to 30-Jun-2017 appear conservative.
- **Cable Car Museum:** On the face of it these appear conservative, but they recognize that

that Cable Car is expected to be out of service for 8 weeks during the year.

**Average Spend per Visit**

| 30 JUNE                      | SOI<br>2015/16 | SOI<br>2016/17 | SOI<br>2016/17 | SOI<br>2016/17 |
|------------------------------|----------------|----------------|----------------|----------------|
| Average spend per visit (\$) | 2.75           | <b>3.49</b>    | 2.49           | 2.72           |
| City Gallery (\$)            | 1.79           | <b>5.19</b>    | 1.62           | 1.58           |
| Museums Wellington (\$)      | 1.41           | <b>1.34</b>    | 1.29           | 1.27           |
| Capital E (\$)               | 4.45           | <b>5.48</b>    | 3.84           | 5.14           |
| Space Place (\$)             | 13.92          | <b>10.38</b>   | 10.12          | 10.10          |

\* **Museums Wellington** includes the Museum of Wellington City & Sea, the Cable Car Museum and the Colonial Cottage Museum.

**Council Subsidy per Visit**

| 30 JUNE                        | SOI<br>2015/16 | SOI<br>2016/17 | SOI<br>2016/17 | SOI<br>2016/17 |
|--------------------------------|----------------|----------------|----------------|----------------|
| Council subsidy per visit (\$) | 10.89          | <b>10.80</b>   | 10.54          | 10.32          |
| City Gallery (\$)              | 14.15          | <b>14.30</b>   | 14.21          | 14.01          |
| Museums Wellington (\$)        | 4.83           | <b>5.44</b>    | 5.40           | 5.15           |
| Capital E (\$)                 | 22.25          | <b>14.36</b>   | 14.53          | 14.91          |
| Space Place (\$)               | 10.16          | <b>10.59</b>   | 9.89           | 9.69           |

\* **Museums Wellington** includes the Museum of Wellington City & Sea, the Cable Car Museum and the Colonial Cottage Museum. As is now standard practice, quarterly reporting will include the fully costed subsidy per visit.

**12. Wellington Regional Economic Development Agency:**

**OFFICER SUMMARY**

Wellington Regional Economic Development Agency (WREDA) draft Statement of Intent broadly outlines its business objectives and strategies for 2016/17. The Wellington Regional Strategy Committee (WRSC) sent a Letter of Expectation to WREDA in December. The WRSC considered the draft SOI at the end of March and formally raised further matters they wished WREDA to consider for the final SOI. A copy of these comments is attached in Appendix 4. Officers are generally in agreement that these comments highlight areas that need to be addressed in the final SOI. Following input from this Committee, officers will continue to work with WREDA to provide input into the final SOI which is due by 30 June. Officers note the following specific points:

- The draft SOI is based around five pillars Sustainable Growth, Events Programme, Connected and Influential, Creativity, Regional Narrative.
- Key objectives for 2016/17 include increasing the number of international students, accelerate growth of scale-up businesses, enable growth in the number of hotel beds, marketing support for visitor attractions, and enhance the regional narrative.
- Increasing the visitor economy through events, conventions and marketing.
- Also targeted are increasing migration and foreign investment, and improving employment skills.

**SUMMARY FINANCIALS**

| FINANCIAL PERFORMANCE (\$000) | SOI<br>2015/16 | SOI<br><b>2016/17</b> | SOI<br>2017/18 | SOI<br>2018/19 |
|-------------------------------|----------------|-----------------------|----------------|----------------|
| 30 JUNE                       |                |                       |                |                |
| Total Revenue                 | 24,766         | <b>27,833</b>         | 28,162         | 28,382         |
| Total Expenses                | 24,950         | <b>27,857</b>         | 28,139         | 28,353         |
| Net Profit after tax and depr | (184)          | <b>(24)</b>           | 23             | 29             |
| <b>FINANCIAL POSITION</b>     |                |                       |                |                |
| Total Assets                  | 4,083          | <b>3,902</b>          | 3,889          | 3,847          |
| Total Liabilities             | 2,627          | <b>2,383</b>          | 2,325          | 2,254          |
| Equity                        | 1,456          | <b>1,519</b>          | 1,563          | 1,593          |
| <b>CASH FLOWS</b>             |                |                       |                |                |
| Total Net Cash Flows          | 230            | <b>16</b>             | (8)            | (49)           |
| Opening Cash                  | 1,554          | <b>1,602</b>          | 1,618          | 1,608          |
| Closing Cash                  | 1,794          | <b>1,618</b>          | 1,608          | 1,559          |

**KEY PERFORMANCE INDICATORS (Extract -- Full KPIs are included in Appendix 3)**

|  | Measure  | SOI<br>2015/16 | SOI<br><b>2016/17</b> | SOI<br>2017/18 | SOI<br>2018/19 |
|--|--|----------------|-----------------------|----------------|----------------|
| 1. Enable increased employment                               | Number of jobs   | +2.0%          | <b>+2.5%</b>          | +2.5%          | +2.5%          |
|  | GDP per capita   | +1.1%          | <b>+1.9%</b>          | +1.5%          | +1.5%          |
|  | Employment rate  | 67.5%          | <b>68%</b>            | 68.5%          | 69%            |
| 2. Accelerate and grow scalable businesses                   | Average growth rate of companies participating in scale-up programme | n/a            | <b>8%</b>             | 10%            | 10%            |
| 3. Grow the visitor economy, attracting and retaining iconic | Guest nights   | +4%            | <b>+4%</b>            | +3%            | +4%            |

| <b>KEY PERFORMANCE INDICATORS (Extract -- Full KPIs are included in Appendix 3)</b> |   |       |                |         |         |
|---|---|-------|----------------|---------|---------|
| events – sporting, cultural and business  | Visitor expenditure                         | +9%   | <b>+10%</b>    | +7%     | +7%     |
|   | Event attendance                            | n/a   | <b>600,000</b> | 700,000 | 700,000 |
|   | NZ market share multi-day conference market | 16%   | <b>16%</b>     | 16%     | 17%     |
| 4. Increase international student numbers   | International student enrolments            | 7800  | <b>8500</b>    | 9200    | 10200   |
| 5. Increase immigration   | Permanent and Long Term Arrivals            | 9,000 | <b>9,500</b>   | 10,500  | 11,000  |

### Attachments

|               |  |         |
|---------------|--|---------|
| Attachment 1. | Basin Reserve draft SOI 2016/17            | Page 16 |
| Attachment 2. | Wellington Museums Trust draft SOI 2016/17 | Page 34 |
| Attachment 3. | WREDA draft SOI 2016/17                    | Page 67 |
| Attachment 4. | WRS letter to WREDA re draft 2016/17 SOI   | Page 93 |

|            |   |
|------------|---|
| Authors    | Richard Hardie, Portfolio Manager<br>Warwick Hayes, CCO Project Manager<br>Barry Turfrey, Economic Development Unit |
| Authoriser | Derek Fry, Director City Growth & Partnerships  |

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## **SUPPORTING INFORMATION**

### **Consultation and Engagement**

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.

### **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.

## Statement of Intent 2016-17 Basin Reserve Trust

Presented to the Economic Growth & Arts Committee  
pursuant to Schedule 8 of the Local Government Act (2002)



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## Contents

|  |  |
|--|--|
| Introduction.....  |  |
| Strategic Direction .....                                  |  |
| Nature and Scope of Activities .....                       |  |
| Performance Measurements.....                              |  |
| Board's Approach to Governance .....                       |  |
| Organisational Health, Capability and Risk Assessment..... |  |
| Additional Information .....                               |  |
| Appendix: Accounting Policies .....                        |  |
| Appendix: Forecast Financial Statements .....              |  |

## Introduction

The Basin Reserve Trust continues a busy programme of activity as regards the premier cricket ground in New Zealand, the Basin Reserve. In coordination with the Westpac Stadium Trust, a regional bid model was developed, which saw the Basin Reserve host its first Limited Overs International match in 11 years.

A significant focus over the past twelve months has been the coordination and drafting of a Basin Reserve "Master Plan"; a vision for the ground and its use over the next 25 years and beyond. Through a period of consultation and engagement, the Trust developed a comprehensive strategic plan which was approved through the Council's LTP process. The focus of the Trust now shifts to refinement and activation of this plan. The importance of this work has become apparent over the past 12 months as other similar 'boutique' venues around the country now vie for international cricket fixtures. In particular, Hagley Oval in Christchurch, Saxton Oval in Nelson and Bay Oval in Tauranga have received excellent reviews from New Zealand Cricket and can now be seen as competitors to the Basin Reserve. The Trust is now working with Council, Cricket Wellington and the Wellington Regional Stadium Trust to again present a regional bid to NZC, for the coming two seasons.

## Strategic Direction

### Core Purpose

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

1. to contribute to the Wellington City Council's vision of Creative Wellington - Innovative Capital - positioning Wellington as an affordable, internationally competitive city.
2. 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
3. to establish a long term policy for the further development of the value 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;
4. to enter into management agreements and other contracts that are necessary or desirable to achieve the objects of the Trust;
5. to promote and co-ordinate the raising of funds to assist the management, administration, maintenance planning, promotion and further development of the Basin Reserve - in a manner consistent with the achievement of council objectives;
6. 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;
7. to operate as a successful undertaking, managed on a not-for-profit basis;
8. to preserve and enhance the significant and recognised heritage value of the Basin Reserve;
9. 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;

## Operating Environment Update

### New Venues and International Match Allocations

In the past two years there have been three new international cricket grounds approved to host matches by the International Cricket Council (ICC), and NZ Cricket (NZC). These grounds are Hagley

Oval (Christchurch), Saxton Oval (Nelson), and Bay Oval (Mt Maunganui). As evidenced by the 2015/16 international schedule, there has been a clear resolve on NZC's part in particular to support and allocate matches to grounds of a 'boutique' nature, which present extremely well to broadcast audiences, and also have a much lower cost structure than the more traditional sports stadiums used for international matches in the past.

While the Basin Reserve retains its standing as NZ's foremost test cricket venue, the establishment of these 'new' grounds means that increased scrutiny is being applied to the Basin Reserve, not just in the traditional area of the turf performance, but now in the wider consideration of ancillary services such as media accommodation, fan activation areas, public amenities and the like. Acknowledging the financial, profiling, and community value associated with hosting international cricket in Wellington city, the Basin Reserve will need to meet these new challenges through the proposed "Master Plan" which details the Trust's strategic direction to meet and overcome such challengers to the Basin's title as NZ's number one cricket venue.

The Trust intends to work closely with Council, particularly WREDA personnel, to leverage the trade and tourism opportunities associated with cricket Test Matches. The recent success of the Australia Test Match and Pakistan One Day International highlighted the potential for building promotional activities, particularly given the large broadcast market back into the sub-continent.

#### **Operational Maintenance Work**

2015/16 saw completion of the Groundsman's Cottage, which can be considered the precursor to the wider Basin Reserve's Masterplan. Since completion of the Cottage in November 2015, it has become a significant asset for the ground and has been well received by the ground staff. Furthermore, the Groundsman's Cottage has garnered positive feedback from the public and adds an interesting heritage element to the Ground.

On a smaller scale, the Trust has been endeavouring to meet its repairs and maintenance obligations at the ground while also establishing small scale improvements to the amenities. In 2015/16 these improvements include two public water refill stations and a family changing room/toilet at the Southern end of the ground. Public display of the Basin's History has also been enhanced with two large murals installed at the Northern and Southern ends of the ground.

## **Nature and Scope of Activities**

The Basin Reserve Trust (the Trust) is a charitable trust, and operates on a not-for profit basis. The Trustees are appointed by Cricket Wellington (2) and the Wellington City Council (2).

The Trust operates under the Basin Reserve Trust Deed, which has the following objectives:

- Manage, develop and promote the Basin Reserve for recreation, leisure and cricket games
- Preserve the heritage value of the Basin Reserve and its assets
- Organise fundraising to help promote and further develop the Basin Reserve.

## **Performance Measurements**

### **Non financial Performance Measures**

As attached.

Please note an additional item listed in the Performance Measures going forward. Functions booked by the Basin Reserve's catering contractors will now also be forecast and recorded. These functions

may include events such as weddings and conferences, and generally covers the two RA Vance Stand Lounge and on-field. For the avoidance of doubt, the functions recorded are standalone events and do not include use of the Lounges on 'cricket' and 'non-cricket' event days.

#### **Financial Performance Measures**

As attached.

### **Board's Approach to Governance**

The Trustees are responsible for setting the strategic direction for the Trust, and approving the Statement of Intent and Annual Business Plan. The Trustees monitor the organisational performance and ensures that the ongoing viability of the organisation is maintained.

The Trust delegates the daily operation of the Trust to Cricket Wellington Incorporated, pursuant to a Management Agreement between the two parties.

#### **Trust Membership**

- Sir John Anderson KBE (Chair)
- Mike Horsley
- Cr Paul Eagle
- Mr John Greenwood

#### **Trust Operations**

The Trust meets bi-monthly, and considers a Management Report submitted by Cricket Wellington as Manager. Additional meetings are called as required.

#### **Performance Management**

The performance of the Trust is measured in part by achievement of agreed KPI's, in 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 (in 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. Organisational Health, Capability and Risk Assessment

The Trust undertakes the following measures to manage identified risks.

|                           |  |
|---------------------------|--|
| Financial and Legal Risks | <ul style="list-style-type: none"> <li>External audit and review of financial accounts (undertaken by Audit NZ)</li> <li>Interests Register documented at each Trust meeting</li> <li>Fraud Policy adopted by the Trust (detailing the Trust's policy for fraud prevention)</li> <li>The Trust's financial matters are managed by an external Accountant, whom also sits on Trust meetings and partakes in business discussions and decision-making (as a non-voting member of the Trust's Executive)</li> </ul> |
| Health & Safety           | <ul style="list-style-type: none"> <li>Health &amp; Safety policy in place, reviewed bi-annually</li> <li>Evacuation Procedures in place</li> <li>Meet all building WOF requirements and act in the required manner on IQP reports</li> </ul>  |
| Operating Risks           | <ul style="list-style-type: none"> <li>Routine Maintenance Plan in place to ensure facility meets a necessary standard</li> <li>For cricket-specific events, the Trust meets or exceeds NZC and/or ICC set criteria</li> </ul>   |

## 7. Additional Information

### Response to other specific Letter of Expectation matters (if applicable)

#### Master Plan and Reserve Management Plan

The Trust will work closely with the Basin Reserve Master Plan Steering Group from March 2016 to September 2016, to further develop the plans for the ground's redevelopment. Refurbishment of the RA Vance Stand is due to start in May 2016, with a completion date set for late October 2016. Improvements to the Basin Reserve's services and amenities will also proceed, pending advice from the Steering Group. Concurrently, further engineering assessment of the Museum Stand will be undertaken, in preparation for a decision by Councillors as to the future of the building and the ground's western precinct. The Trust is working with Council officers on the development of a Reserve Management Plan for the Basin Reserve.. The document is currently in draft form and waiting for consideration by the Environment Committee before it goes out for public consultation.

#### Naming Rights Sponsor

The Trust set itself an internal goal of securing a Naming Rights Sponsor in the middle of the 2016-17 financial year. With the Masterplan now confirmed through the Council's LTP and the international schedule for 2016-18 close to confirmation, the Trust now has a greater degree of certainty on what benefits can be provide to a Naming Rights Sponsor. The Trust remains confident that a new Naming Rights partner will be recruited ahead of next summer.

#### **Governance Review**

The Trust welcomes the opportunity to work with Council in reviewing governance of the Basin Review and invite the Council to advise at its earliest possible convenience the Terms of Reference for the review. In the pursuit of best practice standards, a review of the individual Trustees will be completed and submitted to Council by the end of September 2016.

#### **Ratio of trustee equity to total assets**

0.84: 1.00

#### **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.

#### **Activities for which the board seeks compensation from a local authority**

None.

#### **Estimate of commercial value of stakeholder's investment**

The net value of the Stakeholder's investment in the trust is estimated to be valued at \$766,000 as at 30 June 2017.

#### **Other matters (if applicable) e.g. water supply services LGA requirements**

None.

#### **Supplementary information the entity wishes to include**

None.

### **8. Appendix: Accounting Policies**

See Attached

### **9. Appendix: Forecast Financial Statements**

See Attached

**Appendix: BRT Performance measures and targets 2016-17**

| Measure   | Frequency | Measurement   | Target Q1 | Q2   | Q3    | Q4   | FY        |
|---|-----------|---|-----------|------|-------|------|-----------|
| <b>Administrative Measures</b>                                |           |   |           |      |       |      |           |
| Achieve targets within allocated budgets                      | Annual    | Budget forecasts are met                              |           |      |       |      |           |
| Comply with financial, technical and regulatory standards     | Quarterly | Council reports submitted within stated timeframes    |           |      |       |      |           |
| Asset Management Plan carried out                             | Quarterly | Planned maintenance activities effected within budget |           |      |       |      |           |
| <b>Operating Measures</b>                                     |           |   |           |      |       |      |           |
| Number of events  | Quarterly |   |           |      |       |      |           |
| - cricket (incl minimum of 1 test match pa)                   |           | Cricket matches (incl minimum of 1 test match)        |           | 9    | 14    | 2    | 25        |
| - other sports  |           | Sports events   | 14        |      |       | 8    | 22        |
| - community   |           | Other events  | 8         |      |       | 4    | 12        |
| - function  |           | Function bookings                                     | 2         | 5    | 6     | 2    | 15        |
| Number of event days  | Quarterly |   |           |      |       |      |           |
| - cricket   |           | Cricket days  |           | 15   | 23    |      | 38        |
| - other sports  |           | Sports days   | 14        |      |       | 8    | 22        |
| - community   |           | Other days  | 8         |      |       | 4    | 12        |
| - function  |           | Function Days   | 2         | 5    | 6     | 2    | 15        |
| Numbers attending events                                      | Quarterly | Attendance figures                                    | 1000      | 4000 | 25000 | 1000 | 31000     |
| Practice facility usage                                       | Quarterly | Cricket use   |           | 40   | 45    |      | 85        |
| Hirer satisfaction with venue and events                      | Quarterly | Positive formal feedback received                     |           |      |       |      |           |
| Playing surface to be maintained to an international standard | Annual    | Based upon NZC and ICC feedback                       |           |      |       |      |           |
| Operational Grant per attendance                              | Quarterly | Grant per attendance                                  |           |      |       |      | \$12.27   |
| <b>Financial measures</b>                                     |           |   |           |      |       |      |           |
| Results within budget   | Annual    |   |           |      |       |      |           |
| Capital expenditure – within budget                           | Annual    |   |           |      |       |      |           |
| Event income  | Annual    | \$  |           |      |       |      | \$149,000 |
| Business Plan developed                                       | Annual    | Submission of Business Plan                           |           |      |       |      |           |

**Appendix: BRT Performance measures and targets 2016-19**

| Measure   | Frequency | Measurement   | 2016-17   | 2017-18   | 2018-19   |
|---|-----------|---|-----------|-----------|-----------|
| <b>Administrative Measures</b>                                |           |   |           |           |           |
| Achieve targets within allocated budgets                      | Annual    | Budget forecasts are met                              |           |           |           |
| Comply with financial, technical and regulatory standards     | Quarterly | Council reports submitted within stated timeframes    |           |           |           |
| Asset Management Plan carried out                             | Quarterly | Planned maintenance activities effected within budget |           |           |           |
| <b>Operating Measures</b>                                     |           |   |           |           |           |
| Number of events  | Quarterly |   |           |           |           |
| - cricket   |           | Cricket matches                                       | 25        | 26        | 26        |
| - other sports  |           | Sports events   | 22        | 23        | 24        |
| - community   |           | Other events  | 12        | 13        | 14        |
| - function  |           | Function bookings                                     | 15        | 17        | 19        |
| Number of event days  | Quarterly |   |           |           |           |
| - cricket   |           | Cricket days  | 38        | 38        | 38        |
| - other sports  |           | Sports days   | 22        | 23        | 24        |
| - community   |           | Other days  | 12        | 13        | 14        |
| - function  |           | Function days   | 15        | 17        | 19        |
| Numbers attending events                                      | Quarterly | Attendance figures                                    | 31000     | 33,000    | 35,000    |
| Practice facility usage                                       | Quarterly | Cricket use   | 85        | 85        | 85        |
| Hirer satisfaction with venue and events                      | Quarterly | Positive formal feedback received                     |           |           |           |
| Playing surface to be maintained to an international standard | Annual    | Based upon NZC and ICC feedback                       |           |           |           |
| Operational Grant per attendance                              | Quarterly | Grant per attendance                                  | \$12.27   | \$11.93   | \$11.64   |
| <b>Financial measures</b>                                     |           |   |           |           |           |
| Results within budget   | Annual    |   |           |           |           |
| Capital expenditure – within budget                           | Annual    |   |           |           |           |
| Event income  | Annual    | \$  | \$149,000 | \$174,000 | \$182,000 |
| Business Plan developed                                       | Annual    | Submission of Business Plan                           |           |           |           |



## **8. APPENDIX: ACCOUNTING POLICIES**

### **BASIN RESERVE TRUST STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2017**

#### **ACCOUNTING POLICIES APPLIED**

##### ***BASIS OF PREPARATION***

The Board has elected to apply PBE-SFR-A (PS) Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future.

The accounts have been prepared in accordance with Tier 3 standards, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

##### ***GOODS AND SERVICES TAX***

The Trust is registered for GST. All amounts in the financial statements are recorded exclusive of GST, except for debtors and creditors, which are stated inclusive of GST.

##### ***INCOME TAX***

The Trust is registered with the Charities Commission and is thus exempt from income tax under the Income Tax Act 2007. The Trust is not exempt from the need to comply with indirect tax obligations such as Goods and Services, Fringe Benefit and Entertainment and accordingly complies with those obligations that are applicable.

#### **SIGNIFICANT ACCOUNTING POLICIES**

##### **Revenue**

###### ***Grants***

Council grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if the conditions of the grant are not met ("use or return condition"). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

###### ***Sale of goods***

Revenue from the sale of goods is recognised when the goods are sold to the customer.

###### ***Sale of services***

Revenue from the sale of services is recognised by reference to the stage of completion of the services delivered at balance date as a percentage of the total services to be provided.

**BASIN RESERVE TRUST  
STATEMENT OF ACCOUNTING POLICIES  
FOR THE YEAR ENDED 30 JUNE 2017**

**Donated Assets**

Revenue from donated assets is recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the value of the asset is readily obtainable and significant.

**Interest revenue**

Interest revenue is recorded as it is earned during the year.

**Administration and overhead costs**

These are expensed when the related service has been received.

**Bank accounts and cash**

Bank accounts and cash comprise cash on hand, cheque or savings accounts, and deposits held at call with banks.

**Debtors**

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

**Property, plant and equipment**

Property, plant and equipment is recorded at cost, less accumulated depreciation and impairment losses.

Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the current value of the asset is readily obtainable and significant. Significant donated assets for which current values are not readily obtainable are not recognised.

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amounts.

For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

Depreciation is provided on a straight-line basis at rates that will write off the cost of the assets over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

|                        |                   |                   |
|------------------------|-------------------|-------------------|
| Leasehold improvements | 1.5 to 45.5 years | (2.20% to 66.70%) |
| Drainage works         | 14 to 18 years    | (5.50% - 7.20%)   |
| Furniture & fittings   | 2.5 to 8.5 years  | (12.00% - 48.00%) |
| Plant                  | 3 to 6.5 years    | (16.20% - 33.00%) |

**Creditors and accrued expenses**

Creditors and accrued expenses are measured at the amount owed.

**BASIN RESERVE TRUST  
STATEMENT OF ACCOUNTING POLICIES  
FOR THE YEAR ENDED 30 JUNE 2017**

**Budget figures**

The budget figures are derived from the statement of intent as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with Tier 3 standards, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

**Tier 2 PBE Accounting Standards applied**

The Trust has not applied any Tier 2 Accounting Standards in preparing its financial statements.

**CHANGES IN ACCOUNTING POLICIES AND TRANSITION TO THE NEW PBE SFR-A (PS) STANDARD**

This is the second set of financial statements prepared using the new PBE SFR-A (PS) standard, and and there have been no changes in accounting policies from the previous financial year.

**9. APPENDIX: FORECAST FINANCIAL STATEMENTS**

**BASIN RESERVE TRUST**

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEARS ENDING**

|   | 30 June<br>2017<br>\$'s | 30 June<br>2018<br>\$'s | 30 June<br>2019<br>\$'s |
|---|-------------------------|-------------------------|-------------------------|
| <b>Revenue</b>                                |                         |                         |                         |
| Council funding                               | 604,050                 | 630,950                 | 659,150                 |
| Sales of goods and services                   | 215,000                 | 298,000                 | 302,000                 |
| Interest revenue                              | 3,500                   | 3,500                   | 3,500                   |
| <b>Total Revenue</b>                          | <b>822,550</b>          | <b>932,450</b>          | <b>964,650</b>          |
| <b>Expenses</b>                               |                         |                         |                         |
| Depreciation of property, plant and equipment | 87,000                  | 87,000                  | 87,000                  |
| Costs related to providing goods and services | 601,500                 | 635,300                 | 676,600                 |
| Other expenses                                | 125,125                 | 131,625                 | 136,125                 |
| <b>Total Expenses</b>                         | <b>813,625</b>          | <b>853,925</b>          | <b>899,725</b>          |
| <b>Surplus for the year</b>                   | <b>8,925</b>            | <b>78,525</b>           | <b>64,925</b>           |

**BASIN RESERVE TRUST**

**STATEMENT OF FINANCIAL POSITION AS AT**

|  | 30 June<br>2017<br>\$'s | 30 June<br>2018<br>\$'s | 30 June<br>2019<br>\$'s |
|--|-------------------------|-------------------------|-------------------------|
| <b>Assets</b>                              |                         |                         |                         |
| <b>Current Assets</b>                      |                         |                         |                         |
| Bank accounts and cash                     | 76,342                  | 77,342                  | 109,392                 |
| Debtors and prepayments                    | 185,600                 | 258,805                 | 269,780                 |
| <b>Total Current Assets</b>                | <b>261,942</b>          | <b>336,147</b>          | <b>379,172</b>          |
| <b>Non-Current Assets</b>                  |                         |                         |                         |
| Property, plant and equipment              | 646,490                 | 634,490                 | 672,490                 |
| <b>Total Non-Current Assets</b>            | <b>646,490</b>          | <b>634,490</b>          | <b>672,490</b>          |
| <b>Total Assets</b>                        | <b>908,432</b>          | <b>970,637</b>          | <b>1,051,662</b>        |
| <b>Liabilities</b>                         |                         |                         |                         |
| <b>Current Liabilities</b>                 |                         |                         |                         |
| Creditors and accrued expenses             | 142,520                 | 126,200                 | 142,300                 |
| <b>Total Current Liabilities</b>           | <b>142,520</b>          | <b>126,200</b>          | <b>142,300</b>          |
| <b>Total Liabilities</b>                   | <b>142,520</b>          | <b>126,200</b>          | <b>142,300</b>          |
| <b>Total Assets less Total Liabilities</b> | <b>765,912</b>          | <b>844,437</b>          | <b>909,362</b>          |
| <b>Trust Equity</b>                        |                         |                         |                         |
| Contributed capital                        | 100                     | 100                     | 100                     |
| Accumulated surpluses                      | 765,812                 | 844,337                 | 909,262                 |
| <b>Total Trust Equity</b>                  | <b>765,912</b>          | <b>844,437</b>          | <b>909,362</b>          |

**BASIN RESERVE TRUST**

**STATEMENT OF CASH FLOWS FOR THE YEARS ENDING**

|   | 30 June<br>2017<br>\$'s | 30 June<br>2018<br>\$'s | 30 June<br>2019<br>\$'s |
|---|-------------------------|-------------------------|-------------------------|
| <b>Cash Flows from Operating Activities</b>                   |                         |                         |                         |
| Receipts of council funding                                   | 544,050                 | 565,950                 | 589,150                 |
| Receipts from sale of goods and services                      | 175,000                 | 253,000                 | 252,000                 |
| Interest receipts   | 3,500                   | 3,500                   | 3,500                   |
| Payments to suppliers and employees                           | (675,800)               | (705,250)               | (685,200)               |
| GST (net)   | (35,600)                | (41,200)                | (52,400)                |
| <b>Net Cash Flows from Operating Activities</b>               | <b>11,150</b>           | <b>76,000</b>           | <b>107,050</b>          |
| <b>Cash Flows from Investing and Financing Activities</b>     |                         |                         |                         |
| Payments to acquire property, plant and equipment             | -                       | (75,000)                | (75,000)                |
| <b>Net Cash Flows from Investing and Financing Activities</b> | <b>-</b>                | <b>(75,000)</b>         | <b>(75,000)</b>         |
| <b>Net Increase/(Decrease) in Cash for the Year</b>           | <b>11,150</b>           | <b>1,000</b>            | <b>32,050</b>           |
| Add opening bank accounts and cash                            | 65,192                  | 76,342                  | 77,342                  |
| <b>Closing Bank Accounts and Cash</b>                         | <b>76,342</b>           | <b>77,342</b>           | <b>109,392</b>          |

**9. APPENDIX: FORECAST FINANCIAL STATEMENTS**

**BASIN RESERVE TRUST**

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2017**

|   | 1st Qtr        | 2nd Qtr          | 3rd Qtr        | 4th Qtr         | Total          |
|---|----------------|------------------|----------------|-----------------|----------------|
| <b>Revenue</b>                                |                |                  |                |                 |                |
| Council funding                               | 252,285        | 29,500           | 248,575        | 73,690          | 604,050        |
| Sales of goods and services                   | 17,000         | 56,000           | 113,000        | 29,000          | 215,000        |
| Interest revenue                              | 1,400          | 600              | 900            | 600             | 3,500          |
| <b>Total Revenue</b>                          | <b>270,685</b> | <b>86,100</b>    | <b>362,475</b> | <b>103,290</b>  | <b>822,550</b> |
| <b>Expenses</b>                               |                |                  |                |                 |                |
| Depreciation of property, plant and equipment | 21,750         | 21,750           | 21,750         | 21,750          | 87,000         |
| Costs related to providing goods and services | 140,885        | 136,625          | 191,475        | 132,515         | 601,500        |
| Other expenses                                | 20,530         | 33,020           | 33,020         | 38,555          | 125,125        |
| <b>Total Expenses</b>                         | <b>183,165</b> | <b>191,395</b>   | <b>246,245</b> | <b>192,820</b>  | <b>813,625</b> |
| <b>Surplus (Deficit) for the year</b>         | <b>87,520</b>  | <b>(105,295)</b> | <b>116,230</b> | <b>(89,530)</b> | <b>8,925</b>   |

**BASIN RESERVE TRUST**

**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017**

|  | 1st Qtr          | 2nd Qtr        | 3rd Qtr        | 4th Qtr        | Total          |
|--|------------------|----------------|----------------|----------------|----------------|
| <b>Assets</b>                              |                  |                |                |                |                |
| <b>Current Assets</b>                      |                  |                |                |                |                |
| Bank accounts and cash                     | 138,857          | 29,467         | 139,602        | 76,342         | 76,342         |
| Debtors and prepayments                    | 172,500          | 162,500        | 143,500        | 185,600        | 185,600        |
| <b>Total Current Assets</b>                | <b>311,357</b>   | <b>191,967</b> | <b>283,102</b> | <b>261,942</b> | <b>261,942</b> |
| <b>Non-Current Assets</b>                  |                  |                |                |                |                |
| Property, plant and equipment              | 711,740          | 689,990        | 668,240        | 646,490        | 646,490        |
| <b>Total Non-Current Assets</b>            | <b>711,740</b>   | <b>689,990</b> | <b>668,240</b> | <b>646,490</b> | <b>646,490</b> |
| <b>Total Assets</b>                        | <b>1,023,097</b> | <b>881,957</b> | <b>951,342</b> | <b>908,432</b> | <b>908,432</b> |
| <b>Liabilities</b>                         |                  |                |                |                |                |
| <b>Current Liabilities</b>                 |                  |                |                |                |                |
| Creditors and accrued expenses             | 178,590          | 142,745        | 95,900         | 142,520        | 142,520        |
| <b>Total Current Liabilities</b>           | <b>178,590</b>   | <b>142,745</b> | <b>95,900</b>  | <b>142,520</b> | <b>142,520</b> |
| <b>Total Liabilities</b>                   | <b>178,590</b>   | <b>142,745</b> | <b>95,900</b>  | <b>142,520</b> | <b>142,520</b> |
| <b>Total Assets less Total Liabilities</b> | <b>844,507</b>   | <b>739,212</b> | <b>855,442</b> | <b>765,912</b> | <b>765,912</b> |
| <b>Trust Equity</b>                        |                  |                |                |                |                |
| Contributed capital                        | 100              | 100            | 100            | 100            | 100            |
| Accumulated surpluses                      | 844,407          | 739,112        | 855,342        | 765,812        | 765,812        |
| <b>Total Trust Equity</b>                  | <b>844,507</b>   | <b>739,212</b> | <b>855,442</b> | <b>765,912</b> | <b>765,912</b> |



**BASIN RESERVE TRUST**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 30 JUNE 2017**

|   | 1st Qtr        | 2nd Qtr          | 3rd Qtr        | 4th Qtr         | Total         |
|---|----------------|------------------|----------------|-----------------|---------------|
| <b>Cash Flows from Operating Activities</b>                   |                |                  |                |                 |               |
| Receipts of council funding                                   | 203,865        | 62,110           | 219,675        | 58,400          | 544,050       |
| Receipts from sale of goods and services                      | 15,100         | 38,500           | 52,250         | 69,150          | 175,000       |
| Interest receipts   | 1,400          | 600              | 900            | 800             | 3,500         |
| Payments to suppliers and employees                           | (158,850)      | (175,600)        | (182,500)      | (158,850)       | (675,800)     |
| GST (net)   | 12,150         | (35,000)         | 19,810         | (32,560)        | (35,600)      |
| <b>Net Cash Flows from Operating Activities</b>               | <b>73,665</b>  | <b>(109,390)</b> | <b>110,135</b> | <b>(63,260)</b> | <b>11,150</b> |
| <b>Cash Flows from Investing and Financing Activities</b>     |                |                  |                |                 |               |
| Payments to acquire property, plant and equipment             | -              | -                | -              | -               | -             |
| <b>Net Cash Flows from Investing and Financing Activities</b> | <b>-</b>       | <b>-</b>         | <b>-</b>       | <b>-</b>        | <b>-</b>      |
| <b>Net Increase/(Decrease) in Cash for the Year</b>           | <b>73,665</b>  | <b>(109,390)</b> | <b>110,135</b> | <b>(63,260)</b> | <b>11,150</b> |
| Add opening bank accounts and cash                            | 65,192         | 138,857          | 29,467         | 139,602         | 65,192        |
| <b>Closing Bank Accounts and Cash</b>                         | <b>138,857</b> | <b>29,467</b>    | <b>139,602</b> | <b>76,342</b>   | <b>76,342</b> |



**STATEMENT OF INTENT 2016-17**  
**WELLINGTON MUSEUMS TRUST**

Presented to the Economic Growth and Arts Committee  
pursuant to Section 64 of the Local Government Act 2002



**CONTENTS**

|  |    |
|--|----|
| <i>INTRODUCTION</i> .....  | 3  |
| <i>OUR FOCUS IN 2016-17</i> .....  | 3  |
| <i>OVERVIEW</i> .....  | 4  |
| <i>FINANCIAL OVERVIEW</i> .....  | 5  |
| <i>COUNCIL'S EXPECTATIONS</i> .....                                      | 6  |
| <i>OPERATING ENVIRONMENT UPDATE</i> .....                                | 7  |
| <i>ABOUT</i> .....   | 8  |
| <i>OUR PURPOSE, VISION AND VALUES</i> .....                              | 8  |
| <i>NATURE AND SCOPE OF WELLINGTON MUSEUM TRUST ACTIVITIES</i> .....      | 9  |
| <i>PERFORMANCE MEASUREMENT</i> .....                                     | 12 |
| <i>BOARD'S APPROACH TO GOVERNANCE</i> .....                              | 14 |
| <i>COUNCIL RELATIONSHIP PRINCIPLES</i> .....                             | 15 |
| <i>ORGANISATIONAL HEALTH, CAPABILITY AND RISK ASSESSMENT</i> .....       | 16 |
| <i>APPENDIX 1: FORECAST FINANCIAL STATEMENTS</i> .....                   | 18 |
| <i>APPENDIX 2: ACCOUNTING POLICIES</i> .....                             | 24 |
| <i>APPENDIX 3: LINKS TO COUNCIL'S ARTS AND CULTURE PRIORITIES:</i> ..... | 29 |
| <i>APPENDIX 4: PERFORMANCE MEASUREMENTS BY INSTITUTION</i> .....         | 30 |
| <i>DIRECTORY</i> .....   | 33 |



### *INTRODUCTION*

Wellington Museums Trust is a Council Controlled Organisation and is a Registered Charity. The Trust is dependent on Council for long-term financial sustainability and to operate as a going concern.

This Statement of Intent reflects the relationship and interest that the Council has in the Trust and the contribution of the Trust to the Council's vision for the future of Wellington. Specifically it outlines our intentions for the next three years with detailed focus on the financial period to 30 June 2017.



### *OUR FOCUS IN 2016-17*

We will:

- Make contemporary art accessible for all: bringing an exhibition of work by international artist Cindy Sherman to City Gallery Wellington, and remodelling the Gallery's foyer and entrance to link it seamlessly with Civic Square;
- Build on the success of The Attic: scoping the next phase of development of Wellington Museum, including earthquake strengthening and the visitor experience on Level 2 of this world-renowned museum;
- Lead the way for children and young people to make Wellington a home for confident, creative young citizens.
- Attract 630,000 visitors to our experiences: one-third will be international tourists plus 250,000 people will connect via our thriving online community.
- Contribute over \$4 million to our operating costs.

These reflect our Strategic Plan, our desire to make a compelling contribution to Wellington's future, and are aligned to Council's strategic direction. Delivery details are subject to Board approval and adequate funding.



## OVERVIEW

### The Cultural Heart of Wellington

Wellington Museums Trust is the cultural heart of the capital, presenting remarkable experiences that set Wellington apart. As we celebrate our twentieth year of operation, we are proud of the contribution we make to Wellington's economy, and the difference we make to its 'liveability', and its reputation as a centre of excellence for arts, culture and creativity.

### Investing for the City's Success

Council's investment in the Trust leverages external funding and engagement in the capital. In 2014-15 the Trust contributed \$4.1 million (39%) of total operating revenue of \$10.7 million. In addition we secured over \$2 million from external funders to develop, earthquake strengthen and open acclaimed new exhibitions at Wellington Museum, a landmark Council asset. Through our efforts over \$6 million of non-Council revenue was invested in Wellington's experience economy last year.

In 2016-17 we will continue our successful commercial trading initiatives as well as continuing to improve our fundraising effort. We are projecting that we will fund at least 38% of our operating revenue this year and, subject to Council's support with capital investment, leverage further funding to develop the city's cultural assets.

### Working for Wellington

Creating remarkable experiences is what we do. Our vibrant programme of nearly 400 exhibitions, events and public programmes adds to the capital's profile and enriching lives of residents.

Visitors rate our experiences as 'excellent' and residents say that we run great places for enjoying time with friends and family, learning and relaxing. In an increasingly fragmented society, our spaces are taking on a new importance as places for social cohesion, where people can reconnect with each other and to their community.

### 2016-17 Highlights

- Cindy Sherman will open at City Gallery in November 2016. This unique contemporary art experience will only be available in Wellington and therefore assert the city's primacy as the cultural capital of New Zealand. The exhibition and associated events will generate national and international tourism and increase City Gallery's economic impact.
- The biennial Capital E National Arts Festival for children and their families will take place in March 2017. The festival continues to evolve with an increasing focus on programming by children. The 2017 Festival will again feature films made for and by children spring-boarding off opportunities provided through Wellington's film industry and using Capital E's state-of-the-art digital studios.

### Strategic Development Priorities

- Completing the visitor experience development and earthquake-strengthening at Wellington Museum is a landmark project which began in 2010. Phase One ended with the opening of The Attic in November 2015. We want to complete the development and need Council's commitment to leverage funding from other partners. The priority for 2016-17 is to scope the remaining earthquake strengthening and building works project and put in place a temporary visitor experience on Level 2 whilst detailed plans are developed.
- Refurbish City Gallery's entrance, foyer, and retail to create a more welcoming and safer facility that connects seamlessly with Civic Square. The cost of this refurbishment is estimated at \$900,000 exclusive of GST. Again we are confident of raising two-thirds of the estimated costs with Council's commitment.



- Refining plans for the future shape and location of Capital E will be progressed during the year and Capital E will assume a central leadership role to ensure that by 2018 we will be measurably closer to our vision that young participants in all our visitor experiences feel welcomed, included and important. We will also use our experience and reputation in the provision of remarkable visitor experiences for children and young people to support Wellington to achieve its ambition to be a UNICEF Child Friendly City.

### **FINANCIAL OVERVIEW**

Wellington City Council's 2015-25 Long-term Plan included a 2% increase in the base-line funding of the Trust and Space Place together with a \$100,000 contribution to the implementation of the Wellington Wage. This level of support has been forecast to continue over the planning period. The main assumptions for the planning period are:

- Trading Revenue in 2016-17 will increase due to the Cindy Sherman exhibition at City Gallery and the 2017 Capital E National Arts Festival *for children*. Sustainable growth in trading revenue will be achieved when we are able to increase retail at City Gallery and at Wellington Museum through planned developments.
- Sponsorships and Donations is an area of focus for the Trust and we are forecasting modest sustainable growth during the planning period. However, it should be noted that grants and sponsorships are essential for programme delivery and this revenue is not available to support fixed costs.
- Other Grants includes funding received from Creative New Zealand (CNZ) and the Ministry of Education (MOE). CNZ has recently advised that its funds for distribution will be reduced by 10% which may impact on the funding we receive for Creative Performance outputs. MOE funding is secure for the time being but increases are not expected.
- Over the forecast period it is expected that salaries will increase by 1% per annum and other costs by between 1-2%.
- As further development of Wellington Museum is delayed, Museums Wellington costs have been increased to incorporate the project leader's costs previously accounted for as a capital cost.
- Space Place is now operating under a new operating model that was expected to reduce operating deficits as outlined in the 2015-16 SOI. The operating model has increased visitor numbers in line with expectations; however, the yield per visitor is less than anticipated and this is reflected in admissions revenue. The new operating model is in its first year of operation and further improvements will be made. In the meantime the Trust continues to rely on Council's cash-underwrite to deliver the Space Place visitor experience.
- Although the Cable Car Museum has seen increases in visitor numbers and retail sales, building capacity is a limiting factor to future growth.
- In 2016-17 the Trust is forecasting a break-even budget.

The Forecast Financial Statements are provided in Appendix 1

### **Supporting Financial Information**

The accounting policies are provided in Appendix 2.



### **COUNCIL'S EXPECTATIONS**

#### **Alignment with Council**

Wellington Museums Trust priorities align with and reflect Wellington City Council's strategic direction as outlined in the 2015-2025 Long-term Plan. Our strategy and policy is informed by and refers to Wellington 2040, Council's Arts and Culture Strategy, Economic Development Strategy, Events Policy, Accessible Wellington Action Plan, and other relevant guiding documents such as the Economic Growth Agenda: 8 Big Ideas. Analysis is in Appendix 3.

#### **Engagement with the Wellington Regional Economic Development Agency LTD (WREDA)**

The Trust will engage with WREDA to support mutual outcomes for the growth of Wellington's thriving experience economy. We support the aspiration that Wellington becomes Australasia's most prosperous, vibrant and liveable region; and our visitor experiences can enhance the region's reputation as a leader in arts and culture; support excellent education opportunities; and establish the capital as a centre for expression and discovery of New Zealand's nationhood.

#### **Awareness of Relevant Current and Future Legislation Relating to Health and Safety at Work**

We will continue our active management of health and safety with the objective of full compliance with the new Health and Safety at Work Act 2015. Our goal is to develop and maintain a zero harm culture for workers and visitors. We will continue to work with Council to ensure that the buildings we occupy meet health and safety standards for workers and visitors.

#### **Presentation of Published Financial Statements**

The Trust's annual Financial Statements will be presented inclusive of the published budget from the relevant Statement of Intent. These are prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZGAAP).

#### **Review of Governance and Base-line Funding**

The Trust will work with Officers to implement the outcomes of Council's Review of Governance and Base-line Funding.

#### **Implementing the Wellington Wage**

With the additional funding provided by Council in 2015-16 the new salary band and minimum wage rate of \$18.40 was implemented on 1 January 2016. The Trust will provide a full report on the implementation in the 2015-16 Annual Report.

#### **Governance Performance**

The Trust governance effectiveness was assessed in 2015 by the Office of the Auditor-General, which judged the Board as having achieved the rating of "comprehensive" according to five aspects of effective governance: strategic direction; leadership and culture; monitoring and review; risk management; and internal controls. The Trust was the only organisation assessed to achieve this level of assessment. The Board aspires to be a leading governance group and is confident that it will comply with Council's expectations.



### *OPERATING ENVIRONMENT UPDATE*

Council's 2015-25 Ten Year Plan set out an ambitious programme for the city and confirmed an additional \$100,000 to enable the Trust to implement the Wellington Wage and an annual 2% increase in the Trust's base-line funding. These adjustments are welcome and will help to mitigate fixed-cost increases.

The Trust is a willing participant in ensuring that Council's plans are successful. Our main contribution is via the continued development and delivery of excellent visitor experiences in partnership with Council, and by leveraging support from others.

The Tourism Industry Association of New Zealand 'Tourism 2025' framework emphasises the importance of increasing our productivity and driving value through outstanding visitor experiences. This switch to an 'experience economy' where tourism providers work in clusters to create a critical mass of destinations and memorable opportunities for visitors will be factored into our thinking. With more than 600,000 visitors per year we play a big part in Wellington's profile as a great place to live, work and visit, and the arrival of a new Film Museum, plus the growth of the cultural tourism spend globally are encouraging, and will contribute to Wellington's assertion that it is New Zealand's cultural capital.

The planned development of key city locations such as Frank Kitts Park and Civic Square are important to our operation. We provide the cultural heart of these iconic parts of the city, and our participation in discussions regarding their development is crucial, and central to the success of our businesses. A revitalised hub for families on the waterfront has synergy with Capital E and Wellington Museum, and the mooted metamorphosis of Civic Square into a cultural quarter sits neatly with City Gallery's reputation as New Zealand's leading place for contemporary art.

The film and digital growth agenda for the city is providing opportunities for partnership. Working with industry and regional development partners is opening up opportunities for Capital E. It has established itself as a channel for other organisations to reach families and young audiences, and helps to inspire Wellington's young people to see the digital creative and media sector as a viable career option – an area where the region expects to see substantial growth, but where the number of emerging graduates does not fill industry need.

With the future of the Hannah Playhouse still uncertain, the Trust notes that the cost and availability of theatre and rehearsal space is still an area of flux for our business, and for the contractors and providers that work with us at the National Theatre for Children and the National Arts Festival for Children. This is a delicate ecosystem in Wellington, and there is need for a more strategic approach to the provision of performing arts venues in the city.

Our main challenge continues to be non-Council revenue generation to support our operation. The competition for funding is growing exponentially and, with less funding available from traditional sources, the Trust is developing new strategies to achieve the target of at least 30% of revenue from non-Council sources.





### *ABOUT*

The Wellington Museums Trust operates six institutions on behalf of Wellington City Council. These are Capital E, Space Place at Carter Observatory, City Gallery Wellington, Nairn Street Cottage, Wellington Museum (including the Plimmer's Ark display in the Old Bank Arcade) and the Wellington Cable Car Museum.

We also have a management agreement with the New Zealand Cricket Museum Trust to provide in-kind support including financial management. These onsite, online and outreach experiences encompass art, heritage, culture, social history, science, theatre and digital technology. Our diversity is our strength and point of difference.

### *OUR PURPOSE, VISION AND VALUES*

#### **Purpose**

Our business opens the doors to remarkable experiences that set Wellington apart

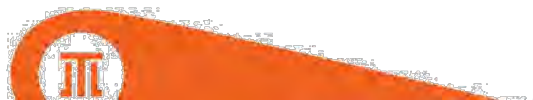
#### **Vision**

Excellent experiences that Wellingtonians proudly share with the world

#### **Values**

We:

- Value our visitors; giving them excellent experiences that are safe, welcoming and accessible.
- Prize our staff, supporters and extraordinary assets.
- Lead in our fields: individually and as a collective.
- Use the power of our diverse group of institutions to make a difference to Wellington.
- Are agile. We respond to changes in our audience's needs, stakeholder expectations and operating environment.
- Don't stand still. We learn and improve together.
- Strive to grow a robust, sustainable business.



### *NATURE AND SCOPE OF WELLINGTON MUSEUM TRUST ACTIVITIES*

#### **THE TRUST**

The Trust provides strategic leadership, drawing upon the individual strengths, skills and experiences of the component parts of our organisation to deliver our vision. Central to this is the ability to create and sustain an operating environment that supports a high performing organisation encouraging staff to strive for excellence.

Our role is to provide essential services across the whole organisation and to maintain an operating and accountability framework that meets the standards required by a publically-funded organisation. In addition the Trust acquires and allocates resources, undertakes research and coordinates improvement strategies, and provides policy development and strategic planning.

#### **CAPITAL E**

Capital E is New Zealand's leading centre for creativity for young people. Its aim is to foster confident, creative, capable citizens who can be architects of their own future. Capital E engages audiences in the innovation and production of high quality, inspirational experiences in live performance, digital technology and applied creativity. It provides a creative environment in which encounters can be generated for, with, by and/or between children and young people. It also has a leadership role for the Trust and beyond – leading in and advocating for high quality provision of creative experiences relevant to children and young people.



#### **CITY GALLERY WELLINGTON TE WHARE TOI**

From the heart of Wellington in Civic Square, City Gallery provides locals and visitors with a meaningful, accessible, experience of art. It presents a dynamic programme of changing exhibitions dedicated to the most current thinking, creativity and innovation in art practice in the broadest sense. It is a hub for artistic and cultural activity in Wellington that reinforces the city's commitment to art and creativity.



City Gallery works collaboratively with artists, galleries, collectors and educators to realise programmes of activity that are relevant, push and test art's boundaries and both transform and provide insight into our understanding of our world.



#### **MUSEUMS WELLINGTON TE WAKA HUIA O NGA TAONGA TUKU IHO**

Museums Wellington includes Wellington Museum, Space Place at Carter Observatory, Cable Car Museum and Nairn Street Cottage. Collectively they tell the stories of the Wellington region and the Southern Skies establishing local, national and international connections for visitors. Each experience is a unique, quality experience delivered through an interpretative strategy that invites engagement, involvement and interaction by the visitor.

Museums Wellington is also the guardian of the Trust's collections, including heritage buildings that are of cultural, social, historical, scientific and technological significance. The Collections are an integral part of the Trust's role and are being developed so that they fully allow visitors to experience and appreciate the Wellington region's unique identity.

#### **WELLINGTON MUSEUM**

Recognised as one of the world's top museums in 2013, Wellington Museum shares the stories of Wellington region and celebrates its place and people.

#### **SPACE PLACE AT CARTER OBSERVATORY TE ARA A WHANUI KI TE RANGI**

Taking Wellington as its starting point, Space Place transports visitors through interesting facts to lively experiences of space and beyond. Space Place is first and foremost fun and it will inform and transform visitor perceptions of space, science and entertainment as a Wellington offer. It will introduce new and colourful experiences, interactive displays and cutting-edge planetarium shows to bring science and space to life in a fun, engaging and informative way, underpinned by the heritage of Space Place at Carter Observatory.





#### **CABLE CAR MUSEUM**

The Cable Car Museum explores how technology shaped Wellington and is the home of the story of Wellington's most iconic object, the Cable Car. The visitor experience explores the establishment of the Cable Car, the development of Kelburn and the refurbishment of the historic 1905 Grip Car. High visitation ensures that the shop income supports our goal of financial viability.

#### **NAIRN STREET COTTAGE**

Nairn Street Cottage is the oldest residence in Wellington. It tells the story of Wellington through the Wallis family and their home, from early settlement to the end of the 20th century. The story is brought to life in the Visitor Centre and the Cottage's heritage garden where life in Wellington over 125 years is shared.



### PERFORMANCE MEASUREMENT

Key Performance Indicators (KPI) include both non-financial and financial performance measures. See Appendix 4 for disaggregated information by institution.

2014-15 figures reported below are actual results.

#### OUR CITY

##### Performance

- City Residents' Awareness: The number of Wellingtonians who know about our institutions as assessed through the Annual Residents' Survey conducted by Council. (Appendix 3 Table 1)

| KPI                                       | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---------|---------|---------|---------|---------|
| City Residents' Awareness (Trust Average) | 88%     | 86%     | 88%     | 88%     | 88%     |

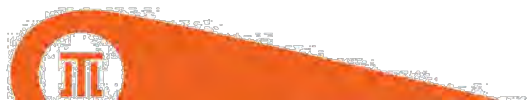
#### OUR VISITORS

##### Performance

- Physical Visitation: The total number of visits to institutions including general public, education and function attendees. (Appendix 3 Table 2)
- Virtual Visitation: The total number of unique user visits to institutional web/mobile sites. (Appendix 3 Table 3)
- Social Media Profile: A snapshot of Facebook friends and Twitter followers. (Appendix 3 Table 4)
- Quality of Visit: Visitor feedback based on comfort, access, experience, knowledge gained, the friendliness of staff, the length of visit and overall enjoyment. (Appendix 3 Table 5)
- Repeat Visitation: the number of visitors who have visited the institution at least once in the previous twelve months. (Appendix 3 Table 6)

| KPI                                | 2014-15        | 2015-16        | 2016-17        | 2017-18        | 2018-19        |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Physical Visitation (Trust Total)* | 689,414        | 600,000        | 630,000        | 663,300        | 695,400        |
| Virtual Visitation (Trust Total)   | 254,157        | 185,000        | 250,000        | 259,000        | 268,000        |
| <b>TOTAL VISITATION</b>            | <b>943,571</b> | <b>785,000</b> | <b>880,000</b> | <b>922,300</b> | <b>963,400</b> |
| Social Media Profile (Trust Total) | 34,032         | 30,250         | 41,890         | 47,468         | 54,662         |
| Quality of visit (Trust Average)   | 90%            | 90%            | 90%            | 90%            | 90%            |
| Repeat Visitation (Trust Average)  | 44%            | 30%            | 30%            | 31%            | 31%            |

\* Factors that will affect visitation in 2017 are the Cindy Sherman exhibition which will be by entry charge; the possibility of disruption to the visitor experience at City Gallery if the Entrance/Foyer development goes ahead in April; and the biennial Capital E National Arts Festival in March. The Festival also affects visitation in 2019.



**OUR SUSTAINABILITY**

*Performance*

- Financial Performance: A break-even budget and fully funded depreciation.
- Non-Council Revenue: The total amount of revenue generated from non-Council sources. (Appendix 4 Table 7)
- Spend per Visitor: Visitor related revenue (admissions and sales). (Appendix 4 Table 8)
- Subsidy per Visit: The Council subsidy per (physical) visitor. (Appendix 4 Table 9)

| KPI   | 2014-15   | 2015-16   | 2016-17   | 2017-18   | 2018-19   |
|---|-----------|-----------|-----------|-----------|-----------|
| Non-Council revenue (Trust Total)                 | \$3.311 M | \$3.036 M | \$4.144 M | \$3.350 M | \$3.593 M |
| Spend per visitor (Trust Average)                 | \$3.27    | \$2.71    | \$3.46    | \$2.53    | \$2.75    |
| Subsidy per visit (Trust Average)                 | \$11.48   | \$10.89   | \$10.80   | \$10.54   | \$10.32   |
| Subsidy per visit (Physical & Virtual Visitation) | \$6.84    | \$8.01    | \$7.69    | \$7.44    | \$7.23    |

**OUR PEOPLE**

*Performance*

- Health and Safety: No preventable serious harm incidents involving staff or visitors as defined by the Health and Safety at Work Act 2015.
- Staff Satisfaction: Based on staff feedback gathered in the annual Staff Engagement Survey.

**OUR HERITAGE**

*Performance*

- Collection Development: The percentage of progress towards aligning collections in our care with the Collections Policy.

| KPI                            | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|--------------------------------|---------|---------|---------|---------|---------|
| Collection Aligned with Policy | 85%     | 85%     | 85%     | 87.5%   | 87.5%   |

**COUNCIL'S OWNERSHIP INTEREST**

At Council's request we will include Council's direct ownership costs which relate to the assets we manage on its behalf in future monitoring reports to Council. These are costs incurred by Council over which the Trust has no control and the information will be supplied by Council in a form that meets the Trust's audit requirements.



## **BOARD'S APPROACH TO GOVERNANCE**

### **GOVERNANCE**

Trustees are appointed by Council and are standard-bearers for the Trust's vision. They are responsible for setting the strategic direction for the Trust and approving the Statement of Intent and the Strategic Plan. The Board monitors organisational performance, the organisation's ongoing viability and the maintenance of its competitiveness. It delegates the day-to-day operation of the Trust 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 the Trust'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 the Trust's compliance with Health and Safety legislation.

### **BOARD MEMBERSHIP**

| <b>Trustee</b>      | <b>Term expires</b> | <b>Committees</b>                         |
|---------------------|---------------------|---|
| Jackie Lloyd, Chair | 30 June 2017        | Chair CEP&R and Ex officio of A&R and PPS |
| Rachel Farrant      | 30 June 2016        | Chair A&R and member of CEP&R             |
| Jill Wilson         | 30 June 2016        | PPS                                       |
| Jane Wrightson      | 31 December 2019    | Chair PPS and member of CEP&R             |
| Nicola Young        | October 2016        | A&R                                       |

### **BOARD PERFORMANCE**

The Board strives to meet best practice governance standards and will undertake an annual review of the overall Board, individual and the Chair's performance and report to the Chief Executive of Council by 30 September 2016.



### *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 the Trust and Council.
- Full disclosure of information will be provided to Council from the Trust as deemed necessary by Council to ensure its interests are upheld.
- Early advice to Council in the event of any situation that may be potentially contentious in nature.
- Disclosing within the Trust’s Strategic Plan any significant transactions that are planned.

### **Stakeholder Management**

Stakeholder management continues to be a focus. As the Trust improves the coordination of its fundraising efforts, it will seek to develop a stakeholder engagement plan for key individuals and groups. We will set communication objectives based on our strategic objectives, and prioritise stakeholders according to impact and influence.

As part of our improved coordination of fundraising we have put in place an improved Customer Relationship Management (CRM) tool. This tool will help us to record and track our contact with key stakeholders at an institution and whole of organisation level.

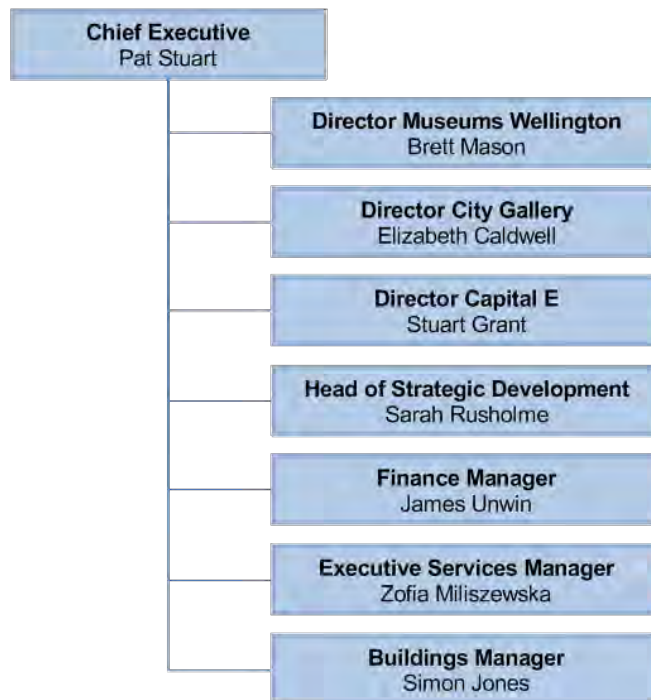




*ORGANISATIONAL HEALTH, CAPABILITY AND RISK ASSESSMENT*

INTRODUCTION

The Trust is a balance of centralised services (governance, Chief Executive, finance, strategic development, human resources and information technology) and teams led by Directors within institutions. 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, plus the resources we have available after fixed costs have been met for exhibitions and public programmes.

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 and health and safety.

**Capability**

We bring to our work leadership, knowledge of audiences, networks and contacts, professional standards of presentation, access to our portfolio of facilities and collections and our commitment to presenting thought-provoking and entertaining visitor experiences.

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 a small annual resource is set aside for this purpose.



We are committed to the principle of collaboration and shared services and will explore all reasonable opportunities to work with sector partners and with Council and its associated organisations for Wellington and its residents.

**Risk Management and Business Continuity**

The Trust's Risk Profile is reviewed regularly and identifies events and or circumstances and the impact that these have on our operations using a system that ranks the probability and level of impact of the event. It includes risk management strategies, including recovery plans, for specific events which carry high risk values. In such events the Trust's ability to continue to operate following a major event will depend on factors outside of its control such as the extent of material damage to buildings and the continuation of Council funding.

Assessed risks which carry a lower risk value tend to be within the operational purview of the Trust 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 are immediately brought to Council's attention.

Our business continuity plan was reviewed in conjunction with Council in 2016.

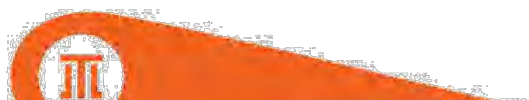
**Insurance**

The Trust has adequate insurance cover to meet its specific business needs and deductibles are in line with generally accepted risk management principles and affordability.



**APPENDIX 1: FORECAST FINANCIAL STATEMENTS**

| Forecast<br>30-Jun-16 | STATEMENT OF FINANCIAL<br>PERFORMANCE<br>Space Place at Carter Observatory<br>(\$'000) | Budget<br>Qtr to<br>30-Sep-<br>16 | Budget<br>Qtr to<br>31-Dec-<br>16 | Budget<br>Qtr to<br>31-Mar-<br>17 | Budget<br>Qtr to<br>30-Jun-<br>17 | Total YE<br>30-Jun-<br>17 | Total YE<br>30-Jun-<br>18 | Total YE<br>30-Jun-<br>19 |
|-----------------------|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|---------------------------|---------------------------|---------------------------|
| <b>Revenue</b>        |  |                                   |                                   |                                   |                                   |                           |                           |                           |
| 500                   | Trading Income   | 104                               | 104                               | 104                               | 104                               | 417                       | 426                       | 435                       |
| 329                   | Council Operating Grant  | 87                                | 87                                | 87                                | 87                                | 347                       | 356                       | 365                       |
| 0                     | Council Rental Grant   | 0                                 | 0                                 | 0                                 | 0                                 | 0                         | 0                         | 0                         |
| 82                    | Other Grants   | 21                                | 21                                | 21                                | 21                                | 82                        | 82                        | 82                        |
| 0                     | Sponsorships and Donations   | 5                                 | 5                                 | 5                                 | 5                                 | 20                        | 9                         | 0                         |
| 0                     | Investment Income  | 0                                 | 0                                 | 0                                 | 0                                 | 0                         | 0                         | 0                         |
| 2                     | Other Income   | 17                                | 17                                | 17                                | 17                                | 69                        | 70                        | 70                        |
| 913                   | <b>Total Revenue</b>   | 234                               | 234                               | 234                               | 234                               | 934                       | 943                       | 962                       |
| <b>Expenditure</b>    |  |                                   |                                   |                                   |                                   |                           |                           |                           |
| 670                   | Employee Costs   | 171                               | 171                               | 171                               | 171                               | 683                       | 690                       | 699                       |
| 0                     | Council Rent   | 0                                 | 0                                 | 0                                 | 0                                 | 0                         | 1                         | 1                         |
| 40                    | Exhibitions & Programmes   | 12                                | 12                                | 12                                | 12                                | 47                        | 26                        | 26                        |
| 80                    | Marketing & Promotions   | 25                                | 25                                | 25                                | 25                                | 100                       | 97                        | 97                        |
| 95                    | Occupancy Costs (excluding Council Rent)   | 24                                | 24                                | 24                                | 24                                | 95                        | 97                        | 97                        |
| 17                    | Communication Costs  | 3                                 | 3                                 | 3                                 | 3                                 | 11                        | 15                        | 15                        |
| 0                     | Trustee Fees & Expenses  | 0                                 | 0                                 | 0                                 | 0                                 | 0                         | 0                         | 0                         |
| 4                     | Technology Costs   | 0                                 | 0                                 | 0                                 | 0                                 | 0                         | 0                         | 0                         |
| 0                     | Professional Fees  | 0                                 | 0                                 | 0                                 | 0                                 | 0                         | 0                         | 0                         |
| 144                   | Administration Expenses  | 32                                | 32                                | 32                                | 32                                | 127                       | 130                       | 130                       |
| 4                     | Other Operating Expenses   | 3                                 | 3                                 | 3                                 | 3                                 | 11                        | 6                         | 6                         |
| 11                    | Depreciation   | 3                                 | 3                                 | 3                                 | 3                                 | 11                        | 11                        | 11                        |
| 0                     | Interest   | 0                                 | 0                                 | 0                                 | 0                                 | 0                         | 0                         | 0                         |
| 1,065                 | <b>Total Expenditure</b>   | 271                               | 271                               | 271                               | 271                               | 1,083                     | 1,072                     | 1,083                     |
| (152)                 | <b>Net Surplus/(Deficit) before Taxation</b>   | (37)                              | (37)                              | (37)                              | (37)                              | (149)                     | (129)                     | (121)                     |
|                       | Taxation Expense   |                                   |                                   |                                   |                                   |                           |                           |                           |
| (152)                 | <b>Net Surplus/(Deficit)</b>   | (37)                              | (37)                              | (37)                              | (37)                              | (149)                     | (129)                     | (121)                     |
| -1.3%                 | <b>Operating Margin</b>  | -15.9%                            | -15.9%                            | -15.9%                            | -15.9%                            | -15.9%                    | -13.6%                    | -12.3%                    |

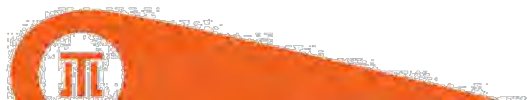


| Forecast           | STATEMENT OF FINANCIAL PERFORMANCE<br>WMT excluding Space Place at Carter<br>Observatory<br>(\$'000) | Budget<br>Qtr to<br>30-Sep-<br>16 | Budget<br>Qtr to<br>31-Dec-<br>16 | Budget<br>Qtr to<br>31-Mar-<br>17 | Budget<br>Qtr to<br>30-Jun-<br>17 | Total YE<br>30-Jun-<br>17 | Total YE<br>30-Jun-<br>18 | Total YE<br>30-Jun-<br>19 |
|--------------------|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|---------------------------|---------------------------|---------------------------|
| <b>Revenue</b>     |  |                                   |                                   |                                   |                                   |                           |                           |                           |
| 1,100              | Trading Income   | 405                               | 405                               | 405                               | 405                               | 1,620                     | 1,000                     | 1,22                      |
| 6,316              | Council Operating Grant  | 1,618                             | 1,618                             | 1,618                             | 1,618                             | 6,471                     | 6,632                     | 6,8'                      |
| 1,769              | Council Rental Grant   | 442                               | 442                               | 442                               | 442                               | 1,769                     | 1,769                     | 1,76                      |
| 950                | Other Grants   | 191                               | 191                               | 191                               | 191                               | 762                       | 762                       | 76                        |
| 406                | Sponsorships and Donations   | 224                               | 224                               | 224                               | 224                               | 896                       | 724                       | 72                        |
| 90                 | Investment Income  | 23                                | 23                                | 23                                | 23                                | 90                        | 90                        | 9                         |
| 160                | Other Income   | 47                                | 47                                | 47                                | 47                                | 188                       | 187                       | 18                        |
| 10,791             | <b>Total Revenue</b>   | 2,949                             | 2,949                             | 2,949                             | 2,949                             | 11,796                    | 11,164                    | 11,5i                     |
| <b>Expenditure</b> |  |                                   |                                   |                                   |                                   |                           |                           |                           |
| 4,660              | Employee Costs   | 1,212                             | 1,212                             | 1,212                             | 1,212                             | 4,849                     | 4,968                     | 4,9'                      |
| 1,353              | Council Rent   | 358                               | 358                               | 358                               | 358                               | 1,433                     | 1,432                     | 1,43                      |
| 1,898              | Exhibitions & Programmes   | 622                               | 622                               | 622                               | 622                               | 2,488                     | 1,946                     | 2,38                      |
| 500                | Marketing & Promotions   | 185                               | 185                               | 185                               | 185                               | 740                       | 526                       | 58                        |
| 1,200              | Occupancy Costs (excluding Council Rent)   | 253                               | 253                               | 253                               | 253                               | 1,012                     | 1,009                     | 1,02                      |
| 120                | Communication Costs  | 27                                | 27                                | 27                                | 27                                | 108                       | 107                       | 10                        |
| 90                 | Trustee Fees & Expenses  | 21                                | 21                                | 21                                | 21                                | 84                        | 84                        | 8                         |
| 170                | Technology Costs   | 38                                | 38                                | 38                                | 38                                | 154                       | 155                       | 15                        |
| 40                 | Professional Fees  | 10                                | 10                                | 10                                | 10                                | 41                        | 42                        | 4                         |
| 310                | Administration Expenses  | 88                                | 88                                | 88                                | 88                                | 350                       | 355                       | 36                        |
| 50                 | Other Operating Expenses   | 28                                | 28                                | 28                                | 28                                | 111                       | 117                       | 11                        |
| 400                | Depreciation   | 106                               | 106                               | 106                               | 106                               | 425                       | 425                       | 42                        |
| 0                  | Interest   | 0                                 | 0                                 | 0                                 | 0                                 | 0                         | 0                         | 0                         |
| 10,791             | <b>Total Expenditure</b>   | 2,949                             | 2,949                             | 2,949                             | 2,949                             | 11,795                    | 11,165                    | 11,68                     |
| 0                  | <b>Net Surplus/(Deficit) before Taxation</b>   | 0                                 | 0                                 | 0                                 | 0                                 | 0                         | 0                         | (8                        |
| Taxation Expense   |  |                                   |                                   |                                   |                                   |                           |                           |                           |
| 0                  | <b>Net Surplus/(Deficit)</b>   | 0                                 | 0                                 | 0                                 | 0                                 | 0                         | 0                         | (8                        |
| 0.0%               | <b>Operating Margin</b>  | 0.0%                              | 0.0%                              | 0.0%                              | 0.0%                              | 0.0%                      | 0.0%                      | -0.7                      |

Note: The increase in Trading Income in 2016-17 arises from the Cindy Sherman exhibition and the Capital E National Arts Festival for children.



| Forecast<br>30-Jun-16 | STATEMENT OF FINANCIAL<br>PERFORMANCE<br>WMT Total | Budget<br>Qtr to<br>30-Sep-<br>16 | Budget<br>Qtr to<br>31-Dec-<br>16 | Budget<br>Qtr to<br>31-Mar-<br>17 | Budget<br>Qtr to<br>30-Jun-<br>17 | Total YE<br>30-Jun-<br>17 | Total YE<br>30-Jun-<br>18 | Total Yt<br>30-Jun-<br>19 |
|-----------------------|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|---------------------------|---------------------------|---------------------------|
| <b>Revenue</b>        |  |                                   |                                   |                                   |                                   |                           |                           |                           |
| 1,600                 | Trading Income                                     | 509                               | 509                               | 509                               | 509                               | 2,037                     | 1,426                     | 1,65                      |
| 6,645                 | Council Operating Grant                            | 1,704                             | 1,704                             | 1,704                             | 1,704                             | 6,817                     | 6,988                     | 7,17                      |
| 1,769                 | Council Rental Grant                               | 442                               | 442                               | 442                               | 442                               | 1,769                     | 1,769                     | 1,76                      |
| 1,032                 | Other Grants                                       | 211                               | 211                               | 211                               | 211                               | 844                       | 844                       | 84                        |
| 406                   | Sponsorships and Donations                         | 229                               | 229                               | 229                               | 229                               | 916                       | 733                       | 73                        |
| 90                    | Investment Income                                  | 23                                | 23                                | 23                                | 23                                | 90                        | 90                        | 9                         |
| 162                   | Other Income                                       | 64                                | 64                                | 64                                | 64                                | 257                       | 257                       | 26                        |
| 11,704                | <b>Total Revenue</b>                               | 3,183                             | 3,183                             | 3,183                             | 3,183                             | 12,730                    | 12,107                    | 12,54                     |
| <b>Expenditure</b>    |  |                                   |                                   |                                   |                                   |                           |                           |                           |
| 5,330                 | Employee Costs                                     | 1,383                             | 1,383                             | 1,383                             | 1,383                             | 5,531                     | 5,658                     | 5,61                      |
| 1,353                 | Council Rent                                       | 358                               | 358                               | 358                               | 358                               | 1,433                     | 1,433                     | 1,43                      |
| 1,938                 | Exhibitions & Programmes                           | 634                               | 634                               | 634                               | 634                               | 2,534                     | 1,971                     | 2,42                      |
| 580                   | Marketing & Promotions                             | 210                               | 210                               | 210                               | 210                               | 840                       | 623                       | 69                        |
| 1,295                 | Occupancy Costs (excluding Council Rent)           | 277                               | 277                               | 277                               | 277                               | 1,107                     | 1,106                     | 1,11                      |
| 137                   | Communication Costs                                | 30                                | 30                                | 30                                | 30                                | 119                       | 122                       | 12                        |
| 90                    | Trustee Fees & Expenses                            | 21                                | 21                                | 21                                | 21                                | 84                        | 84                        | 8                         |
| 174                   | Technology Costs                                   | 38                                | 38                                | 38                                | 38                                | 154                       | 155                       | 15                        |
| 40                    | Professional Fees                                  | 10                                | 10                                | 10                                | 10                                | 41                        | 42                        | 4                         |
| 454                   | Administration Expenses                            | 119                               | 119                               | 119                               | 119                               | 477                       | 484                       | 49                        |
| 54                    | Other Operating Expenses                           | 30                                | 30                                | 30                                | 30                                | 122                       | 123                       | 12                        |
| 411                   | Depreciation                                       | 109                               | 109                               | 109                               | 109                               | 436                       | 436                       | 43                        |
| 0                     | Interest   | 0                                 | 0                                 | 0                                 | 0                                 | 0                         | 0                         |                           |
| 11,856                | <b>Total Expenditure</b>                           | 3,220                             | 3,220                             | 3,220                             | 3,220                             | 12,879                    | 12,237                    | 12,73                     |
| (152)                 | <b>Net Surplus/(Deficit) before Taxation</b>       | (37)                              | (37)                              | (37)                              | (37)                              | (149)                     | (129)                     | (19)                      |
|                       | Taxation Expense                                   |                                   |                                   |                                   |                                   |                           |                           |                           |
| (152)                 | <b>Net Surplus/(Deficit)</b>                       | (37)                              | (37)                              | (37)                              | (37)                              | (149)                     | (129)                     | (19)                      |
| -1.3%                 | <b>Operating Margin</b>                            | -1.2%                             | -1.2%                             | -1.2%                             | -1.2%                             | -1.2%                     | -1.1%                     | -1.6%                     |



| Forecast<br>30-Jun-16          | <b>STATEMENT OF FINANCIAL POSITION<br/>(\$'000)</b> | Budget<br>30-Sep-<br>16 | Budget<br>31-Dec-<br>16 | Budget<br>31-Mar-<br>17 | Budget<br>30-Jun-<br>17 | Total YE<br>30-Jun-<br>17 | Total YE<br>30-Jun-<br>18 | Total YE<br>30-Jun-<br>19 |
|--------------------------------|---|-------------------------|-------------------------|-------------------------|-------------------------|---------------------------|---------------------------|---------------------------|
| <b>Shareholder/Trust Funds</b> |   |                         |                         |                         |                         |                           |                           |                           |
| 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                         |
| 373                            | Restricted Funds                                    | 373                     | 373                     | 373                     | 373                     | 373                       | 373                       | 373                       |
| 1,640                          | Retained Earnings                                   | 1,603                   | 1,566                   | 1,529                   | 1,491                   | 1,491                     | 1,362                     | 1,166                     |
| 4,136                          | <b>Total Shareholder/Trust Funds</b>                | 4,099                   | 4,062                   | 4,025                   | 3,987                   | 3,987                     | 3,858                     | 3,662                     |
| <b>Current Assets</b>          |   |                         |                         |                         |                         |                           |                           |                           |
| 140                            | Cash and Bank                                       | 10                      | 10                      | 10                      | 10                      | 10                        | 10                        | 10                        |
| 250                            | Accounts Receivable                                 | 120                     | 120                     | 120                     | 120                     | 120                       | 126                       | 130                       |
| 150                            | Other Current Assets                                | 100                     | 100                     | 100                     | 100                     | 100                       | 105                       | 110                       |
| 540                            | <b>Total Current Assets</b>                         | 230                     | 230                     | 230                     | 230                     | 230                       | 241                       | 250                       |
| <b>Investments</b>             |   |                         |                         |                         |                         |                           |                           |                           |
| 697                            | Deposits on Call                                    | 2,582                   | 953                     | 2,565                   | 897                     | 897                       | 1,063                     | 1,440                     |
| 0                              | Other Investments                                   | 0                       | 0                       | 0                       | 0                       | 0                         | 0                         | 0                         |
| 697                            | <b>Total Investments</b>                            | 2,582                   | 953                     | 2,565                   | 897                     | 897                       | 1,063                     | 1,440                     |
| <b>Non-Current Assets</b>      |   |                         |                         |                         |                         |                           |                           |                           |
| 4,118                          | Fixed Assets  | 4,121                   | 4,125                   | 4,128                   | 4,132                   | 4,132                     | 4,166                     | 4,166                     |
| 29                             | Other Non-current Assets                            | 29                      | 29                      | 29                      | 29                      | 29                        | 29                        | 29                        |
| 4,147                          | <b>Total Non-current Assets</b>                     | 4,150                   | 4,154                   | 4,157                   | 4,161                   | 4,161                     | 4,195                     | 4,220                     |
| 5,384                          | <b>Total Assets</b>                                 | 6,962                   | 5,337                   | 6,952                   | 5,287                   | 5,287                     | 5,498                     | 5,932                     |
| <b>Current Liabilities</b>     |   |                         |                         |                         |                         |                           |                           |                           |
| 800                            | Accounts Payable and Accruals                       | 808                     | 816                     | 863                     | 800                     | 800                       | 1,115                     | 1,440                     |
| 450                            | Provisions  | 455                     | 459                     | 464                     | 500                     | 500                       | 525                       | 800                       |
| 0                              | Other Current Liabilities                           | 0                       | 0                       | 0                       | 0                       | 0                         | 0                         | 0                         |
| 1,250                          | <b>Total Current Liabilities</b>                    | 1,263                   | 1,275                   | 1,327                   | 1,300                   | 1,300                     | 1,640                     | 2,240                     |
| <b>Non-Current Liabilities</b> |   |                         |                         |                         |                         |                           |                           |                           |
| 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                       | 1,601                   | 0                       | 1,601                   | 0                       | 0                         | 0                         | 0                         |
| 0                              | <b>Total Non-Current Liabilities</b>                | 1,601                   | 0                       | 1,601                   | 0                       | 0                         | 0                         | 0                         |
| 4,134                          | <b>Net Assets</b>                                   | 4,099                   | 4,062                   | 4,025                   | 3,987                   | 3,987                     | 3,858                     | 3,662                     |
| 0.43                           | <b>Current Ratio</b>                                | 0.18                    | 0.18                    | 0.17                    | 0.18                    | 0.18                      | 0.15                      | 0.15                      |
| 0.77                           | <b>Equity Ratio</b>                                 | 0.59                    | 0.76                    | 0.58                    | 0.75                    | 0.75                      | 0.70                      | 0.66                      |



| Forecast<br>30-Jun-16      | STATEMENT OF CASH FLOWS<br>(\$'000)         | Budget<br>Qtr to<br>30-Sep-<br>16 | Budget<br>Qtr to<br>31-Dec-<br>16 | Budget<br>Qtr to<br>31-Mar-<br>17 | Budget<br>Qtr to<br>30-Jun-<br>17 | Total YE<br>30-Jun-<br>17 | Total YE<br>30-Jun-<br>18 | Total YE<br>30-Jun-<br>19 |
|----------------------------|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|---------------------------|---------------------------|---------------------------|
| <b>Cash provided from:</b> |   |                                   |                                   |                                   |                                   |                           |                           |                           |
| 2,325                      | Trading Receipts                            | 689                               | 509                               | 509                               | 509                               | 2,217                     | 1,415                     | 1,64                      |
| 8,414                      | WCC Grants                                  | 3,747                             | 546                               | 3,747                             | 546                               | 8,586                     | 8,757                     | 8,94                      |
| 1,032                      | Other Grants                                | 211                               | 211                               | 211                               | 211                               | 844                       | 844                       | 84                        |
| 406                        | Sponsorships and Donations                  | 229                               | 229                               | 229                               | 229                               | 916                       | 733                       | 73                        |
| 90                         | Investment Income                           | 23                                | 23                                | 23                                | 23                                | 90                        | 90                        | 9                         |
| 162                        | Other Income                                | 64                                | 64                                | 64                                | 64                                | 257                       | 257                       | 25                        |
| 12,429                     |   | 4,963                             | 1,582                             | 4,783                             | 1,582                             | 12,910                    | 12,096                    | 12,54                     |
| <b>Cash applied to:</b>    |   |                                   |                                   |                                   |                                   |                           |                           |                           |
| 5,330                      | Payments to Employees                       | 1,383                             | 1,383                             | 1,383                             | 1,383                             | 5,531                     | 5,658                     | 5,67                      |
| 8,871                      | Payments to Suppliers                       | 2,033                             | 2,033                             | 1,994                             | 2,073                             | 8,132                     | 7,019                     | 7,33                      |
| 7                          | Net GST Cashflow                            | (318)                             | (318)                             | (318)                             | (318)                             | (1,271)                   | (1,216)                   | (1,26                     |
| 0                          | Other Operating Costs                       | 0                                 | 0                                 | 0                                 | 0                                 | 0                         | 0                         | 0                         |
| 0                          | Interest Paid                               | 0                                 | 0                                 | 0                                 | 0                                 | 0                         | 0                         | 0                         |
| 14,208                     |   | 3,098                             | 3,098                             | 3,059                             | 3,137                             | 12,392                    | 11,460                    | 11,68                     |
| (1,779)                    | <b>Total Operating Cash Flow</b>            | 1,865                             | (1,516)                           | 1,724                             | (1,556)                           | 518                       | 636                       | 84                        |
| <b>Investing Cash Flow</b> |   |                                   |                                   |                                   |                                   |                           |                           |                           |
| <b>Cash provided from:</b> |   |                                   |                                   |                                   |                                   |                           |                           |                           |
| 0                          | Sale of Fixed Assets                        | 0                                 | 0                                 | 0                                 | 0                                 | 0                         | 0                         | 0                         |
| 0                          | Other                                       | 0                                 | 0                                 | 0                                 | 0                                 | 0                         | 0                         | 0                         |
| <b>Cash applied to:</b>    |   |                                   |                                   |                                   |                                   |                           |                           |                           |
| 450                        | Purchase of Fixed Assets                    | 113                               | 113                               | 113                               | 113                               | 450                       | 470                       | 41                        |
| 0                          | Other                                       | 0                                 | 0                                 | 0                                 | 0                                 | 0                         | 0                         | 0                         |
| 450                        |   | 113                               | 113                               | 113                               | 113                               | 450                       | 470                       | 41                        |
| (450)                      | <b>Total Investing Cash Flow</b>            | (113)                             | (113)                             | (113)                             | (113)                             | (450)                     | (470)                     | (47                       |
| <b>Financing Cash Flow</b> |   |                                   |                                   |                                   |                                   |                           |                           |                           |
| <b>Cash provided from:</b> |   |                                   |                                   |                                   |                                   |                           |                           |                           |
| 0                          | Drawdown of Loans                           | 0                                 | 0                                 | 0                                 | 0                                 | 0                         | 0                         | 0                         |
| 0                          | Other                                       | 0                                 | 0                                 | 0                                 | 0                                 | 0                         | 0                         | 0                         |
| <b>Cash applied to:</b>    |   |                                   |                                   |                                   |                                   |                           |                           |                           |
| 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                                 | 0                         | 0                         | 0                         |
| 0                          | <b>Total Financing Cash Flow</b>            | 0                                 | 0                                 | 0                                 | 0                                 | 0                         | 0                         | 0                         |
| (2,229)                    | <b>Net Increase/(Decrease) in Cash Held</b> | 1,753                             | (1,629)                           | 1,612                             | (1,668)                           | 68                        | 166                       | 31                        |
| 3,066                      | <b>Opening Cash Equivalents</b>             | 837                               | 2,590                             | 961                               | 2,573                             | 837                       | 905                       | 1,01                      |
| 837                        | <b>Closing Cash Equivalents</b>             | 2,590                             | 961                               | 2,573                             | 905                               | 905                       | 1,071                     | 1,42                      |
| 0                          |   | (2)                               | (2)                               | (2)                               | (2)                               | (2)                       | (2)                       | (                         |



| Forecast<br>30-Jun-16 | <b>CASH FLOW RECONCILIATION</b>                  | Budget<br>Qtr to<br>30-Sep-<br>16 | Budget<br>Qtr to<br>31-Dec-<br>16 | Budget<br>Qtr to<br>31-Mar-<br>17 | Budget<br>Qtr to<br>30-Jun-<br>17 | Forecast<br>to<br>30-Jun-<br>17 | Forecast<br>to<br>30-Jun-<br>18 | Forecast<br>to<br>30-Jun-<br>19 |
|-----------------------|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|---------------------------------|---------------------------------|---------------------------------|
| (152)                 | <b>Operating Surplus/(Deficit) for the Year</b>  | (37)                              | (37)                              | (37)                              | (37)                              | (149)                           | (129)                           | (19)                            |
|                       | <b>Add Non Cash Items</b>                        |                                   |                                   |                                   |                                   |                                 |                                 |                                 |
| 411                   | Depreciation                                     | 109                               | 109                               | 109                               | 109                               | 436                             | 436                             | 436                             |
| 0                     | Other  | 0                                 | 0                                 | 0                                 | 0                                 | 0                               | 0                               | 0                               |
| 259                   |  | 72                                | 72                                | 72                                | 72                                | 288                             | 307                             | 288                             |
|                       | <b>Movements in Working Capital</b>              |                                   |                                   |                                   |                                   |                                 |                                 |                                 |
| 745                   | (Increase)/Decrease in Receivables               | 130                               | 0                                 | 0                                 | 0                                 | 130                             | (6)                             | (6)                             |
| (20)                  | (Increase)/Decrease in Other Current Assets      | 50                                | 0                                 | 0                                 | 0                                 | 50                              | (5)                             | (5)                             |
| (2,763)               | Increase/(Decrease) in Accounts Payable          | 8                                 | 8                                 | 47                                | (63)                              | 0                               | 315                             | 252                             |
| 0                     | Increase/(Decrease) in Other Current Liabilities | 1,605                             | -1,596                            | 1,605                             | -1,564                            | 50                              | 25                              | 325                             |
| (2,038)               |  | 1,793                             | -1,588                            | 1,653                             | -1,628                            | 230                             | 329                             | 637                             |
|                       | <b>Net Gain/(Loss) on Sale:</b>                  |                                   |                                   |                                   |                                   |                                 |                                 |                                 |
| 0                     | Fixed Assets                                     | 0                                 | 0                                 | 0                                 | 0                                 | 0                               | 0                               | 0                               |
| 0                     | Investments                                      | 0                                 | 0                                 | 0                                 | 0                                 | 0                               | 0                               | 0                               |
| (1,779)               | <b>Net Cash Flow from Operations</b>             | 1,865                             | (1,516)                           | 1,724                             | (1,556)                           | 518                             | 636                             | 842                             |
| 0                     |  | 0                                 | 0                                 | 0                                 | 0                                 | 0                               | -0                              | 0                               |





## **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 the Trust.

#### **1. Reporting entity**

The Wellington Museums Trust Incorporated (the Trust) is registered as a charitable entity under the Charities Act 2005. It is a Council Controlled Organization (CCO) in terms of the Local Government Act 2002.

The financial statements of the Trust include the activities of the following business units - the Wellington Museums Trust, Wellington Museum, City Gallery Wellington, Capital E, Nairn Street Cottage, the Wellington Cable Car Museum and Space Place at Carter Observatory as from 1 June 2010.

The principal activity of the Trust 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, the Trust is a public benefit entity (public sector).

The Trust 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.

The Trust 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 the Trust 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 Trust'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 are 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 Trust's 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 2015 is appropriate and that no impairment has occurred.

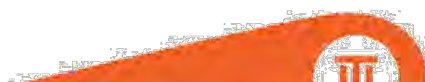
**c) Intangible assets**

**Computer software**

Software applications that are acquired by the Trust 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 the Trust'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 whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in surplus/ (deficit).

Estimated recoverable amount of other assets, e.g. property, plant and equipment and intangible asset, is the greater of their fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting these to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

**h) Employee benefits**

**Long service leave** The Trust'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 the Trust has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax 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**

The Trust'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 the Trust'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**

The Trust 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 the Trust 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, the Trust may have to provide for further liabilities that might arise, and to reclassify property, plant and equipment as current assets.

**n) Income tax**

The Trust is registered as a Charitable Trust and is exempt from income tax. The Trust 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**

- The Trust prefers to remain debt-free.
- Debt may not be raised to finance operating expenses.
- The Trust has a policy ratio of total assets to total liabilities of 3:1.

**5. Activities for which compensation from Council is sought**

The Trust seeks funding of \$6.817M for the core operation of the Trust including Space Place at Carter Observatory and an accommodation rental subsidy of \$1.769M for the 2016-17 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 2016 the ratio of shareholders' funds to total assets is 0.77 and this moves to 0.75 in the forecasted Statement of Financial Position as at 30 June 2017.

**7. Significant Obligations/Contingent Liabilities**

The Trust currently holds no cash reserves to meet operational requirements and to mitigate risks.

The Trust has no contingent liabilities.

**8. Distribution to Settlor**

The Wellington Museums Trust does not make a distribution to the Settlor.



*APPENDIX 3: LINKS TO COUNCIL'S ARTS AND CULTURE PRIORITIES:*

| Council Arts & Culture Priority                          | Wellington Museums Trust Focus in 2016-17   |
|--|---|
| <i>Reinvigorate the capital city cultural experience</i> | <p>Council's Research and Evaluation team's pilot Social Return on Investment study demonstrated that our visitor experiences are Wellington landmarks and are greatly valued by Wellingtonians and visitors to the city. They generate significant social and economic value and are a source of pride and drivers of visitation, and recommendations to visit the city.</p> <p>The Attic at Wellington Museum, the Capital E National Arts Festival for children and City Gallery Wellington's upcoming Cindy Sherman exhibition, and its plan to develop its entrance, foyer and ground floor all contribute to the city's liveability and attractiveness to visitors.</p> |
| <i>Wellington as a region of confident identities</i>    | <p>As outlined in our Strategic Plan, we are committed to reflecting the diversity of our region. In 2016-17 our priority audiences are children and young people and people with hearing, visual and/or mobility impairments.</p>  |
| <i>Active and engaged people</i>                         | <p>Each year, the Trust delivers hundreds of programmes and events and invites active engagement at each of our sites, online and through outreach. These sit against a backdrop of high-quality exhibitions and experiences. In 2016-17 nearly a million people will visit our sites or participate in online activities with us.</p>  |
| <i>A centre of creative learning</i>                     | <p>The Trust welcomes over 40,000 school children to structured programmes delivered by trained educators at our sites every year. In 2017 this number will double with the development and delivery of the 2017 Capital E National Arts Festival.</p> <p>Year-round we offer high quality, curriculum-linked learning experiences for audiences of all ages: from space science to visual art; from heritage to performing arts; and from creative digital technology to film-making.</p>  |
| <i>Our creative future through technology</i>            | <p>Capital E provides a range of creative digital technology learning opportunities for children and young people</p> <p>Space Place is home to a state of the art digital planetarium.</p> <p>City Gallery Wellington showcases the best of contemporary art, including many digital and film works.</p>   |



**APPENDIX 4: PERFORMANCE MEASUREMENTS BY INSTITUTION**

NB: Capital E 2016-17 and 2018-19 figures include the National Arts Festival for Children. 2014-15 figures are actual results.

**TABLE 1 RESIDENTS' AWARENESS (ANNUAL SURVEY)**

| Residents' Awareness              | 2014-15    | 2015-16    | 2016-17    | 2017-18    | 2018-19    |
|-----------------------------------|------------|------------|------------|------------|------------|
| City Gallery Wellington           | 93%        | 92%        | 95%        | 95%        | 95%        |
| Wellington Museum                 | 98%        | 92%        | 95%        | 95%        | 95%        |
| Capital E                         | 89%        | 90%        | 90%        | 90%        | 90%        |
| Cable Car Museum                  | 95%        | 92%        | 95%        | 95%        | 95%        |
| Space Place at Carter Observatory | 96%        | 92%        | 95%        | 95%        | 95%        |
| Nairn Street Cottage              | 60%        | 60%        | 60%        | 60%        | 60%        |
| <b>Trust Average</b>              | <b>88%</b> | <b>86%</b> | <b>88%</b> | <b>88%</b> | <b>88%</b> |

**TABLE 2 PHYSICAL VISITATION\***

| Visitor Numbers                      | 2014-15        | 2015-16        | 2016-17        | Q1             | Q2             | Q3             | Q4             | 2017-18        | 2018-19        |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| City Gallery Wellington*             | 169,943        | 150,000        | 135,000        | 36,450         | 31,050         | 33,750         | 33,750         | 160,000        | 165,000        |
| Wellington Museum                    | 124,955        | 120,000        | 120,000        | 22,800         | 36,000         | 36,000         | 25,200         | 126,000        | 132,000        |
| Capital E**                          | 111,273        | 62,300         | 105,000        | 13,650         | 17,850         | 46,200         | 27,300         | 90,000         | 110,000        |
| Cable Car Museum                     | 237,099        | 221,000        | 220,000        | 35,200         | 63,800         | 78,000         | 43,000         | 235,000        | 235,000        |
| Space Place at Carter Observatory*** | 42,633         | 44,500         | 46,800         | 10,764         | 11,700         | 10,296         | 14,040         | 49,000         | 50,000         |
| Nairn Street Cottage                 | 3,511          | 3,200          | 3,200          | 286            | 440            | 2,034          | 440            | 3,300          | 3,400          |
| <b>Trust Total</b>                   | <b>689,414</b> | <b>600,000</b> | <b>630,000</b> | <b>119,150</b> | <b>160,840</b> | <b>206,280</b> | <b>143,730</b> | <b>663,300</b> | <b>695,400</b> |

\* Visitation at City Gallery may decrease as a result of the Cindy Sherman exhibition which will have an entry charge. It may also be affected if the Entrance/Foyer development goes ahead in April.

\*\* Capital E's National Arts Festival for Children will boost visitation in March 2017 and 2019.

\*\*\*Space Place new brand and business model has been rolled-out.

**TABLE 3 VIRTUAL VISITATION**

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

| Virtual Visitor Numbers | 2014-15        | 2015-16        | 2016-17        | 2017-18        | 2018-19        |
|-------------------------|----------------|----------------|----------------|----------------|----------------|
| City Gallery Wellington | 113,025        | 76,000         | 110,000        | 115,000        | 120,000        |
| Museums Wellington      | 80,678         | 83,000         | 78,000         | 80,000         | 82,000         |
| Capital E               | 60,454         | 30,000         | 62,000         | 64,000         | 66,000         |
| <b>Trust Total</b>      | <b>254,157</b> | <b>185,000</b> | <b>250,000</b> | <b>259,000</b> | <b>268,000</b> |



**TABLE 4 SOCIAL MEDIA PROFILE**

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

| Social Media Numbers              | 2014-15       | 2015-16       | 2016-17       | 2017-18       | 2018-19       |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|
| City Gallery Wellington           | 20,225        | 16,500        | 22,000        | 24,000        | 26,000        |
| Museums Wellington                | 3,870         | 4,000         | 6,590         | 7,908         | 9,490         |
| Capital E                         | 3,428         | 4,000         | 4,500         | 5,000         | 5,500         |
| Space Place at Carter Observatory | 6,509         | 5,750         | 8,800         | 10,560        | 12,672        |
| <b>Trust Total</b>                | <b>34,032</b> | <b>30,250</b> | <b>41,890</b> | <b>47,468</b> | <b>54,662</b> |

**TABLE 5 QUALITY OF PHYSICAL VISIT**

| Quality of the Visitor Experience | 2014-15    | 2015-16    | 2016-17    | 2017-18    | 2018-19    |
|-----------------------------------|------------|------------|------------|------------|------------|
| City Gallery Wellington           | 89%        | 90%        | 90%        | 90%        | 90%        |
| Museum of Wellington              | 90%        | 90%        | 90%        | 90%        | 90%        |
| Capital E                         | 91%        | 90%        | 90%        | 90%        | 90%        |
| Wellington Cable Car Museum       | 85%        | 90%        | 90%        | 90%        | 90%        |
| Space Place at Carter Observatory | 93%        | 90%        | 90%        | 90%        | 90%        |
| Nairn Street Cottage              | 92%        | 90%        | 90%        | 90%        | 90%        |
| <b>Trust Average</b>              | <b>90%</b> | <b>90%</b> | <b>90%</b> | <b>90%</b> | <b>90%</b> |

**TABLE 6 REPEAT VISITATION**

| Repeat Visitation                 | 2014-15    | 2015-16    | 2016-17    | 2017-18    | 2018-19    |
|-----------------------------------|------------|------------|------------|------------|------------|
| City Gallery Wellington           | 73%        | 40%        | 40%        | 40%        | 40%        |
| Wellington Museum                 | 26%        | 25%        | 25%        | 25%        | 25%        |
| Capital E                         | 61%        | 40%        | 40%        | 40%        | 40%        |
| Wellington Cable Car Museum       | 38%        | 25%        | 25%        | 25%        | 25%        |
| Space Place at Carter Observatory | 22%        | 20%        | 22%        | 24%        | 25%        |
| <b>Trust Average</b>              | <b>44%</b> | <b>30%</b> | <b>30%</b> | <b>31%</b> | <b>31%</b> |

**TABLE 7 NON COUNCIL REVENUE**

| Non Council Revenue (\$'000)      | 2014-15      | 2015-16      | 2016-17      | 2017-18      | 2018-19      |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|
| City Gallery Wellington           | 485          | 545          | 1,284        | 827          | 829          |
| Museums Wellington*               | 622          | 584          | 573          | 619          | 626          |
| Capital E**                       | 1,355        | 947          | 1,534        | 1,147        | 1,367        |
| Space Place at Carter Observatory | 595          | 720          | 588          | 587          | 596          |
| <b>Trust Total</b>                | <b>3,311</b> | <b>3,036</b> | <b>4,144</b> | <b>3,350</b> | <b>3,593</b> |

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

\*\*Capital E holds the National Festival of the Arts in 2017 and 2019





**TABLE 8 SPEND PER VISIT**

| Spend per Visit (\$)              | 2014-15     | 2015-16     | 2016-17     | 2017-18     | 2018-19     |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|
| City Gallery Wellington*          | 1.27        | 1.79        | 5.19        | 1.62        | 1.58        |
| Museums Wellington**              | 1.41        | 1.36        | 1.33        | 1.46        | 1.40        |
| Capital E***                      | 10.85       | 4.45        | 5.48        | 3.84        | 5.14        |
| Space Place at Carter Observatory | 9.88        | 13.92       | 10.38       | 10.12       | 10.10       |
| <b>Trust Average</b>              | <b>3.27</b> | <b>2.71</b> | <b>3.46</b> | <b>2.53</b> | <b>2.75</b> |

\*City Gallery increased spend in 2016-17 is due to the Cindy Sherman exhibition.

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

\*\*\*Capital E is hosting the Children's Festival in 2016-17 and 2018-19.

**TABLE 9 COUNCIL SUBSIDY PER VISIT\***

| Subsidy per Visit (\$)            | 2014-15      | 2015-16      | 2016-17      | 2017-18      | 2018-19      |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|
| City Gallery Wellington           | 14.02        | 14.15        | 14.30        | 14.21        | 14.01        |
| Museums Wellington**              | 5.39         | 4.83         | 5.44         | 5.40         | 5.15         |
| Capital E                         | 26.98        | 22.25        | 14.36        | 14.53        | 14.91        |
| Space Place at Carter Observatory | 7.88         | 10.16        | 10.59        | 9.89         | 9.69         |
| <b>Trust Average</b>              | <b>11.48</b> | <b>10.89</b> | <b>10.80</b> | <b>10.54</b> | <b>10.32</b> |

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

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

**Note: Council's Ownership Interest**

At Council's request we will include Council's direct ownership costs which relate to the assets we manage on its behalf in future monitoring reports to Council. These are costs incurred by Council over which the Trust has no control and the information will be supplied by Council in a form that meets the Trust's audit requirements.



**DIRECTORY**

**Wellington Museums Trust Office**

Level 8, AMI Plaza,  
342 Lambton Quay, PO Box 893, Wellington  
P: 04 471 0919  
E: [trust@wmt.org.nz](mailto:trust@wmt.org.nz)  
[www.wmt.org.nz](http://www.wmt.org.nz)

**City Gallery Wellington**

Civic Square  
101 Wakefield Street  
PO Box 893, Wellington  
P: 04 801 3021  
E: [citygallery@wmt.org.nz](mailto:citygallery@wmt.org.nz)  
[www.city-gallery.org.nz](http://www.city-gallery.org.nz)

**Capital E**

4 Queens Wharf  
PO Box 893, Wellington  
P: 04 913 3740, F: 04 913 3735  
E: [capitale@wmt.org.nz](mailto:capitale@wmt.org.nz)  
[www.capitale.org.nz](http://www.capitale.org.nz)

**Space Place at Carter Observatory**

Botanic Gardens  
PO Box 893, Wellington  
P: 04 910 3140  
E: [spaceplace@wmt.org.nz](mailto:spaceplace@wmt.org.nz)  
[www.museumswellington.org.nz](http://www.museumswellington.org.nz)

**Wellington Museum**

The Bond Store, Queens Wharf  
PO Box 893, Wellington  
P: 04 472 8904, F: 04 496 1949  
E: [museumswellington@wmt.org.nz](mailto:museumswellington@wmt.org.nz)  
[www.museumswellington.org.nz](http://www.museumswellington.org.nz)

**Cable Car Museum**

1 Upland Road  
PO Box 893, Wellington  
P: 04 475 3578, F: 04 475 3594  
E: [cablecar@wmt.org.nz](mailto:cablecar@wmt.org.nz)  
[www.museumswellington.org.nz](http://www.museumswellington.org.nz)

**Nairn Street Cottage**

68 Nairn Street  
PO Box 893, Wellington  
P: 04 384 9122, F: 04 384 9202  
E: [nairnstreetcottage@wmt.org.nz](mailto:nairnstreetcottage@wmt.org.nz)  
[www.museumswellington.org.nz](http://www.museumswellington.org.nz)

**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@wmt.org.nz](mailto:cricket@wmt.org.nz)  
<http://nzcricketmuseum.co.nz/>



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**Wellington Regional Economic Development Agency**

**Statement of Intent 2016 - 2019**

March 2016

## Contents

|   |    |
|---|----|
| Contents.....                                     | 4  |
| Foreword.....                                     | 5  |
| Background .....                                  | 6  |
| Why? Our vision for Wellington.....               | 7  |
| What? Our mission and objectives .....            | 8  |
| How? Strategies and tactics for 2016 - 2018 ..... | 10 |
| Table of Key Projects and Programmes .....        | 11 |
| Performance measures.....                         | 21 |
| Economy-wide indicators.....                      | 22 |
| Appendix 1: Letter of Expectation .....           | 23 |
| Appendix 2: Strategic Plan on a Page .....        | 24 |
| Appendix 3: Governance and accounting.....        | 25 |

## Foreword

The Wellington Regional Economic Development Agency (WREDA) exists to catalyse economic growth in Wellington and to advance the prosperity and liveability of this great region.

This Statement of Intent sets out WREDA's ambitions and programmes of work for the 2016-2019 period. It builds on the initial 2015/16 Statement, and is an evolution of the work begun therein. Over the next twelve months we will continue building internal capability, focusing resources to deliver greater ongoing value for stakeholders, and coordinating operations to leverage the cross-sector potential of our amalgamated agency.

The period covered by this Statement of Intent sees WREDA transition from multiple agencies united in name, to a new, cohesive organisation, catalysing activity in the economy in new ways. This Statement of Intent is not written simply as a compliance document, but rather as a 'call to arms' for WREDA and the various stakeholders – residents, businesses, Government and City/Regional entities – who have a vested interest in Wellington's long-term success. Only consistent, constructive and collective action, motivated towards achieving our goals and enabling the 2025 vision for Wellington, can bring success.

Wellington is on the cusp of its next phase of significant evolution. The 2016 – 2019 period will be one of economic and cultural advancement, with investment in infrastructure, such as the Roads of National Significance, Wellington Convention Centre and Movie Museum, hotels, port and airport, being at the forefront. At the end of 2015, Wellington's economy showed clear signs of new momentum. WREDA's role is to further stimulate and leverage that momentum shift.

This Statement of Intent outlines a programme of action for WREDA, aligned wherever possible to quantifiable results. Our overarching goal for 2016 - 2019 is to 'shift the dial', generating significant measurable improvement across a range of regional economic indicators. This requires us to not simply maintain the momentum of our current core business programmes, but to also focus on new initiatives. Among these are programmes to leverage infrastructure investment to maximise return for the region, significantly increase our international student population, and scale up target sector businesses.

Our programmes of work are specifically designed around building effective partnerships for growth. We are committed to working collaboratively with all Councils in the region, as well as other Council-Controlled Organisations, business, government and civil society. We will further our relationships with regional iwi, both as unique and important economic entities, and as historic guardians of the story of this place. Nationally, we will further develop our partnership with central government, working in concert with their programmes and priorities, as well as building practical relationships with our economic development agency equivalents in the other major centres. We believe in a strong, growing, robust and resilient Wellington playing a leading role in 'New Zealand Inc.', and establishing a lasting legacy for both region and country.

Chris Whelan  
Chief Executive

Peter Biggs  
Board Chair

Wellington Regional Economic Development Agency

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## Background

WREDA is owned by Wellington City Council (WCC) and Greater Wellington Regional Council (GWRC), on behalf of the region. Funding for WREDA comes from these two councils, central government and the private sector.

WREDA combines the activities and functions of legacy organisations, previously located within, and supported by the two shareholders – Grow Wellington and its subsidiary, Creative HQ; Positively Wellington Tourism; Positively Wellington Venues. Projects related to the Major Events function of WCC have been provisionally included in this document, with the expectation of the office formally joining WREDA by 1 July 2016.

This Statement of Intent responds to the Wellington Regional Strategy (WRS) Committee’s December 2015 Letter of Expectation (refer to Appendix 1). This Letter of Expectation sets out the matters which the Committee wants WREDA to particularly consider in respect of the Statement of Intent.

The Statement of Intent reflects the work of the WREDA Chief Executive and leadership team (the ‘WREDA Executive’) in determining the optimal actions and outcomes for the next three years of this new, amalgamated organisation.

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## Why? Our vision for Wellington

In early 2015 the WREDA board of directors set out the 'Plan on a Page' for WREDA (Appendix 2). This document is led by a vision of Wellington as:

### **The most prosperous, liveable, and vibrant region in Australasia by 2025**

The vision is deliberately bold, aspirational and provocative. The implicit challenge for WREDA is to lead a new phase of transformational change for Wellington's economy. The vision demands that Wellington exceed expectations, compete in a global context, and become internationally recognised as a leading city region.

Furthermore, the vision carries the notion that prosperity, vibrancy and liveability are symbiotic. Each quality enhances the other two, and success requires coordinated management of all three.

We see Wellington thriving in 2025, with robust growth and high social mobility, attracting people from across New Zealand and the world. Wellington will be the 'place of the possible', a destination of choice to visit, study, work, live, invest and succeed. Our commercial reputation will be as a 'living lab', a globally-connected leader in creative solutions and design-thinking, with a work-life balance opportunity that is the envy of the world.

Achieving this vision requires us to think and behave differently. Wellington is a city region with a distinctive set of skills, resources and opportunities. WREDA is committed to pursuing the realisation of this unique potential with the same boldness and ambition that informed our founding vision.

## What? Our mission and objectives

WREDA is fundamentally a catalyst agency. We work with partners and stakeholders across the economy to achieve our shared objectives. This principle is defined in our mission, which is to:

**Work with business, government and other leaders to enable the future economic growth and prosperity of the Wellington region.**

To achieve our mission we have identified seven fundamental objectives for our work. These objectives are aligned to the Letter of Expectation for the 2016-2019 period. However, they go beyond compliance and form the 'true north' indicators for the WREDA team to set their course of action at both the macro- and micro level. All of our programmes and projects contribute to these objectives, with many components contributing to several of them.

Table 1 lays out WREDA's broad objectives. Key indicators, which WREDA will monitor, are set against each

| OBJECTIVE  | MEASURE   |
|--|---|
| Enable increased employment  | Number of jobs, employment rate                           |
| Accelerate and grow scalable businesses  | Growth rates of participating companies                   |
| Develop, leverage and enhance the city region's vibrancy and liveability                           | Global liveable city rankings (e.g. Mercer, Monocle, EIU) |
| Grow the visitor economy, attracting and retaining iconic events – sporting, cultural and business | Guest nights, visitor expenditure, event attendance       |
| Increase international student numbers   | International student enrolments                          |
| Increase in-migration (both foreign & domestic)  | Migrant numbers   |
| Attract and retain (foreign) direct investment   | Number of businesses in the region                        |

one.

Year-by-year projections against these measures and objectives are contained in the Performance measures section (p.21).

### 'Shifting the dial'

In addition to these longer-term objectives, we have identified six short- to medium-term priority objectives for the period of this Statement of Intent. These represent focus points designed to 'shift the dial' for Wellington's economy, generating new momentum and growth. Complementary to WREDA's 'core business' operational plans and objectives, they directly respond to specific areas of interest within the Letter of Expectation.

*Table 1: WREDA objectives and measures*

The six objectives between now and the end of FY2018/19 are:

1. Increasing the number of international, fee-paying student enrolments in the region to more than 10,000<sup>1</sup>;
2. Successfully accelerate the growth of 10 scale-up businesses, within Wellington's target sectors (Technology, Education, Creative, High-Tech Manufacturing) each year of the scale up programme;
3. Catalyse investment to deliver 500 new hotel beds;
4. Support, via ongoing marketing and promotion, delivery of new air connectivity, including assisting Singapore International Airlines' Capital Express to achieve a minimum average 75% loading over the period;

<sup>1</sup> Representing a net increase of 3300+ students (or 45%) 2015-2019



5. Complete, articulate and obtain broad buy-in for the 'Vision 2025' regional narrative and scenarios (setting out a cohesive future vision for the region);
6. Establish and sustain the Wellington Partnership, bringing together Wellington's business, government and civil society leaders to collaborate around growth, prosperity, vibrancy and liveability opportunities;

Objectives 1-4 contain directly measurable results, with 5 and 6 representing specific actions which will enable and empower the development of further initiatives and targets. Collectively, these objectives will build deep-rooted, long-term regional success.

#### **Internal objectives**

As a newly-amalgamated organisation, WREDA also has critical internal objectives that will underpin effective delivery on our mission. These are to:

1. Develop an integrated organisation; structurally, operationally and culturally;
2. Maintain responsiveness to our shareholders and other stakeholders;
3. Position WREDA as the go-to agency for regional economic data, trends, knowledge, opportunities, i.e. "Foresight Central"; and
4. Become an 'employer of choice' in Wellington, attracting highly skilled people to the team.

Our opportunity in WREDA's initial years is to build a positive, constructive culture and a strong foundation from which our employees can operate as a high-performing team. Our measure will be via an Organisational Culture Inventory survey, with a target of reaching and maintaining a score of greater than 90%.

## How? Strategies and tactics for 2016 - 2018

### Scope of activity

In the Plan on a Page (Appendix 2), five pillars of action delineate the scope of WREDA activity:

- Enable sustainable growth
- Deliver an outstanding events/activity programme befitting New Zealand’s most vibrant city region
- Become exceptionally influential and connected
- Be an acclaimed hub of creativity, culture and technology
- Create and sustain a compelling regional narrative

Figure 1. Extract from Strategic Plan on a Page



The Table of Key Projects and Programmes (pg.9) organises WREDA’s intended work and activity under these pillars. These projects and programmes comprise both short- to medium-term catalytic interventions and components of longer-term, ongoing work.

Wherever possible, measures have been included and formulated with ‘stretch’ targets, as mandated by the Letter of Expectation.

Table of Key Projects and Programmes

| Key Projects and Programmes  | Description  | Measuring Programme Success  |
|--|--|--|
| <b>Enable sustainable growth</b>   |  |  |
| <ul style="list-style-type: none"> <li>Enhance and strengthen competitive advantage sectors</li> <li>Nurture and grow emerging businesses</li> <li>Position the region as the destination of choice among quality companies, investors, migrants, visitors and students</li> <li>Engage with iwi</li> <li>Retain existing significant businesses</li> <li>Champion new infrastructure development and the optimisation of existing assets</li> <li>Encourage and drive collaboration and regional innovation to develop new commercial offerings and models</li> </ul> |  |  |
| Leverage major infrastructure investment   | <ul style="list-style-type: none"> <li>Analyse, understand and articulate the economic opportunities unlocked by major private and public asset or infrastructure investment projects within the region</li> <li>Coordinate direct activity in support of major investment projects, including:                             <ul style="list-style-type: none"> <li>Singapore Airlines 'Capital Express' service</li> <li>Wellington Convention Centre and Film Museum</li> <li>Wairarapa Water Use Project</li> <li>Wellington Airport runway extension</li> <li>Hotel development</li> </ul> </li> <li>Gracefield development Link each of these projects with Wellington's strengths/ gaps/ opportunities in our key sectors.</li> </ul> | <ul style="list-style-type: none"> <li>Singapore Airlines Startup campaign successfully delivered</li> <li>Singapore Airlines Capital Express load at or above 75%</li> <li>Three tradeable/investable projects defined based on Singapore and/or Canberra opportunities</li> <li>Three new conventions booked for Year 1 of operations</li> <li>Wellington interest in participating in NZTE/TNZ 'Project Palace' bringing hotel investment to Wellington represented</li> <li>Wellington Vision 2035 completed, (incl. PESTLE analysis)</li> </ul> |
| Execute Wellington scale-up programme  | Create and conduct a targeted programme to assist scale-ready Wellington businesses to grow by enabling skills-, capital-, and market-access   | <ul style="list-style-type: none"> <li>10 companies complete initial programme, achieving average 50% revenue growth (end FY17)</li> </ul>   |
| Attract additional foreign direct investment   | <ul style="list-style-type: none"> <li>Working closely with the New Zealand Trade &amp; Enterprise Capital team, we will improve the capability of Wellington to raise capital via foreign direct investment</li> <li>In partnership with Immigration New Zealand, promote Wellington business and commercial property investment opportunities to high net worth migrants</li> </ul>  | <ul style="list-style-type: none"> <li>Wellington investment opportunity register created and associated prospectus developed</li> <li>4 x &gt;\$10 million Foreign Investment commitments made following WREDA facilitation</li> </ul>  |
| Conduct Creative HQ programmes <sup>2</sup>  | <ul style="list-style-type: none"> <li>Execute incubation / high growth programme for startups</li> </ul>  | <ul style="list-style-type: none"> <li>Creative HQ's portfolio value exceeds \$1.5m by FY2019</li> </ul>   |

<sup>2</sup> These initiatives are dependent on a funding decision from MBIE. The current Accelerator awards programme ends on June 2016

| Key Projects and Programmes                 | Description   | Measuring Programme Success  |
|---|---|--|
|   | <ul style="list-style-type: none"> <li>• Conduct R9 v3 / GovTech Accelerator, co-developed and delivered with MBIE, delivering innovation for government</li> <li>• Execute Venture Up, delivering entrepreneurial education and training for young entrepreneurs in collaboration with MSD and Callaghan Innovation</li> <li>• Execute at least one Lightning Lab accelerator programme annually</li> </ul>  | <ul style="list-style-type: none"> <li>• 50% of the GovTech accelerator teams receive funding to continue their work for at least 12 months</li> <li>• 50 students attending Venture Up programme, rising to 75 by FY2019</li> <li>• 50% of Lightning Lab teams receive investment offers on Demo Day</li> <li>• \$3.5M of investment raised six months post Demo Day (for Lightning Lab teams) in FY2017, rising to \$.5M in FY2019</li> </ul>  |
| Deliver Regional Business Partner Programme | <p>Deliver the Regional Business Partner Programme in conjunction with the Wellington Chamber of Commerce. The programme involves working with a portfolio of businesses, across the region, facilitating access to:</p> <ul style="list-style-type: none"> <li>• Business and innovation support</li> <li>• Business mentors services</li> <li>• Capability development vouchers and getting started (R&amp;D) grants</li> <li>• Innovation advice and funding services</li> </ul>   | <ul style="list-style-type: none"> <li>• Portfolio of 470 regional customers per annum actively managed</li> <li>• 168 of the 470 regional customers are matched with a business mentor</li> <li>• Regional businesses given access to over \$2M R&amp;D investment in priority sectors (Creative, Tech, High-tech manufacturing, Government, Visitor Economy, Education)</li> <li>• Delivery of 4 regional business clinics per annum, in conjunction with regional Chambers of Commerce</li> </ul> |
| Deliver Screen Wellington programme         | <ul style="list-style-type: none"> <li>• Deliver support service for local and international screen production, including: <ul style="list-style-type: none"> <li>○ sourcing of locations &amp; facilities</li> <li>○ issuing film permits on behalf of councils</li> <li>○ liaising between productions and Wellington region businesses and public, to demonstrate and reinforce Wellington’s “film-friendly” status</li> </ul> </li> <li>• Deliver screen production attraction programme, including: <ul style="list-style-type: none"> <li>○ famils and hosting focused on independent film producers</li> <li>○ leveraging co-production</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Increase in number of screen permits issued by 10% p.a.</li> <li>• FY15/16 = 300</li> <li>• FY16/17 = 330</li> <li>• FY17/18 = 363</li> <li>• FY18/19 = 400</li> <li>• Host three familiarisation visits from international screen companies</li> <li>• Deliver Producers and Directors Masterclass in conjunction with SPADA (Screen Producers and Directors Association)</li> <li>• Enable screen production into</li> </ul>                              |

| Key Projects and Programmes              | Description  | Measuring Programme Success   |
|--|--|---|
|  | <p>treaties in the mid-tier markets in the US and Australia</p> <ul style="list-style-type: none"> <li>• Increase commercial capability of screen producers, directors and writers</li> </ul>  | <p>the Wellington Region with a combined production value of \$100m p.a.</p> <ul style="list-style-type: none"> <li>○ FY14/15 = \$120M</li> <li>○ FY15/16 = \$74M</li> <li>○ FY16/17 = \$100M</li> <li>○ FY17/18 = \$100M</li> <li>○ FY 18/19 = \$100M</li> </ul> <p>Contributing to an overall Wellington Screen Sector value of +\$700M p.a.<sup>3</sup></p>  |
| <p>Conduct sector growth initiatives</p> | <p>Deliver programmes and projects across priority sectors:</p> <ul style="list-style-type: none"> <li>• <u>Creative:</u> <ul style="list-style-type: none"> <li>○ Investigate potential benefits of a regional sound studio</li> <li>○ Scope and delivery of a creative services export programme</li> </ul> </li> <li>• <u>Tech:</u> <ul style="list-style-type: none"> <li>○ Profile the Wellington tech sector capability and seek trade results from it</li> <li>○ Deliver support for industry clusters such as Game Dev network</li> <li>○ Pending completion of validation, proposition developed to promote Wellington as a cybersecurity hub.</li> </ul> </li> </ul> <p><u>High Value Manufacturing (including food and beverage)</u></p> <ul style="list-style-type: none"> <li>• Deliver support for industry clusters such as Wellington Wine Country and Craft Beer Capital</li> <li>• Increase support for resident multinational companies and validation of off-shore multinational R&amp;D attraction programme</li> <li>• Provide industry facilitation for projects such as Greenfield redevelopment and Wellington ICT Graduate School</li> </ul> <p><u>Education</u></p> | <ul style="list-style-type: none"> <li>• Feasibility of regional sound studio confirmed (or rebutted)</li> <li>• Resulting projects confirmed &amp; scoped (FY17)</li> <li>• Placement of 200 interns into key sectors</li> <li>• Business relocation into Wellington worth \$10M per annum</li> <li>• One export programme delivered for creative services industries.</li> <li>• Wellington tech week / SxSW feasibility confirmed (or rebutted)</li> <li>• Leverage projects scoped (FY 17)</li> <li>• Wellington cybersecurity hub scoped, costed and projects validated (FY17)</li> <li>• At least two destination marketing or agent training missions held in target markets</li> <li>• 10 secondary schools engaged in</li> </ul> |

<sup>3</sup> Total screen sector value (~\$700M) includes production and post-production companies operating in Wellington. Screen Wellington reports on the component of this total derived from incoming production projects facilitated by the office

| Key Projects and Programmes                      | Description   | Measuring Programme Success   |
|--|---|---|
|  | <p>Wellington International Student Growth Programme (WISGP)</p> <ul style="list-style-type: none"> <li>• Work in partnership with education sector to increase the number of IFPS in wellington through projects which:               <ul style="list-style-type: none"> <li>○ Market Wellington as a destination</li> <li>○ Increase local capacity for students</li> <li>○ Improve the Student Experience</li> <li>○ Enhance pathways to further education and employment</li> </ul> </li> </ul> <p>Leverage the region's sister city and other civic relationships, particularly with China and Japan, to improve economic engagement between Wellington businesses and those countries.</p> <p>Work with Wellington region businesses to pursue the trade and investment opportunities created in Xiamen, Beijing and Xi'an.</p> | <p>international student programme</p> <ul style="list-style-type: none"> <li>• International student enrolments:               <ul style="list-style-type: none"> <li>○ 2016<sup>4</sup> = 7881</li> <li>○ 2017 = 8512</li> <li>○ 2018 = 9278</li> <li>○ 2019 = 10206</li> </ul> </li> </ul> |
| Address skills shortages in regional workforce   | <ul style="list-style-type: none"> <li>• Complete a regional skills audit to identify current and future skills shortages</li> <li>• Develop programmes to attract, retain and develop workforce in partnership with target sector and education providers</li> </ul>   | <ul style="list-style-type: none"> <li>• Regional skills audit complete in FY2017</li> <li>• Resultant programmes underway in FY2018</li> <li>• Shortages identified in audit demonstrate measurable improvement by FY2019</li> </ul>   |
| Establish Wellington Māori economic growth forum | <p>Work with local iwi and Māori leadership to:</p> <ul style="list-style-type: none"> <li>• Convene annual Māori economic growth forum to:               <ul style="list-style-type: none"> <li>○ facilitate connections and partnerships to support Māori economic growth, including employment pathways</li> <li>○ identify resource and capability needs, and develop action plans</li> <li>○ develop working relationships with iwi leaders, trustees and Māori-owned SMEs.</li> </ul> </li> </ul>   | <ul style="list-style-type: none"> <li>• Annual Forum attended by &gt;100 people</li> <li>• 2 issue-focused workshops per annum, developing action plans around issues identified at forum</li> </ul>   |

<sup>4</sup> Student enrolments measured on calendar, rather than financial year

| Key Projects and Programmes   | Description  | Measuring Programme Success  |
|---|--|--|
| <b>Deliver an outstanding events &amp; activity programme befitting New Zealand's most vibrant city region</b>  |  |  |
| <ul style="list-style-type: none"> <li>• Produce a strategically-driven, coordinated annual calendar of cultural, sporting and business events</li> <li>• Attract and develop events that fit and amplify the region's positioning</li> <li>• Significantly grow event reputation and attendance</li> </ul> |  |  |
| <p>Review and Reshape the Major Events calendar to enable a rolling 36-month regional calendar of major events</p>  | <p>Implement a portfolio approach to how we invest, develop, retain and attract major events</p> <p>Achieve the following key outcomes:</p> <ul style="list-style-type: none"> <li>• Economic impact on the region's economy</li> <li>• Create leverage opportunity for the city and region</li> <li>• Contribute to the social wellbeing and liveability of Wellington</li> <li>• Work with the Territorial Authorities to create a coordinated events calendar for the region</li> <li>• Leverage major events to strengthen and grow relationships with key sector leaders, including educational institutions (e.g. Massey University and Victoria University), the Creative (including film and screen) sector, key cultural institutions (e.g. Te Papa, NZSO, RNZ Ballet)</li> </ul>   | <ul style="list-style-type: none"> <li>• New portfolio investment framework confirmed and operational by August 1, 2016</li> <li>• Review of all events in portfolio against the investment framework and scorecard and previously completed economic impact assessment completed by September 1, 2016</li> <li>• Review of events calendar, including the identification of future opportunities to improve and enhance the portfolio completed by December 1, 2016</li> <li>• 4 business leverage opportunities identified and activated</li> </ul>  |
| <p>Deliver 12 months 'major events' programme</p>   | <ul style="list-style-type: none"> <li>• Deliver compelling events programme and enhance relationship with key clients, event rights holders and partners</li> <li>• Manage key event partnerships to ensure the efficient delivery of operations, maximising leverage for the city region</li> <li>• Adopt protocols between WREDA and WCC City Events to ensure coordinated activities</li> <li>• Deliver committed 'major events' and integrate city region calendar of events</li> </ul> <p>Major Events calendar highlights include:</p> <ul style="list-style-type: none"> <li>• NZ Festival</li> <li>• CubaDupa</li> <li>• Jazz Festival</li> <li>• NZ v Wales rugby Test</li> <li>• Visa Wellington On a Plate</li> <li>• NZ v Australia rugby Test</li> <li>• World of WearableArt Awards Show</li> <li>• Black Caps Cricket</li> <li>• Pinot Noir Festival</li> <li>• NZ Brass Band Championships</li> <li>• British and Irish Lions Tour</li> </ul> | <ul style="list-style-type: none"> <li>• Investment in the portfolio of events delivers a return of 20:1, based on ROI of direct new spend from out-of-region visitors.</li> <li>• Total direct new spend from out of region visitors &gt; \$90M <ul style="list-style-type: none"> <li>○ FY14/15 = \$107.6M (actual)</li> <li>○ FY15/16 = \$90M (budgeted target in LTP)</li> <li>○ FY16/17 = \$90M</li> <li>○ FY17/18 = \$110M</li> </ul> </li> <li>• Total audience attending supported events of &gt; 500,000 <ul style="list-style-type: none"> <li>○ FY15/16 = 500,000</li> <li>○ FY16/17 = 600,000</li> <li>○ FY17/18 = 700,000</li> <li>○ FY18/19 = 700,000</li> </ul> </li> </ul> |

| Key Projects and Programmes                  | Description   | Measuring Programme Success  |
|--|---|--|
|  | <ul style="list-style-type: none"> <li>• Lux</li> <li>• Asia Pacific Amateur Golf Championships</li> </ul>  |  |
| Develop and grow performance event audiences | <ul style="list-style-type: none"> <li>• Extend collaborative working processes and promotion packages to raise local and out of town audiences in our venues and across the region</li> <li>• Provide an events programme that is stimulating to local audiences and raises the profile of Wellington to our target audiences, such as potential students and skilled migrants</li> </ul>  | <ul style="list-style-type: none"> <li>• Grow audiences by 5%, with a 2.5% increase in out-of- towners p.a.</li> <li>• Client satisfaction through surveys is 90% or higher in our venues</li> </ul>   |
| Develop product                              | Leverage key partnerships and contracts to enhance our event delivery and increase utilisation and showcase the Wellington story -  | <ul style="list-style-type: none"> <li>• 5% increase in spend per person per event annually</li> <li>• Increase the number of sellable days per annum by 5 as a result of greater efficiencies from partnerships and faster set ups and turnarounds. (Average 400 days per year, actuals for 2014/15 is 405, tracking for 400 2015/16)</li> <li>• Venue utilisation &gt;56%</li> </ul> |
| Develop Client Services                      | <p>Build our in-house venue services to enhance Wellington’s reputation as an easy and highly sought-after place to host events</p> <ul style="list-style-type: none"> <li>• Set industry benchmarks in our front and back of house delivery, striving for world class</li> <li>• Showcase ‘Safety as a Service’ by ensuring H&amp;S compliance is user-friendly for our hirers and suppliers and be at the forefront of H&amp;S in NZ’s event and venue industry.</li> </ul> | <ul style="list-style-type: none"> <li>• Client satisfaction through surveys is 90% or higher</li> <li>• Deliver key hirer and supplier workshops in H&amp;S, solidifying PWV’s position as industry-leaders in H&amp;S</li> </ul>   |
| Leverage the 2017 Lions rugby tour           | <p>Wellington will host a week of Lions rugby in 2017. WREDA will build a programme of visitor attraction and activation to maximise visitor attendance, commercial accommodation, hospitality spend and overall economic impact.</p> <p>In addition, WREDA will work with business, central and local government agencies, and their dedicated programmes to maximise the exposure opportunity for the Wellington region</p>   | <ul style="list-style-type: none"> <li>• Media exposure, outside of WREDA proactive marketing, of \$500,000 (AVE)</li> </ul> <p>All Blacks vs Lions</p> <ul style="list-style-type: none"> <li>○ International visitors = 12,500</li> <li>○ Domestic OOR visitors = 6750</li> <li>○ Total economic impact = \$19,050,000</li> </ul> <p>Hurricanes vs Lions</p>                         |



| Key Projects and Programmes  | Description   | Measuring Programme Success   |
|--|---|---|
|  |   | <ul style="list-style-type: none"> <li>○ International visitors = 6000</li> <li>○ Domestic OOR visitors = 2500</li> </ul> <p>Total economic impact = \$8,700,000</p>  |
| <b>Become exceptionally influential and connected</b>  |   |   |
| <ul style="list-style-type: none"> <li>• Win and retain the admiration and respect of regional, national and global leaders, influencers and key stakeholders</li> <li>• Enable the region to connect easily and quickly both internally and externally</li> <li>• Grow an active champions network for the region among key stakeholders</li> </ul> |   |   |
| Form the Wellington Partnership  | <ul style="list-style-type: none"> <li>• Establish a high-level network of leaders and influencers to assist with development and amplification of a credible Wellington ‘proposition’ optimised for specific business and sector opportunities – i.e. “Why Wellington?”</li> <li>• Coordinate regular engagement sessions with Wellington Partnership members to validate, influence and contribute to Wellington-wide projects</li> <li>• Ensure that WREDA relationships:               <ul style="list-style-type: none"> <li>○ Are embedded in business, iwi government and civil society</li> <li>○ Are knowledgeable about Wellington’s focus sectors</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Quarterly CEO hosted events, with participation by the region’s senior business, government and civil society leaders</li> <li>• Quarterly Thought Leader working forum sessions, with between 50-75 leaders per session</li> </ul>  |
| Enhance global liveability reputation  | <p>Wellington recently achieved 12<sup>th</sup> position on Mercer’s global Quality of Living Survey, highlighting the city region’s good base for growth. In the 2016-2019 period, WREDA will work with the WCC, GWRC (and other regional councils) as well as central Government to address achieving ‘Top 5’ outcomes:</p> <ul style="list-style-type: none"> <li>• Engage with high-profile global ranking platforms to understand key metrics</li> <li>• Socialise plan to address development areas</li> <li>• Monitor achievements and articulate successes</li> </ul>   | <ul style="list-style-type: none"> <li>• Wellington city region in Mercer ‘Top 5’ most Liveable Cities by 2018 (12<sup>th</sup> in 2016)</li> <li>• Wellington in Top 20 of Economist Intelligence Unit Global Liveability ranking (#23 in 2015)</li> <li>• Wellington featured in Monocle Cities Survey</li> </ul> |
| Conduct startup forum  | <p>WREDA, via Creative HQ, will facilitate a forum for key decision makers and leaders from the startup ecosystem in Wellington.</p>  | <ul style="list-style-type: none"> <li>• At least 25 leaders/investors participating in the forum on a regular basis</li> <li>• At least 5 events held p.a.</li> </ul>  |

| Key Projects and Programmes   | Description  | Measuring Programme Success   |
|---|--|---|
| Champion Wellington success in the media  | Enhance and extend close relationships with media in order to be the go-to organisation for media seeking comment on Wellington's regional economic development. Oro-actively generate media coverage highlighting Wellington success stories.   | <ul style="list-style-type: none"> <li>• Average 10 stories per month in national media outlets</li> </ul>  |
| <b>Be an acclaimed hub of creativity, culture and technology</b>  |  |   |
| <ul style="list-style-type: none"> <li>• Attract and retain all national arts and cultural institutions</li> <li>• Be renowned for design and innovation across regional offerings with a competitive, distinctive edge</li> <li>• Ensure the events frameworks echoes this positioning</li> <li>• Be the preferred location for New Zealand's creative talent</li> </ul> |  |   |
| Enhance the regional promotion role of the events calendar  | <ul style="list-style-type: none"> <li>• Work with resident hirers and international embassies to develop product aimed at the key WREDA sectors such as students and skilled migrants</li> <li>• Showcase quality regional produce, in our venues</li> <li>• Work with a Canberra-based performing arts centre to investigate a capital-to-capital performance exchange to leverage and support new air connection</li> </ul> | <ul style="list-style-type: none"> <li>• Secure one new production per annum as a result of collaborating with resident hirers and international embassies</li> <li>• Secure one new performance annually via Canberra relationship</li> </ul>  |
| Leverage World of Wearable Arts Exhibition  | In July 2016, WOW will be launching their exhibition in Seattle. WREDA will utilise the opportunity (along with several central Government agencies) to develop trade, education and investment and visitor economy opportunities  | <ul style="list-style-type: none"> <li>• 3 new relationships formed between Wellington institutions and North American design schools</li> <li>• 3 US study abroad programmes established between Wellington and tertiary institutions in North America</li> <li>• 3 partnership opportunities identified for Wellington based companies with an existing Seattle presence</li> <li>• Media exposure, of \$250,000 (AVE)</li> </ul> |
| <b>Create and sustain a compelling regional narrative</b>   |  |   |
| <ul style="list-style-type: none"> <li>• Create globally recognised, compelling and well-targeted marketing campaigns</li> <li>• Create a business development environment like no other</li> <li>• Reconfirm pride of place for Wellingtonians</li> <li>• Be an advocate for the interests of all Wellingtonians</li> </ul>  |  |   |

| Key Projects and Programmes             | Description  | Measuring Programme Success   |
|---|--|---|
| Curate the Wellington narrative         | <p>Wellington currently has several ‘narratives’ across the region. Together, these offer compelling reasons to live, work, play and study in the city region.</p> <p>WREDA will curate and amplify these narratives to inform the city region’s local, national and global positioning.</p> <ul style="list-style-type: none"> <li>• Collate existing narrative and assess global versus ‘internal’ perceptions</li> <li>• Articulate the ‘Why Wellington?’ story, clearly understanding the business case for talented, high-skilled migrants choosing to locate in the city region</li> <li>• Utilise the Wellington Partnership to both develop and test the narrative, i.e. socialise the narrative to ensure buy-in and ownership</li> <li>• Build the Wellington Narrative as a region-wide story</li> <li>• Leverage WREDA marketing and communication capabilities to disseminate the narrative globally</li> </ul>   | <ul style="list-style-type: none"> <li>• Wellingtonians – across business, government and civil society – know and ‘tell’/speak the Wellington narrative</li> <li>• Participants in the Wellington Partnership are ‘bought into’ the broad Wellington narrative</li> <li>• The narrative is actively told by Wellington leaders and media (qualitative media analysis measures under development)</li> </ul>  |
| Conduct destination marketing campaigns | <ul style="list-style-type: none"> <li>• Maintain, build and develop WellingtonNZ.com and the Wellington venues website audience through digital audience development, integrated marketing campaigns and maximising exposure through provision of a single portal</li> <li>• Deliver domestic marketing campaign in partnership with Wellington city region commercial partners</li> <li>• Execute Australia market visitor campaign with city and regional partners, (which is) integrated with trade and investment marketing activity. Leverage the Capital Connection</li> <li>• Represent Wellington in international visitor markets through participation in Tourism New Zealand-led international trade and media programmes</li> <li>• Provide marketing support to events held in the Wellington city region, providing priority to those events which bring increased visitor spend to the city region</li> <li>• Deliver the destination marketing requirements for the region and</li> </ul> | <ul style="list-style-type: none"> <li>• Domestic visitor nights increase by 6% annually               <ul style="list-style-type: none"> <li>○ FY14/15 = 4.5%</li> <li>○ FY15/16 = 7.3%</li> <li>○ FY16/17 = 6.0%</li> <li>○ FY17/18 = 6.0%</li> <li>○ FY18/19 = 6.0%</li> </ul> </li> <li>• Direct Australian arrivals to Wellington increase by:               <ul style="list-style-type: none"> <li>○ FY15/16 = 15.0%</li> <li>○ FY16/17 = 9.0%</li> <li>○ FY17/18 = 4.0%</li> <li>○ FY18/19 = 4.0%<sup>5</sup></li> </ul> </li> <li>• International visitor spend increases by 8% avg. p.a.               <ul style="list-style-type: none"> <li>○ FY15/16 = +9%</li> <li>○ FY16/17 = +10%</li> <li>○ FY17/18 = 7%</li> <li>○ FY18/19 = 7%</li> </ul> </li> <li>• Maintain market share of NZ multi-day business events during</li> </ul> |

<sup>5</sup> Based on current and announced air services

| Key Projects and Programmes              | Description   | Measuring Programme Success   |
|--|---|---|
|  | commercial partners to increase awareness of and conversion to booking business events in Wellington  | <p>Convention Centre construction</p> <ul style="list-style-type: none"> <li>○ FY14/15 = 16%</li> <li>○ FY15/16 = 16%</li> <li>○ FY16/17 = 16%</li> <li>○ FY17/18 = 16%</li> <li>○ FY18/19 = 17%</li> </ul> <ul style="list-style-type: none"> <li>● 10% increase in total digital subscribed audience of WREDA channels p.a.</li> <li>● Visitors to WellingtonNZ.com exceed 3,000,000 in FY16                             <ul style="list-style-type: none"> <li>○ FY15/16 = 2,819,000</li> <li>○ FY16/17 = 3,000,000</li> <li>○ FY17/18 = 3,300,000</li> <li>○ FY18/19 = 3,600,000</li> </ul> </li> </ul> |
| Enhance visitor experience in Wellington | <ul style="list-style-type: none"> <li>● Operate the i-SITE Visitor Information Centre</li> <li>● Deliver Wellington City Ambassador programme, supporting cruise passengers on the ground</li> </ul> | <ul style="list-style-type: none"> <li>● Engage with 330,000 visitors in the i-SITE Visitor Information Centre p.a.</li> <li>● Welcome and support 175,000 cruise passengers p.a.</li> </ul>  |
| Media hosting programme                  | Deliver a multi sector media programme that utilises third party writers/journalists/bloggers to promote Wellington in target geo locations and business sectors                                      | <ul style="list-style-type: none"> <li>● 110 media hosted in Wellington                             <ul style="list-style-type: none"> <li>○ NZ media: 25</li> <li>○ Australian: 35</li> <li>○ Rest of World: 50</li> </ul> </li> </ul>   |

### Performance measures

Each WREDA project and activity has appropriate success measures above. In order to meet our overall objectives, WREDA will measure, monitor and evaluate performance – and where needed, ‘course correct’ – the following key performance indicators.

| Objective   | MEASURE  | Forecast 2015/16 | 2016/17 | 2017/18 | 2018/19 |
|---|--|------------------|---------|---------|---------|
| 1. Enable increased employment  | Number of jobs   | +2.0%            | +2.5%   | +2.5%   | +2.5%   |
|   | GDP per capita   | +1.1%            | +1.9%   | +1.5%   | +1.5%   |
|   | Employment rate  | 67.5%            | 68%     | 68.5%   | 69%     |
| 2. Accelerate and grow scalable businesses  | Average growth rate of companies participating in scale-up programme | n/a              | 8%      | 10%     | 10%     |
| 3. Develop, leverage and enhance the city region's vibrancy and liveability                           | Mercer Quality of Living Survey                                      | #12              | #11     | #11     | <10     |
|   |  |                  |         |         |         |
|   |  |                  |         |         |         |
| 4. Grow the visitor economy, attracting and retaining iconic events – sporting, cultural and business | Guest nights   | +4%              | +4%     | +3%     | +4%     |
|   | Visitor expenditure  | +9%              | +10%    | +7%     | +7%     |
|   | Event attendance   | n/a              | 600,000 | 700,000 | 700,000 |
|   | NZ market share multi-day conference market                          | 16%              | 16%     | 16%     | 17%     |
| 5. Increase international student numbers   | International student enrolments                                     | 7800             | 8500    | 9200    | 10200   |
| 6. Increase in-migration  | Permanent and Long Term Arrivals                                     | 9,000            | 9,500   | 10,500  | 11,000  |
| 7. Attract and retain (foreign) direct investment   | Number of businesses established in region                           | +0.9%            | +1.0%   | +1.0%   | +1.0%   |

### Economy-wide indicators

In addition to the program success measures above, WREDA has identified a further set of metrics. Whilst impacted by a range of factors not in WREDA's control, the metrics are nevertheless important to overall regional success and will be reported on regularly by the WREDA team.

| Measure                        | 2014    | 2015    | 2016    | 2017    |
|--------------------------------|---------|---------|---------|---------|
| Wellington real GDP growth     | 2.1%    | 3.0%    | 3.0%    | 3.0%    |
| Wellington exports growth      | -1.9    | n/a     | 3.0%    | 3.0%    |
| Wellington productivity growth | 1.3%    | 1.4%    | 1.2%    | 1.2%    |
| Population                     | 491,400 | 496,900 | 503,000 | 508,000 |
| Visitor movements through WIA  | 374,662 | 397,196 | 445,922 | 471,755 |

## Appendix 1: Letter of Expectation

This letter sets out the Wellington Regional Strategy Committee's expectations of Wellington Regional Economic Development Agency (WREDA) for the 2016/17 financial year. It is intended to assist in WREDA's business planning and the preparation of its draft Statement of Intent (SOI) for 2016/17.

### General

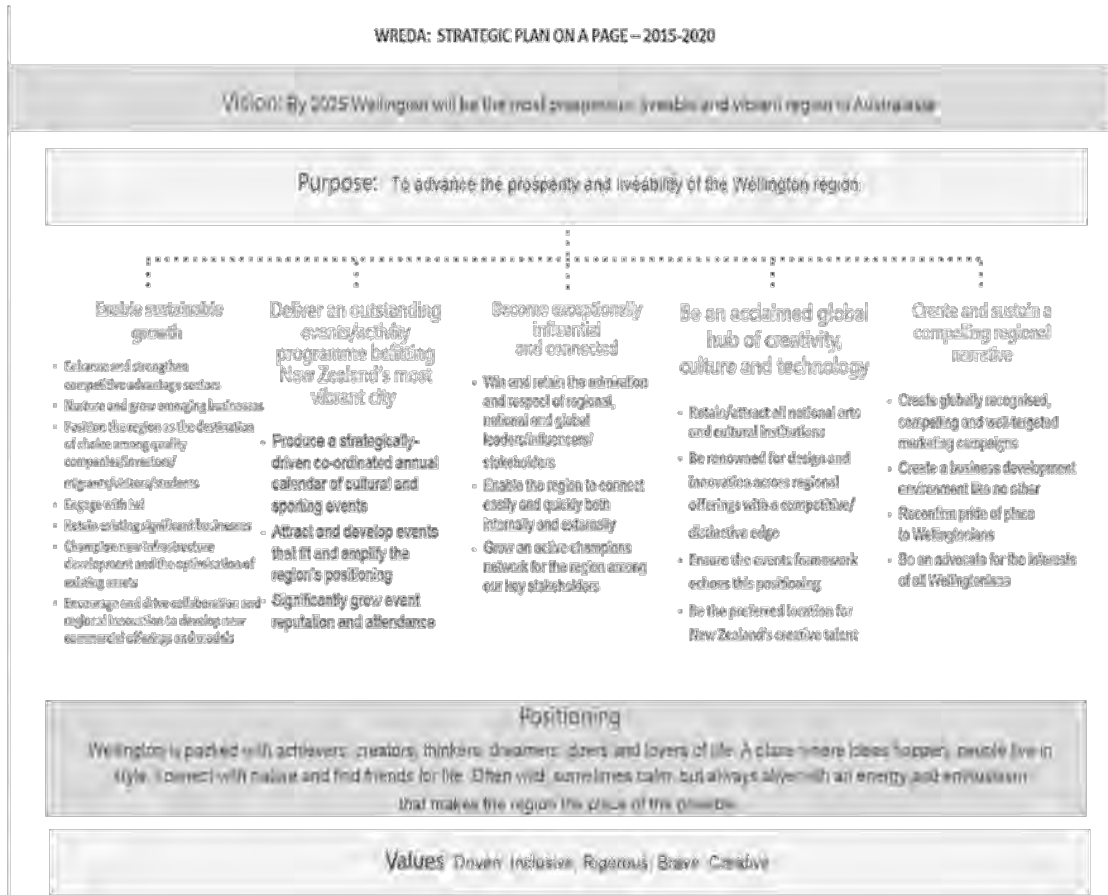
1. Having completed the first full year we expect to see a significant move towards specific actions and measurable outcomes.
2. Consideration is given to the resilience of the region when completing the Statement of Intent.

### Specific

3. Outline specific actions and measures to attract and retain increased numbers of international students to the region
4. Specific actions and measures that support, facilitate and strongly contribute to a step change growth in migration, the creative and tech sectors.
5. Establish a process of business support from incubator to exports for growth companies in the target sectors.
6. Identify and assess what economic opportunities are there arising from the major infrastructure projects
7. What actions need to be taken to put in place for a major programme of targeted inward investment for the Region, including tourism.
8. With WREDA being one organisation are there opportunities to leverage off the Major Events portfolio with other business events. There will also be a need to continue to develop the Major Events portfolio
9. Constraints on business growth in the region are well understood and where practical WREDA will play a role in addressing such constraints. Of particular note is the need to help address skills shortages and develop a workforce that better reflects regional needs.
10. In addition to the above, it is expected that WREDA will ensure that the business as usual activities, namely tourist attraction, venues operations and major events will continue at a high standard.
11. Collaboration with business, the tertiary sector, government agencies, councils and the investment community is a regular theme in discussions on step changes for the Wellington regional economy. We expect that WREDA will play a primary facilitation role in driving collective action as appropriate in the action areas above.

The Key Performance Indicators in the 2016/17 Statement of Intent to be reviewed to ensure that the most appropriate measures are used. In particular, the matters noted above. We also expect that, where possible, the measures will have clear targets, define what success looks like, including specificity on job numbers. We also note that some of the targets in the 2015/16 are low and need some additional stretch in them for 2016/17.

Appendix 2: Strategic Plan on a Page





## Appendix 3: Governance and accounting

### **Dividend policy**

WREDA is a not for profit council-controlled organisation, as such the Board is not intending to pay any dividends in the foreseeable future.

### **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 Constitution and this Statement of Intent.

The Board will comprise up to ten directors, all will be independent directors. The Board's approach to governance is to adopt "best practice" with respect to:

- The operation of the Board
- The performance of the Board
- Managing the relationship with the Company's Chief Executive
- Being accountable to all Shareholders and reporting to the WRSC

The Board will meet on a regular basis and no less than 8 times each year. The Board will have 2 committees, Audit and Risk and the People & Culture Committee.

### **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 Shareholders on that performance on a periodic basis
- Make recommendations to Shareholders as to the appointment, removal, 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. The WREDA will adhere to a 'no surprises' approach in its dealings with its Shareholders and WRSC

### **Annual Report**

WREDA's balance date is 30 June.

By 30 September each year, WREDA will provide to the WRSC and its Shareholders an Annual Report complying with Sections 67, 68 and 69 of the Local Government Act 2002 and the Companies Act. The Annual Report will contain the information necessary to enable an informed assessment of the operations of the company, and will include the following information:

#### Directors' Report

- Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity,

Statement of Financial Position, Statement of Cashflows, Statement of Accounting Policies and Notes to the Accounts

- Comparison of the WREDA's performance with regard to the objectives and performance targets set out in the SOI, with an explanation of any material variances
- Auditor's Report on the financial statements and the performance targets
- Any other information that the directors consider appropriate

#### **Half Yearly Report**

By the end of March each year, WREDA will provide to the Shareholders a Half Yearly Report complying with Section 66 of the Local Government Act 2002. The Half Yearly Report will include the following information:

- Directors' commentary on operations for the relevant six month period
- Comparison of WREDA's performance with regard to the objectives and performance targets set out in the SOI, with an explanation of any material variances
- Un-audited half-yearly Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position and Statement of Cashflows

#### **Quarterly Report**

By 31 October and 31 January each year, the Company will provide to the Shareholders a quarterly report. The quarterly report will include the following information:

- Directors' commentary on operations for the relevant quarter.
- Comparison of WREDA's performance with regard to the objectives and performance targets set out in the SOI, with an explanation of any material variances

#### **Statement of Intent**

By 1 March in each year WREDA will deliver to the Shareholders its draft SOI 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.

#### **Shareholder Meetings**

The Board may hold an Annual General Meeting (AGM) between 30 September and 30 November each year to present the Annual Report to all Shareholders. If no AGM is held then the shareholders will pass the required resolutions.

#### **Acquisition/Divestment policy**

Any subscription, purchase or acquisition by WREDA of shares in a company or organisation will, require Shareholder approval other than those shares received in return for providing mentoring services.

#### **Activities for which compensation is sought from Shareholders**

At the request of Shareholders, WREDA may (at its discretion) undertake activities that are not consistent with its normal commercial objectives. Specific financial arrangements will be entered into to meet the full cost of providing such as activities.

Currently there are no activities for which compensation will be sought from Shareholders.

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**Commercial value of Shareholder's investment**

WREDA will seek to achieve the outcomes as set by the WRSC and its Shareholders from time to time.

It is unlikely that WREDA will deliver a financial dividend to its Shareholders as it is deemed to be a not-for-profit council controlled organisation.

WREDA's share capital is represented by 1,000 fully paid shares.

Shareholders funds at 30 June 2015 is expected to be \$2.7 million, this is considered by the Board to be the current commercial value of WREDA.

**Accounting Policies**

WREDA has adopted accounting policies that are in accordance with the New Zealand International Financial Reporting Standards and generally accepted accounting practice. The detailed policies are as disclosed in WREDA's 2014/15 Annual Report.

| STATEMENT OF COMPREHENSIVE INCOME      | 2016-2017   | 2017-18     | 2018-2019   |
|--|-------------|-------------|-------------|
| <b>WREDA excluding Venues Project</b>  |             |             |             |
| Revenue                                |             |             |             |
| Shareholder grants                     | 20,961,659  | 21,290,482  | 21,510,549  |
| Other revenue                          | 6,871,679   | 6,871,679   | 6,871,679   |
| Total Revenue                          | 27,833,338  | 28,162,161  | 28,382,229  |
| Operating costs                        |             |             |             |
| Employment costs                       | 12,214,359  | 11,861,276  | 12,138,140  |
| Marketing                              | 9,813,000   | 10,178,000  | 10,140,000  |
| Other expenses                         | 5,830,372   | 6,099,548   | 6,075,297   |
| Operating expenditure                  | 27,857,731  | 28,138,824  | 28,353,437  |
| Net Surplus/(deficit)                  | -24,393     | 23,337      | 28,791      |
| <b>STATEMENT OF FINANCIAL POSITION</b> |             |             |             |
| <b>WREDA excluding Venues Project</b>  |             |             |             |
| Shareholders funds                     | 1,519,255   | 1,564,093   | 1,592,884   |
| Current assets                         | 2,214,168   | 2,120,692   | 2,071,438   |
| Investments                            | 1,400,000   | 1,500,000   | 1,500,000   |
| Fixed assets                           | 288,200     | 268,700     | 276,200     |
| Total assets                           | 3,902,368   | 3,889,392   | 3,847,638   |
| Current Liabilities                    | 2,383,113   | 2,325,299   | 2,254,754   |
| Net Assets                             | 1,519,255   | 1,564,093   | 1,592,884   |
| <b>STATEMENT OF CASH FLOWS</b>         |             |             |             |
| <b>WREDA excluding Venues Project</b>  |             |             |             |
| Operating cash receipts                | 23,189,427  | 23,854,456  | 23,289,881  |
| Operating cash payments                | -23,108,930 | -23,823,933 | -23,300,135 |
| Other receipts                         | 6,000       | 6,000       | 6,000       |
| Other payments                         | -70,000     | -45,000     | -45,000     |
| Net cashflow                           | 16,497      | -8,477      | -49,253     |

Peter Biggs

8 April 2016

Chair

Wellington Regional Economic Development Agency (WREDA)

Dear Peter

Following the presentation by WREDA of its draft Statement of Intent (SOI) to the Wellington Regional Strategy Committee there were a number of comments raised by the Committee. I have summarised these below for consideration by WREDA board for the final SOI.

**General Comments**

1. The Statement of Intent overall be reduced in length, prioritising clarity of action with measurable targets
2. Consideration needs to be given to stronger, more ambitious targets
3. That the need for close relationships with the media be reflected in the SOI including the development protocols be developed in conjunction with councils to ensure appropriate priority is given to elected representatives as spokespeople for activity funded by ratepayers.
4. A statement in the SOI on how WREDA will give consideration to the economic resilience of the region.

**Specific Comments**

5. That the target for number of international students in the region should be more ambitious.
6. A programme designed to actively seek and attract Foreign Direct Investment, including from overseas investment funds should be included in the programme of work.
7. GDP per capita should be included as a Measure.
8. That the curatorial (rather than creative) role in terms of the Wellington Narrative be clarified in the document, recognising the prior work done in the creation of narrative by councils.
9. Job growth targets are revised for additional 'stretch' beyond population growth rates.
10. The ranking of #12 on the Mercer Quality of Living scale is a good ranking and that improving this number is not a resource priority;
11. That reference to 'in-migration' be clarified to establish that this can be domestic in origin as well as international;

12. Consideration be given to Kapiti's particular interest in the sector development Creative/High Value Manufacturing programmes
13. A commitment to the Regional Business Partnership Programme portfolio of businesses comprising a representative sample from across the region be formalised in the document;
14. WREDA's role with relation to regional major events, as distinct from the WCC-funded Major Events Programme be articulated in the SOI including an events calendar.;
15. Consider whether the event attendance targets have sufficient "stretch in them. The programme of work incorporates leverage of international civic connections to increase the return to Wellington of council 'diplomacy' including reference to opportunities and intended activity in in China (e.g. Xiamen, Beijing, and Xi'an).
16. That the drop in third party revenue be explained in addition to strategies and targets to increase this going forward.
17. Where appropriate, clarity be established between city-centred and region-wide activity, while maintaining an underlying philosophy, shared by the WRS Committee, that growth in one sub-region entails benefits for all;
18. Consideration be given to WREDA's role in support of the region-wide public transport vision, and related actions included in the document where applicable;
19. WREDA's role in terms of Maori economic development should demonstrate a commitment to work with Iwi
20. Include a Performance Measure for venues utilisation in the table of performance measures
21. A programme for skills and workforce development, including skilled migrants, and measurable outcomes.
22. Develop more specific actions for the creative and tech sectors.
23. The five pillars in the Plan on a Page do not include as one of their pillars the visitor economy, a major part of WREDA's activities. It is addressed as a series of projects in the SOI. In addition one of the pillars is sustainable growth, isn't this the overall objective for WREDA?
24. Some of the measurable outcomes for the key projects only go out for one year, as this is a three year SOI, measures should be for three years.
25. If Performance Measures vary from year to year, reasons for this variation should be noted.
26. Include in the Performance Measures the economic return arising from Major Events.

27. The sources and baselines for the measures used, for example, visitor nights come from MBIE statistics (*that these be identified in the document*).

28. Performance measures that have an absolute growth numbers (e.g. international students and in-migration) should be expressed as a percentage increase in share of the NZ market to reflect additionality above national trends.

I trust the above is of use , if you have any questions please don't hesitate to contact me

Yours sincerely



Wayne Guppy

Chair

Wellington Regional Strategy Committee





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## **ARTS AND CULTURE FUND, MARCH 2016 AND MULTI-YEAR FUNDING CONTRACTS**

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### **Purpose**

1. To provide recommendations for allocation of funding through the Arts and Culture Fund and for multi-year contracts

### **Summary**

2. The Council provides grants to assist community groups to undertake projects that meet community needs. Grants are also a mechanism for achieving the Council's objectives and strategic priorities, especially those priorities that rely on community organisations carrying out specific activities.
3. The 2013 review of the grant criteria proposed a move away from generic criteria in favour of specific criteria for each fund. While each pool may share a number of criteria, others would be tailored to suit the particular demands of that community of interest and relevant Council outcomes.

## Recommendations

That the Economic Growth and Arts Committee:

1. Receive the information.
2. Agree to the allocation of funding for the Arts and Culture Fund and Multi-year contract funding:

### Arts and Culture Fund- March 2016

|   | Organisation   | Project/Event Title  | Total Project Cost | Amount requested | Comments   | Recommended |
|---|--|--|--------------------|------------------|--|-------------|
| 1 | ADJOAA Limited   | Africa Fashion Festival New Zealand  | \$61,200           | \$20,000         | Lower priority, given pressure on available funding.   | \$0         |
| 2 | Aro Valley Community Council Inc   | Aro Valley Community Centre Basketball Court Mural Project                                   | \$8,310            | \$8,310          | Given pressure on available funding not a high priority, supported with a grant for a mural through Creative Communities fund. | \$0         |
| 3 | Arts Wellington - Wellington Regional Art and Cultural Development Trust | Arts Wellington Strategic Forums   | \$13,100           | \$5,000          | Can reapply in August 2016, given pressure on available funding in this round  | \$0         |
| 4 | Binge Culture Collective Limited   | Stranger in Town   | \$58,285           | \$3,000          | Developing a smartphone theatrical experience, good fit with our 'creative future through technology' priority.                | \$3,000     |
| 5 | Breaker Bay Community Choir  | Breaker Bay Community Choir - sessions, a workshop, a new collaboration and a new commission | \$6,450            | \$2,450          | Lower priority, due to pressure on the round can apply in August 2016.   | \$0         |

|    |  |  |           |         |   |         |
|----|--|--|-----------|---------|---|---------|
| 6  | Chamber Music New Zealand Trust Group              | The Third Act  | \$5,500   | \$5,000 | Lower priority given pressure on available funding in this round  | \$0     |
| 7  | CIRCUIT Artist Film and Video Aotearoa New Zealand | Artist Cinema Screening Series   | \$9,250   | \$2,250 | Can reapply in August 2016, given pressure on available funding in this round   | \$0     |
| 8  | Enjoy Public Art Gallery                           | Enjoy Public Art Gallery: Support for Running Costs and Programming            | \$212,602 | \$9,000 | Support for gallery- a vital part of a career path for visual artists, contributes to the innovative and creative life of the city. | \$7,000 |
| 9  | Indian Ink Theatre                                 | The Elephant Thief - Hannah Playhouse Season                                   | \$169,585 | \$4,000 | Low priority given pressure on available funding in this round  | \$0     |
| 10 | JavaScript New Zealand Incorporated                | Virtual Reality NodeBots - Brining Wellington into the Virtual Reality scene   | \$5,631   | \$5,631 | Low priority given pressure on available funding in this round, Officers will discuss the application with the group.               | \$0     |
| 11 | KidzStuff Theatre Inc                              | KidzStuff Season 2016  | \$62,193  | \$5,143 | Support for Kidzstuff who provide entry point for young people to experience theatre.   | \$2,000 |
| 12 | Latin American Film Festival                       | Latin American & Spain Film Festival (via Embassy of Argentina to New Zealand) | \$29,400  | \$6,500 | Contribution to film festival, Council supporting with venue.   | \$2,000 |
| 13 | Lokal Stories                                      | Lokal Stories  | \$18,400  | \$5,300 | Supported by a Creative Communities grant already, may fit with Public Arts Fund. Officers will discuss with the group.             | \$0     |

|    |                                      |   |           |          |   |         |
|----|--------------------------------------|---|-----------|----------|---|---------|
| 14 | Loki Lounge                          | Loki Lounge   | \$40,248  | \$4,000  | Seeking support for venue, given other spaces providing co-working opportunities.                                       | \$0     |
| 15 | Making Friends Collective            | Stand Up Love/Wine Lips                                     | \$9,464   | \$4,500  | Good fit with our 'hothouse for talent priority', support will benefit a variety of practitioners                       | \$3,000 |
| 16 | Matu Sako New Zealand Incorporated   | Myanmar Ethnics Cultural Festival                           | \$3,700   | \$3,700  | City events helping with event, Officers will meet with group to plan for future events.                                | \$0     |
| 17 | Matu Sako New Zealand Incorporated   | Refugee's Talent Show                                       | \$2,000   | \$2,000  | Lower priority given pressure on available funding.   | \$0     |
| 18 | MIA Mujeres In Aotearoa Incorporated | Danza MIA - workshops, rehearsals & performances            | \$5,262   | \$4,037  | Group received funding from Creative Communities for same project, lower priority.                                      | \$0     |
| 19 | Mutter                               | Tapes   | \$13,000  | \$4,400  | Received a grant of \$3,800 from Creative Communities which should enable them to deliver the project.                  | \$0     |
| 20 | New Zealand Academy of Fine Arts     | Celebrating our natural environment                         | \$10,111  | \$10,000 | Lower priority given pressure on available funding  | \$0     |
| 21 | New Zealand Dance Festival Trust     | Tempo on Tour 2016  | \$59,747  | \$20,000 | Lower priority- due to the pressure on the round and demand from local groups closer fit with priorities for this fund. | \$0     |
| 22 | New Zealand Film Festival Trust      | New Zealand International Film Festival, Wellington (NZIFF) | \$925,890 | \$15,000 | Support for annual film festival in line with previous support.   | \$5,000 |

**ECONOMIC GROWTH AND ARTS  
COMMITTEE  
26 APRIL 2016**

|    |   |  |          |          |   |         |
|----|---|--|----------|----------|---|---------|
| 23 | New Zealand Polish Film Festival Trust      | Wellington Polish Film Festival  | \$17,500 | \$5,000  | High local interest in this festival from local community and film sector, building on recent co-production agreement.  | \$3,000 |
| 24 | New Zealand School of Dance                 | Tu Move youth dance project  | \$2,500  | \$2,500  | Programme at NZSD offers a week long free opportunities to young Maori and Pacific boys. Good fit with Hothouse for talent and active and engaged priorities. | \$2,500 |
| 25 | New Zealand Tango Festival Charitable Trust | New Zealand Tango Festival Open Day  | \$6,600  | \$6,600  | Lower priority given pressure on available funding  | \$0     |
| 26 | Ni Hao Children's Community                 | Ni Hao Children's Community  | \$61,000 | \$20,000 | Seeking support for language classes, lower priority given pressure on available funding, Officers will discuss future applications                           | \$0     |
| 27 | Okareka Dance Company Trust                 | Mana Wahine  | \$49,075 | \$7,424  | Lower priority given pressure on available funding  | \$0     |
| 28 | Pablos Art Studios Incorporated             | Funding for the continued professional development of Wellington Artists through ROAR! gallery (Pablos Art Studios art gallery). | \$56,480 | \$12,000 | Support for Roar Gallery, good fit with our active and engaged and hothouse for talent priorities.  | \$5,000 |
| 29 | Palliser Viols                              | This is the Record of John. Verse andthems for Voices and Viols  | \$3,983  | \$1,500  | Lower priority given pressure on available funding  | \$0     |

**Item 2.2**

|    |  |   |          |          |  |         |
|----|--|---|----------|----------|--|---------|
| 30 | Pirate and Queen Ltd                                 | Wellington mid Winter Festival                  | \$20,000 | \$5,000  | Lower priority given pressure on available funding, City Events will discuss options for support for this new event.   | \$0     |
| 31 | Ravel Productions Ltd                                | Korowai play workshops and rehearsed readings   | \$7,610  | \$2,110  | Lower priority given pressure on available funding   | \$0     |
| 32 | Show Me Shorts Film Festival Trust Board             | The 11th Annual Show Me Shorts Film Festival    | \$43,779 | \$4,129  | Fits with our hothouse for talent priority, provides good opportunities for new film talent to have their work selected and presented on the big screen      | \$3,000 |
| 33 | St Andrew's on The Terrace                           | Series of lunchtime concerts                    | \$11,783 | \$2,500  | Support for series of lunchtime concerts, good value for money and fit with our hothouse for talent priority.  | \$2,500 |
| 34 | Storylines Children's Literature Charitable Trust NZ | Storylines Festival Wellington Family Day       | \$36,205 | \$9,055  | Lower priority given pressure on available funding, have been provided with a venue subsidy for venue hire costs.  | \$0     |
| 35 | Strike Percussion Trust                              | Wellington Batterie100 workshop and performance | \$21,350 | \$10,000 | Lower priority given pressure on available funding.  | \$0     |
| 36 | Sugarlicks   | Poropiti: Prophet                               | \$7,500  | \$4,500  | Lower priority given pressure on available funding, development and workshops taking place at Pataka, could re-apply if work can be presented in Wellington. | \$0     |

**ECONOMIC GROWTH AND ARTS  
COMMITTEE  
26 APRIL 2016**

|    |   |   |           |          |   |         |
|----|---|---|-----------|----------|---|---------|
| 37 | Te Koki- New Zealand School of Music        | NZSM Jazz Project 2016  | \$34,550  | \$10,073 | Council has provided a venue subsidy for this project, lower priority given pressure on available funding   | \$0     |
| 38 | Te Koki- New Zealand School of Music        | New Zealand School of Music Orchestra and Wellington Youth Orchestra combined concert | \$17,958  | \$5,000  | Good opportunities for the young musicians to develop their skills and fit with the Hothouse for Talent priority, has also been supported with a venue subsidy. | \$3,000 |
| 39 | The Community Performing Arts Trust         | Let'sMakeWorkTogether-Development Season  | \$6,350   | \$6,350  | Opportunity for independent makers and groups to focus on innovative work, good fit with our hothouse for talent priority.                                      | \$3,000 |
| 40 | The Conch Charitable Trust                  | Conchus Wellington - Workshop 1   | \$8,815   | \$6,165  | Lower priority given pressure on available funding, Officers will discuss options for work with Toi Poneke community.   | \$0     |
| 41 | The Dive Board Limited                      | TheDiveBoard.com Development Phase  | \$4,340   | \$4,340  | Lower priority given pressure on available funding  | \$0     |
| 42 | The Documentary New Zealand Trust           | Documentary Edge Festival & Screen Edge Forum 2016                                    | \$221,978 | \$10,000 | Lower priority given pressure on available funding, supported by major events.  | \$0     |
| 43 | The Glamaphones                             | The Glamaphones Concert Series Celebrating 30 years of Homosexual Law Reform          | \$5,550   | \$2,550  | Range of activities including a concert, good fit with our ' region of confident identities' priority.  | \$2,500 |
| 44 | The Miramar and Maupuia Community Trust Inc | Matariki at the Miramar and Maupuia Community Centre                                  | \$2,500   | \$1,000  | Local Matariki event, good fit with region of confident identities priority.  | \$500   |

Item 2.2

|    |  |  |           |          |   |         |
|----|--|--|-----------|----------|---|---------|
| 45 | The New Zealand Portrait Gallery Trust                                       | New Zealand Portrait Gallery Shannon Novak/Rokeby Portraits exhibition       | \$8,150   | \$7,250  | Lower priority given pressure on available funding, application for contract funding being considered.  | \$0     |
| 46 | The Playground New Zealand Ltd   | The Performance Arcade 2017  | \$219,857 | \$10,683 | Good fit with the hothouse for talent priority, innovative programme, supported by events.  | \$6,000 |
| 47 | The Wellington Treasure Trust  | Deliver a Third LitCrawl event for Wellington                                | \$82,166  | \$8,481  | Good fit with the hothouse for talent priority, brings a diversity of creative practitioners together in a supportive and innovative programme. | \$6,000 |
| 48 | Voice Arts Trust   | Salary and core administrative support NEW ONE                               | \$10,000  | \$7,000  | Support with operational costs, good fit with our active and engaged and hothouse for talent priorities   | \$5,000 |
| 49 | Wellington Elim International Church - Wellington City Elim Church Trust T/A | Tennyson Street Fair   | \$24,300  | \$4,000  | Local community festival.   | \$2,000 |
| 50 | Wellington Filipino Sports Organization Inc.                                 | Philippine Festival in Wellington 2016 (Pistang Pilipino 2016 sa Wellington) | \$30,349  | \$5,000  | Support for cultural activities Phillipine festival, also supported through Creative Communities.   | \$3,000 |
| 51 | Wellington Youth Orchestras Inc  | Combined Orchestral Weekend  | \$2,350   | \$1,000  | Lower priority given pressure on available funding, seeking support for a concert in Kapiti.  | \$0     |



|    |                      |  |                    |                  |  |                 |
|----|----------------------|--|--------------------|------------------|--|-----------------|
| 52 | Zeal Education Trust | Capturing Youth - Photography Pathway for Young People | \$4,910            | \$3,860          | Lower priority given pressure on available funding | \$0             |
|    |                      |  | <b>\$2,758,817</b> | <b>\$334,292</b> | <b>TOTAL</b>                                       | <b>\$69,000</b> |

**Arts and Culture Funding- Multi-year funding contracts**

|   | Organisation  | 2015/16 Contract Funding | Amount requested | Recommended      | Comment  |
|---|---|--------------------------|------------------|------------------|--|
| 1 | Young and Hungry Arts Trust                                 | NEW                      | \$20,000         | \$20,000         | Support for annual youth theatre festival - important fixture and step in the career path for young people interested in all aspects of theatre, from performing, writing and technical and administrative jobs.<br>3 years 2016/17 to 2018/19                                     |
| 2 | Creative Capital Arts Trust- for the NZ Fringe Festival     | \$104,040                | \$150,000        | \$120,000        | Support for annual NZ Fringe Festival including additional support for 'Hub' for ticket sales, networking and showcasing works.<br>3 years 2016/17 to 2018/19  |
| 3 | Taki Rua Productions Society Inc                            | \$20,000                 | \$60,000         | \$35,000         | Providing leadership for Maori theatre, supporting local theatre practitioners and groups contributing to local Putahi and Kia Mau festivals.<br>3 years 2016/17 to 2018/19  |
| 4 | Katherine Mansfield Birthplace Society                      | \$73,748                 | \$75,000         | \$75,000         | Support for visitor experience, public and education programmes from the former home in Thorndon of Katherine Mansfield.<br>3 years 2016/17 to 2018/19   |
| 5 | The New Zealand Portrait Gallery Trust                      | NEW                      | \$45,000         | \$20,000         | Operational support for the waterfront National Portrait Gallery, committed to supporting the development of portraiture through the Adam portrait awards and through the exhibition of new media and moving image portraits within the exhibitions.<br>3 years 2016/17 to 2018/19 |
| 6 | Newtown Residents Association Inc- for the Newtown Festival | \$63,240                 | \$185,000        | \$63,240         | Support for annual Newtown community festival, recognising that local musicians and community groups are a key part of the festival. Additional support through Community Event Sponsorship (\$30,000)<br>3 years 2016/17 to 2018/19   |
|   |   |                          | <b>\$535,000</b> | <b>\$333,240</b> |  |

## Background

4. Grants and funding are included in the Annual Plan to provide an appropriate mechanism for the Council to respond to community groups that are undertaking projects that:
  - Meet a need identified by the community.
  - Align with council's strategic goals and community outcomes.
  - Rely to some extent on participation and engagement by community organisations
5. Organisations and projects are funded through both contracts and contestable grants pools. The contestable pools provide grants that are discretionary, short term and generally project based in nature. The Council also enters into multi- year contracts when it has an interest in ensuring particular activities occur that contribute to Council's strategies or policies.
6. The Strategy and Policy Committee agreed to a re-configured grants framework (April 2005) in which organisations whose activities directly contribute to Council's strategic or policy goals would be funded through a detailed contractual arrangement with 3 year reviews of the funding.
7. These organisations are critical to Wellington, contributing to Wellington's sense of place and are part of the city's infrastructure. Organisations that are funded through three year contracts are sustainable in the long term but need some financial support and some certainty of funding.
8. Organisations funded by the Council through three year contracts need to meet the Arts and Culture Fund criteria (Attachment 1) and also that:
  - The organisation is well-established and with some Council funding is sustainable in the long-term.
  - The organisation is generally regarded as a feature of Wellington's infrastructure or unique sense of place.
  - The Council does not wish to influence its day to day activities but has a strong interest in the outcomes of the organisation and can influence these through results based reporting.
  - A partner relationship is beneficial
  - Alignment with Council's outcomes and policies, in particular the Arts and Culture Strategy and Events Policy.

## Discussion- Arts and Culture Fund

9. The Arts and Culture Fund supports community organisations for projects that meet the criteria for the fund. This is third (of three) funding rounds for 2015-16 financial year, 52 organisations requesting \$334,291. The next Arts and Culture funding round has a closing date of 29 August 2016.
10. Officers are recommending the Economic Growth and Arts Committee support 20 projects with grants totalling \$69,000.

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## Discussion- Contract funding

11. Overall there are 60 organisations funded through multi-year contracts with organisations being reviewed as their contracts expire 30 June 2016. Through the Arts and Culture Fund, seven organisations are seeking contract funding, other organisations (including the non-Council run community centres) will be considered for contract funding (from the Social and Recreation Funding pool) at the Community, Sport and Recreation Committee on 15 June 2016.
12. Four organisations are seeking to renew contract funding through Arts and Culture Funding; Creative Capital Arts Trust for the NZ Fringe Festival, Newtown Residents Association Inc- for the Newtown Festival, Taki Rua Productions Society Incorporated and the Katherine Mansfield Birthplace Society.
13. Two organisations who have been supported by Council through grants have requested Arts and Culture contract funding for the first time, these are the Young and Hungry Arts Trust and The New Zealand Portrait Gallery Trust.
14. This paper makes recommendations as to which organisations should be funded through negotiated agreements for 2016-2019 financial years subject to budgets being approved within the 2016/17 annual plan process. A list of current contract funding is included as Attachment 2. Officers work with organisations to agree on a detailed set of performance outcomes which are reviewed annually based on accountability reporting provided by the organisations.
15. The following principles and criteria have been derived from the framework and its rationale. They have been developed as a guide for the recommendations contained in this paper.
16. Organisations completed a self-assessed 'health check' as part of the application process. Officers ratified this self-assessment by reviewing the supporting documentation provided by the applicants. Before recommending an organisation for contract funding. Officers satisfied themselves that each organisation score a rating of at least '3' in each assessment area, where possible support or assistance can be provide outside the funding.
17. Officers also looked to see that organisations were addressing any areas that they had identified as weaknesses. Organisations are asked to demonstrate how they do or will work in partnership with other organisations and the Council, how they evaluate their activities and their commitment to the Treaty of Waitangi.
18. The original information provided through online application has been made available to Councillors via the hub.
19. The assessment process from grants and contract funding may include consultation with; the applicant, persons or organisations referred to in the application and Council officers. Applicants are given two working days where possible to respond to a request for more information. To ensure funds are used appropriately, conditions may be suggested should funding be approved, typically where reports have not been received for previous grants.

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## Contact Officers

Mark Farrar, Senior Advisor Funding and Relationships

Felicity Birch, Arts Advisor, City Arts, and Natasha Petkovic-Jeremic, Manager City Arts and Events

## Next Actions

## Attachments

Attachment 1. Arts and Culture Fund- Criteria

Page 110

Attachment 2. Contract funding 2015-16

Page 112

|            |  |
|------------|--|
| Author     | Mark Farrar, Team Leader Funding and Relationships |
| Authoriser | Greg Orchard, Chief Operating Officer              |

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## **SUPPORTING INFORMATION**

### **Consultation and Engagement**

N/A

### **Treaty of Waitangi considerations**

Application that could have implications for Maori are referred to Council's Treaty Relations Office for recommendations. For each of these grant funds there are specific criteria and questions relating to Maori, for the Arts and Culture Fund applicants are asked to describe how their project serves to value and increase the visibility of Maori cultural traditions and or contemporary applications.

### **Financial implications**

The Long Term Plan makes provision for community grants in several places -2.1.6 - Community environmental initiatives, 3.1.4 - Grants and creative workforce, 4.1.4 – (Arts and) Cultural grants, and 5.2.4 - Grants (Social and Recreation). Arts and Culture Funding comes under project C661.

### **Policy and legislative implications**

Council funds have been created to assist community initiatives in line with Council strategy. Council Officers engage and consult widely with a range of groups and organisations before funding applications are made and throughout the assessment process.

### **Risks / legal**

N/A

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

N/A

### **Communications Plan**

N/A

## Attachment 1 - Arts and Culture Fund Criteria

This fund has four focus areas that can be supported - the city as a hothouse for talent, Wellington as a region of confident identities, active and engaged people, and our creative future through technology.

### Fund objectives

- To support the city as a hothouse for talent
- To reinforce Wellington as a region of confident identities
- To support active and engaged people
- To encourage our creative future through technology.

### Criteria

Projects make a positive contribution to achieving the Council's strategic outcomes:

Towards 2040: Smart Capital strategy

- People Centred City: Contributes to healthy, vibrant, affordable and resilient communities, with a strong sense of identity and 'place' expressed through urban form, openness and accessibility.
- Connected City: Supports a city with easy physical and virtual access to regional, national and global networks.
- Eco-City: Allows the city to proactively respond to environmental challenges and seize opportunities to grow the green economy.
- Dynamic Central City: Supports a central city of creativity, exploration and innovation, helping Wellington to offer the lifestyle, entertainment and amenity of a much bigger city.

Long Term Plan 2012-22 priorities:

- An inclusive place where talent wants to live
- A resilient city
- A well managed city
- Annual Plan priorities for the relevant year.

The project is Wellington-based and mainly benefits the people of Wellington. (exceptions may be made for projects based elsewhere in the region, but which significantly benefit Wellington City residents).

The applicant is a legally constituted community group or organisation.

The applicant provides evidence of sound financial management, good employment practice, clear and detailed planning, clear performance measures, and reporting processes.

The applicant outlines how physical accessibility has been built into project development.

The applicant outlines how pricing has been set to ensure access by a wide range of people or by the intended users.

The project should show evidence of community support, collaboration, and building partnerships with other organisations (e.g. social media interest, letters of support from other organisations/leaders).

The applicant must show that the project discernibly improves community wellbeing and adds value to the range of similar types of services in the community.

The Council acknowledges the significance of Māori cultural practice. Demonstrate how your project values and increases the visibility of Māori cultural traditions and contemporary applications.

New and developmental arts projects. We can support new and developmental arts projects. Applicants will need to demonstrate the formative nature of the project.

### **Focus Areas**

#### **The city as a hothouse for talent**

Priority will be given to projects that:

- Ensure there is an appropriate range of platforms for local talent to present their works
- Value new talent and connect it with support networks

#### **Wellington as a region of confident identities**

Priority will be given to projects that:

- Recognise and celebrate the role of mana whenua and Māori history in the city
- Enable all ethnic, demographic and suburban communities to explore, celebrate and share their own cultural identity
- Enable suburban and other geographical communities to undertake projects that explore, celebrate and share their own identity

#### **Active and engaged people**

Priority will be given to projects that:

- Support arts practitioners to work with communities to develop work of, by and for that community
- Ensure the sustainability of organisations that facilitate and/or undertake activities within communities
- Maximise the potential of arts and cultural activities to increase community connectedness, resilience and participation in community/city decision-making

#### **Our creative future through technology**

Priority will be given to projects that:

- Increase access to technology for use in the creation, distribution and marketing of creative products and services

## Contract Funding

15/16 financial year (1 July 2015 to 30 June 2016)

| <i>Organisation name</i>   | <i>Amount funded<br/>2015/16 (excl<br/>GST)</i> | <i>Contract<br/>term</i> |
|--|---|--------------------------|
| Age Concern Wellington Inc   | \$25,500  | 2013-16                  |
| Aro Valley Community Council Inc.  | \$50,772  | 2013-16                  |
| Arts Access Aotearoa   | \$23,000  | 2015-18                  |
| BATS Theatre   | \$60,000  | 2015-18                  |
| Be. Institute Charitable Trust   | \$21,182  | 2015-16                  |
| Brooklyn Community Association – Brooklyn Community Centre                     | \$43,941  | 2013-16                  |
| Brooklyn Community Association - Vogelmorn Hall                                | \$31,330  | 2013-17                  |
| Brooklyn Community Resource Centre   | \$27,526  | 2013-16                  |
| Challenge 2000   | \$40,800  | 2014-17                  |
| Changemakers Refugee Forum   | \$15,300  | 2014-17                  |
| Circa Theatre  | \$75,000  | 2015-18                  |
| Community Law Wellington and Hutt Valley                                       | \$75,000  | 2015-18                  |
| Community Networks Wellington (formerly Wellington Council of Social Services) | \$35,000  | 2015-18                  |
| Creative Capital Arts Trust  | \$104,040                                       | 2013-16                  |
| Eastern Southern Youth Trust   | \$71,400  | 2014-17                  |
| English Language Partners Wellington Incorporated                              | \$16,646  | 2013-16                  |
| Footnote Dance Trust Board   | \$20,000  | 2015-18                  |
| Hataitai Childcare Collective and Community House Inc.                         | \$45,328  | 2013-16                  |
| Island Bay Enhancement Trust- Island Bay Festival                              | \$25,000  | 2015-18                  |
| Johnsonville Community Centre  | \$48,805  | 2013-16                  |
| Kaibosh  | \$27,000  | 2012-15                  |



|  |           |         |
|--|-----------|---------|
| Karori Community Centre  | \$52,841  | 2013-16 |
| Katherine Mansfield Birthplace Soc.                              | \$73,748  | 2013-16 |
| Khandallah Cornerstone Resource Centre                           | \$44,580  | 2013-16 |
| Kilbirnie/Lyall Bay Community Centre                             | \$58,269  | 2013-16 |
| Life Flight Trust  | \$48,000  | 2015-18 |
| Miramar and Mapuia Community Trust                               | \$46,171  | 2014-16 |
| Mokai Kainga Maori Centre Charitable Trust                       | \$46,093  | 2013-16 |
| New Zealand Opera  | \$53,000  | 2015-18 |
| New Crossways Community Trust                                    | \$39,377  | 2013-16 |
| Newtown Community & Cultural Centre                              | \$53,805  | 2013-16 |
| Newtown Community & Cultural Centre - Newtown<br>Playground Hall | \$32,833  | 2013-16 |
| Newtown Community & Cultural Centre- Smart Newtown               | \$100,919 | 2013-16 |
| Newtown Community & Cultural Centre- Wellington<br>Timebank      | \$27,540  | 2014-16 |
| Newtown Residents Association- Newtown Festival                  | \$63,240  | 2013-16 |
| Nga Hau e Wha O Paparangi  | \$41,945  | 2013-16 |
| Northland Memorial Community Centre                              | \$43,836  | 2013-16 |
| Orchestra Wellington   | \$272,000 | 2015-18 |
| Orpheus Choir  | \$15,000  | 2015-18 |
| Randell Cottage Writers Trust                                    | \$10,000  | 2015-18 |
| Royal New Zealand Ballet   | \$153,000 | 2015-18 |
| Salvation Army Community Ministries                              | \$20,000  | 2015-16 |
| Strathmore Park Community Base Inc.                              | \$48,805  | 2013-16 |
| Taki Rua Productions   | \$20,000  | 2015-16 |
| Tawata Productions   | \$35,000  | 2015-18 |

|  |           |         |
|--|-----------|---------|
| Te Whanganui-a-Tara Youth Development Trust (Trading as Evolve)                        | \$32,000  | 2015-18 |
| Te Whakamura Ai Te Ahi- Downtown Community Ministry                                    | \$137,668 | 2015-18 |
| Te Whakamura Ai Te Ahi- Ngati Kahungunu ki Poneke Community Services Inc               | \$99,866  | 2015-18 |
| Te Whakamura Ai Te Ahi- Suzanne Aubert Compassion Centre Wellington Ltd (Soup Kitchen) | \$72,666  | 2015-18 |
| The Enviroschools Foundation   | \$45,500  | 2014-17 |
| The Sustainability Trust   | \$50,000  | 2015-18 |
| Thistle Hall   | \$30,000  | 2013-16 |
| Vincent's Art Workshop   | \$38,000  | 2015-18 |
| Volunteer Wellington   | \$35,000  | 2015-16 |
| Wellington Activity Centre   | \$36,720  | 2014-17 |
| Wellington Boys and Girls Institute Inc  | \$71,400  | 2014-17 |
| Wellington Citizens Advice Bureau Inc  | \$207,672 | 2015-18 |
| Wellington City Mission  | \$37,000  | 2015-18 |
| Wellington City Mission- WCC's Mayoral Relief Fund                                     | \$21,266  | 2012-15 |
| Wellington Free Ambulance  | \$90,000  | 2015-18 |
| Wellington Independent Artists Trust (trading as Urban Dream Brokerage)                | \$50,000  | 2015-18 |
| Wellington Marine Conservation Trust   | \$52,020  | 2013-16 |
| Wellington Night Shelter Trust   | \$95,000  | 2015-18 |
| Wellington Rape Crisis   | \$20,000  | 2015-18 |
| Wellington Women's Refuge  | \$35,630  | 2015-18 |
| ZEAL Education Trust   | \$71,400  | 2014-17 |

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## **UPDATE ON PROJECTS**

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### **Purpose**

1. The Committee will receive an update on the projects work under way.

### **Recommendation**

That the Economic Growth and Arts Committee:

1. Receive the information.

### **Discussion**

2. The Director of City Growth and Partnerships will update the Committee on a number of projects and workstreams currently under way.

### **Attachments**

Nil

|            |  |
|------------|--|
| Author     | Derek Fry, Director City Growth & Partnerships |
| Authoriser | Derek Fry, Director City Growth & Partnerships |



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## **UPDATE ON COMMERCIAL PROPERTY MARKET ACTIVITY**

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### **Purpose**

1. The Committee will receive an update on recent commercial property activity in the city.

### **Recommendation**

That the Economic Growth and Arts Committee:

1. Receive the information.

### **Discussion**

2. A representative from City Shaper will update the Committee on recent commercial property market activity in the city.

### **Attachments**

Nil

|            |  |
|------------|--|
| Author     | Derek Fry, Director City Growth & Partnerships |
| Authoriser | Derek Fry, Director City Growth & Partnerships |