

---

**ORDINARY MEETING  
OF  
STRATEGY AND POLICY COMMITTEE  
AGENDA**

**Time:**  
**Date:** Thursday, 15 April 2021  
**Venue:** Ngake (16.09)  
Level 16, Tahiwi  
113 The Terrace  
Wellington

---

**MEMBERSHIP**

Mayor Foster  
Deputy Mayor Free  
Councillor Calvert (Deputy Chair)  
Councillor Condie  
Councillor Day (Chair)  
Councillor Fitzsimons  
Councillor Foon  
Councillor Matthews  
Councillor O'Neill  
Councillor Pannett  
Councillor Paul  
Councillor Rush  
Councillor Sparrow  
Councillor Woolf  
Councillor Young

**NON-VOTING MEMBERS**

Te Rūnanga o Toa Rangatira Incorporated  
Port Nicholson Block Settlement Trust

**Have your say!**

*You can make a short presentation to the Councillors at this meeting. Please let us know by noon the working day before the meeting. You can do this either by phoning 04-803-8334, emailing [public.participation@wcc.govt.nz](mailto:public.participation@wcc.govt.nz) or writing to Democracy Services, Wellington City Council, PO Box 2199, Wellington, giving your name, phone number, and the issue you would like to talk about. All Council and committee meetings are livestreamed on our YouTube page. This includes any public participation at the meeting.*

---

## **AREA OF FOCUS**

The role of the Strategy and Policy Committee is to set the broad vision and direction of the city, determine specific outcomes that need to be met to deliver on that vision, and set in place the strategies and policies, bylaws and regulations, and work programmes to achieve those goals.

In determining and shaping the strategies, policies, regulations, and work programme of the Council, the Committee takes a holistic approach to ensure there is strong alignment between the objectives and work programmes of the seven strategic areas covered in the Long-Term Plan (Governance, Environment, Economic Development, Cultural Wellbeing, Social and Recreation, Urban Development and Transport) with particular focus on the priority areas of Council.

The Strategy and Policy Committee works closely with the Annual Plan/Long-Term Plan Committee to achieve its objective.

To read the full delegations of this Committee, please visit [wellington.govt.nz/meetings](https://wellington.govt.nz/meetings).

**Quorum:** 8 members

---

**TABLE OF CONTENTS**  
**15 APRIL 2021**

---

<b>Business</b>	<b>Page No.</b>
<b>1. Meeting Conduct</b>	<b>5</b>
1.1 Karakia	5
1.2 Apologies	5
1.3 Conflict of Interest Declarations	5
1.4 Confirmation of Minutes	5
1.5 Items not on the Agenda	5
1.6 Public Participation	6
<b>2. General Business</b>	<b>7</b>
2.1 Central Library Project: Design and service principles, building footprint optimisation, and sustainability options	7
2.2 Gambling Venues Policy 2021	23
<b>3. Committee Reports</b>	<b>131</b>
3.1 Report of the Council Controlled Organisations Subcommittee Meeting of 7 April 2021	131



---

## 1. Meeting Conduct

---

### 1.1 Karakia

The Chairperson will open the meeting with a karakia.

<b>Whakataka te hau ki te uru,</b>	Cease oh winds of the west
<b>Whakataka te hau ki te tonga.</b>	and of the south
<b>Kia mākinakina ki uta,</b>	Let the bracing breezes flow,
<b>Kia mātaratara ki tai.</b>	over the land and the sea.
<b>E hī ake ana te atākura.</b>	Let the red-tipped dawn come
<b>He tio, he huka, he hauhū.</b>	with a sharpened edge, a touch of frost,
<b>Tihei Mauri Ora!</b>	a promise of a glorious day

At the appropriate time, the following karakia will be read to close the meeting.

<b>Unuhia, unuhia, unuhia ki te uru tapu nui</b>	Draw on, draw on
<b>Kia wātea, kia māmā, te ngākau, te tinana,</b>	Draw on the supreme sacredness
<b>te wairua</b>	To clear, to free the heart, the body
<b>I te ara takatū</b>	and the spirit of mankind
<b>Koia rā e Rongo, whakairia ake ki runga</b>	Oh Rongo, above (symbol of peace)
<b>Kia wātea, kia wātea</b>	Let this all be done in unity
<b>Āe rā, kua wātea!</b>	

### 1.2 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.

### 1.3 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.

### 1.4 Confirmation of Minutes

The minutes of the meeting held on 8 April 2021 will be put to the Strategy and Policy Committee for confirmation.

### 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 Strategy and Policy Committee.***

The Chairperson shall state to the meeting:

1. The reason why the item is not on the agenda; and

2. The reason why discussion of the item cannot be delayed until a subsequent meeting.

The item may be allowed onto the agenda by resolution of the Strategy and Policy Committee.

***Minor Matters relating to the General Business of the Strategy and Policy Committee.***

The Chairperson shall state to the meeting that the item will be discussed, but no resolution, decision, or recommendation may be made in respect of the item except to refer it to a subsequent meeting of the Strategy and Policy Committee for further discussion.

## **1.6 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 31.2 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.

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

---

## 2. General Business

---

---

# **CENTRAL LIBRARY PROJECT: DESIGN AND SERVICE PRINCIPLES, BUILDING FOOTPRINT OPTIMISATION, AND SUSTAINABILITY OPTIONS**

---

### **Purpose**

1. This report asks the Strategy and Policy Committee to endorse the design and service principles that guide the operating and service development model for the refurbished Central Library - Te Matapihi ki te Ao Nui. It also asks the Committee to decide on options for the development of the upper floors and the building's sustainability.

### **Summary**

2. In October 2020, Council decided to progress with Option C, high-level remediation through base isolation, for the Central Library building. At that time, officers were asked to look at options for optimising the building footprint through development of the upper floors, and to investigate options to enhance building sustainability.
3. Officers have also been progressing the development of principles that will be incorporated as part of the design to guide the operating model and service development process. A set of principles is presented for endorsement.
4. Officers are recommending that the Option C remediation scheme for Te Matapihi is adapted to include an 880 sqm extension to levels 3 and 4.
5. Officers recommend the building be designed to achieve a 5 Green Star rating due to its moderate cost, low risk to achieving certification and the opportunity it presents to demonstrate Council's commitment to Te Atakura.

### **Recommendation/s**

#### **Recommendation/s**

That the Strategy and Policy Committee:

1. Receive the information.
2. Agree the following design and service principles which will shape the development of services within Te Matapihi, and influence design decisions as the project progresses:
  - a. Engage fully with Mana Whenua (including commencing use, from now, of the te reo name Te Matapihi ki te Ao Nui)
  - b. Design for the visitor:
    - i. "whole of population" inclusion: traditional, new and future users;
    - ii. facilitating access to knowledge and knowledge services;
    - iii. anchoring social infrastructure in the city.

- 
- c. Harness the power of partnership:
    - i. through an integrated (not just co-located) service from Libraries, City Archive and Council Service Centre;
    - ii. as the home of Capital E.
  - d. Design a visitor experience that is modern, fit for the future, and Wellington:
    - i. a spatially flexible, accessible, modern environment speaking strongly of Wellington;
    - ii. a hub of creative, civic, and humanities activities and a visitor attraction in its own right;
    - iii. designed to evolve in response to ongoing digital and population change.
3. (a) Agree that officers adapt the Option C remediation of Te Matapihi to include an extension of levels 3 and 4.  
(b) Note that the estimated cost of the extension of levels 3 and 4 will require additional funding in the 2021-31 Long-term Plan of \$8.5m and the impact on the construction programme is approximately 3 months.
  4. Agree to progress sustainability initiatives within the design of the building, with the objective of obtaining a 5 Green Star rating, noting that this requires additional Long-term Plan funding of \$1.9m for the redevelopment.

## **Background**

6. The Central Library was closed in March 2019 due to the risks to public safety in the event of a significant earthquake. The Council has since established an interim CBD library network to house the library collection and to deliver library services. The interim library service has been well received by the public as an alternative to the Central Library service.
7. The Council then worked through a process with its consultant engineers to establish the range of options to remediate the Central Library building. Three schemes were scoped that offered low, mid and high levels of resilience.
8. Following a Special Consultative Procedure (SCP) in 2020, Council resolved to take forward Option C, high level remediation through base isolation, to the Long-term Plan (LTP). Other resolutions as part of this process asked officers to develop options for optimising the building's footprint and develop specific options for improving sustainability of the building.
9. Since the October decision, officers have been progressing the development of design and service principles to set the direction for the spatial design and services development process. This will ensure the operating model and services delivered at Te Matapihi ki te Ao Nui, and across the wider Libraries network, respond to a variety of community needs, is fit for purpose and future proofed. Officers have also been working with its team of consultants to understand the options for the development of the upper floors of the building and sustainability options for the building.

---

## **Discussion**

### **Design and service principles**

#### **Key considerations in the development of the principles**

10. Since the October 2020 decision, officers have worked on further developing the experience and service elements that will occur within Te Matapihi ki te Ao Nui. A particular focus has been to identify the spatial design elements that will need to be considered early in the design process. This has resulted in an over-arching framework and guiding principles for the next phase of design.
11. In doing this, officers have responded to the direction given by Council, feedback from the community through the Special Consultative Process, including from Mana Whenua and Tangata Whenua, and discussions with key stakeholders.
12. A summary of the direction from Council to officers from the October 2020 decision was to:
  - engage with Mana Whenua to inform service and design;
  - modernise - develop a 21st century library service;
  - support the broadest, most inclusive visitor base, including the creative sector and other groups and overall accessibility and inclusion;
  - co-locate/integrate - explore the feasibility of accommodating civic functions, the Council's Service Centre and others, including Capital E;
  - develop a high-level service model to enable integrated civic, cultural and creative programming and partnerships;
  - optimise connectivity with Te Ngākau, surrounding streets and the wider Civic Precinct.
13. The community's feedback demonstrated the passion shown by Wellingtonians for their Central Library, and for the value it brings to the city. The public consultation agreed on:
  - the need for a safe, resilient Central Library building;
  - the importance of the Central Library service now and in the future as a community and social space;
  - the importance of the library as a multi-purpose, multi-use space and for knowledge acquisition;
  - the importance of heritage, such as the Nikau palms;
  - taking the time to get the project done right for the future.

#### **Mana Whenua Engagement**

14. Submissions to Council from the Tenths Trust, the Palmerston North Māori Reserve, the Wharewaka and the Nga Aho Group a number of points, including:
  - that Mana Whenua are vitally invested in the future of the Central Library building and Te Ngākau Civic Square;
  - how governance in Te Ngākau could operate, including various suggestions regarding bicultural governance, citing precedents in the environmental planning and management space;
  - that there is currently much effort put into retaining colonial heritage with much less of a focus on acknowledging the far longer presence of Māori in this place. Libraries in their current form are colonial institutions and by design privilege

western knowledge. Council to consider different ways, apart from written, that knowledge is transmitted and how a library might enable oral knowledge to be disseminated;

- that Māori heritage of Wellington should reside in the Central Library and that the library has a role to play here in an appropriate way. A dedicated space for Māori resources should be considered;
  - Council should ensure the promotion of mātauranga Māori in these design projects, including use of Māori design and creating opportunities for young Māori, who will be the future users of the Library and could be writers, poets, publishers, architects, artists;
  - empowerment of Mana Whenua through the giving back of resource to “manaaki those of us who are from elsewhere;”
  - how the library can protect iwi mātauranga held by kaumatua;
  - how the library can promote equity. “What are the important informal and civic functions of a library to manaaki its people? Need to think about it more than just a place for books but a place where tamariki and rangatahi come after school for shelter when the weather is bad, possibly a place to find kai.”
15. Working with the Council’s Māori Strategic Relationships team, as well as a dedicated Mana Whenua engagement lead, officers are exploring how Mana Whenua would like to engage further on Te Matapihi. Initial indications are of strong interest.
16. The project has commenced the use of the existing te reo name Te Matapihi ki te Ao Nui.

### **Other considerations – population growth and modernisation**

17. Consideration has been given to projected population growth in both Te Matapihi’s regional catchment (estimated to grow between 91-150,000 people over the next thirty years) as well as the inner city precinct (estimated to be approximately 82,000 people by 2040), for which Te Matapihi will be the local, community library.
18. Wellington’s inner-city population is likely to become more diverse, more likely to live in a lone or dual person household and be in an apartment or terraced house. We can expect this population to move primarily on foot, cycle or public transport.
19. “Modernising” Te Matapihi is being informed by a review of the library direction and practice worldwide. When Te Matapihi reopens, it must be suitable for both the traditional user, as well as new and diverse users, and be well planned and designed for the needs of future Wellingtonians.
20. Modern libraries have continued to evolve over the last 30 years since the Central Library opened. They now are recognised as contributing multiple social benefits including:
- a key component of a city’s social infrastructure;
  - supporting communities to thrive;
  - being child and family-centred, creating child-centred spaces;
  - assisting play and learning;
  - providing services, collections and programming in ways which fire the imaginations of visitors, inviting engagement and different kinds of use;
  - inviting engagement and different kinds of uses;
  - responding to the environment;
  - as significant visitor attractions in their own right.

21. Reopening Te Matapihi is a significant Council project and a major focus for officers. However, it is also a priority to ensure the wider Libraries network, including Te Matapihi, is a robust, resilient service which can evolve to meet the needs of future Wellingtonians as well as current citizens.

### **Guiding principles**

22. With the above key considerations in mind, the following guiding principles have been developed to inform the project going forward:
- a. Engage fully with Mana Whenua (including commencing use, from now, of the te reo name Te Matapihi ki te Ao Nui)
  - b. Design for the visitor
    - i. "whole of population" inclusion: traditional, new and future users;
    - ii. facilitating access to knowledge and knowledge services;
    - iii. anchoring social infrastructure in the city;
  - c. Harness the power of partnership
    - i. through an integrated (not just co-located) service from Libraries, City Archive and Service Centre;
    - ii. as the home of Capital E.
  - d. Design a visitor experience that is modern, fit for the future, and Wellington
    - i. a spatially flexible, accessible, modern environment speaking strongly of Wellington;
    - ii. a hub of creative, civic, and humanities activities and a visitor attraction in its own right;
    - iii. designed to evolve in response to ongoing digital and population change.
23. These principles will be incorporated as part of the next phase of spatial design and guide the operating model and service development process.

### **Implications for the operating and service model**

24. While the project is still in the early stage of the service development and operating model process, the principles above will drive a model for service delivery for Te Matapihi ki te Ao Nui that responds to Council's direction for a modern 21<sup>st</sup> Century library service. In practice, the ways in which people will experience this will include:
- delivering outcomes that Mana Whenua identify as important, through spaces, services, programmes and governance;
  - driving visitation through strong connections to Te Ngākau;
  - providing a public front-door to Council services through the integration of three Council services, and a collaborative partnership with Capital E to create a "hub";
  - reflecting Wellington's diverse communities throughout spaces, programming and services;
  - accessibility in the widest definition, including creating spaces and programmes that are easy to navigate and access;
  - actively fostering the engagement of children and young people;
  - story building, knowledge and learning, including citizen created content;

- fostering social connection, lowering barriers to access and matching operating hours/days to community need;
  - using technology and digitisation to meet increased expectations and demand, and drive efficiencies, experiences and education;
  - the potential for collective offsite distribution and storage model across a number of Council services;
  - the potential for new services as a result of integration, and an evolution of the wider Libraries network to meet the needs of current and future Wellingtonians.
25. The service model will provide a unified customer service experience throughout Te Matapihi, based on manaakitanga, and embracing those who visit as valued guests. This includes integrating the current Council Service Centre and City Archives activities with the Library service, to ensure that customers receive a consistent service experience.
26. While some Council services will have a permanent presence in the building, there is scope to connect to other offsite services, as Arapaki Manners Library and Service Centre does currently (such as Public Health, Consenting and Compliance, and City Housing), creating a significant public face for Council in Te Ngākau Civic Square.
27. There are also opportunities for community providers and organisations to be able to utilise Te Matapihi. During the next phase of design more work will be done on how this could best be enabled, including through the flexible spaces that will be incorporated into the spatial design.
28. Library services within Te Matapihi will respond to both traditional and new visitor expectations. They will include collections, community and Council-run events and programmes, makerspaces, and dedicated spaces for Māori and local history collections, alongside provision for managing more complex enquiries, creating immersive programming and experiences and engaging Wellingtonians in decisions about their city.
29. The library service will also extend beyond the walls of Te Matapihi, both physically and digitally. Because of the relationship with Te Ngākau, Te Matapihi will play a critical role in activating the precinct, partnering with others to ensure that the beating heart of our capital city is brought to life. Online, Te Matapihi will have its own presence which recognises it as a visitor destination, that sits alongside focused online offerings that serve particular customers such as the Council and Libraries websites.
30. Te Matapihi will be a cornerstone for the Wellington City Libraries network, therefore its evolution to a different service model will also require that the entire library network evolves. This will involve a transition to service delivery that stands “alongside” the customer, as opposed to across the desk, is enabled and enhanced by technology, and ensures that staff are able to actively support our aims around Te Tauihu, accessibility, diversity and inclusion.
31. Discussions with Experience Wellington have determined that there is mutual willingness for Capital E to be located within Te Matapihi. Next steps include:
- working further on the degree of integration;
  - designing services with complementarity in mind;
  - forming a heads of agreement about direction, and involvement in the formation of a new operating model.

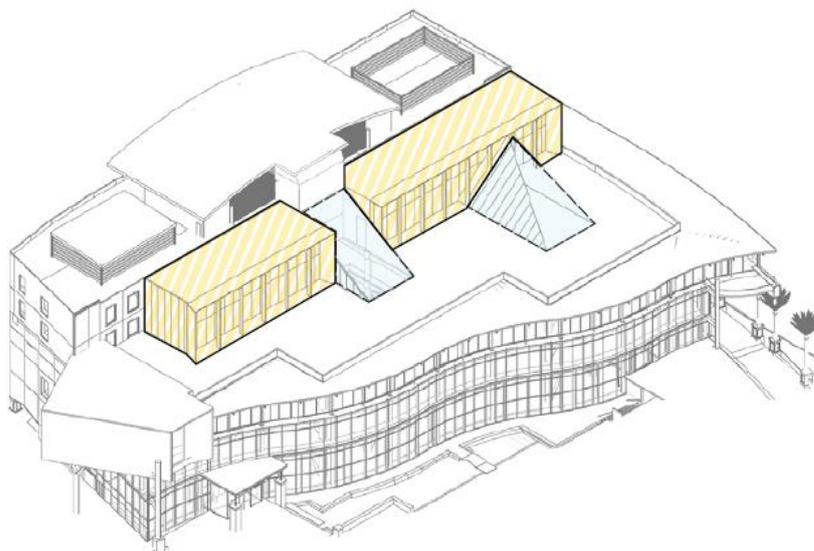
### **Spatial design considerations**

32. Access and inclusiveness are key principles for a contemporary library and community space. For Te Matapihi to be successful it will need to reflect and provide for all Wellingtonians and in particular address the needs of those who do not currently use libraries, those who are presented with unique barriers to their full use of public spaces, and those who may see the library as not traditionally being designed 'for them'.
33. To address this principle the design team will explore how Universal Design can inform the design process and its outcomes. This will require consultation and engagement with specific stakeholders and tracking of the Universal Design outcomes through each stage of the design process. Those outcomes will consider the built environment beyond the minimum building code requirements.
34. A critical aspect of the design will need to consider how Te Matapihi will respond to Te Tiriti obligations and reflect the stories, needs and aspirations of Mana Whenua. The intention is not just for Māori and Mana Whenua to be represented within Te Matapihi, but for their influence and presence to be felt throughout the space and the collection.
35. Heritage principles guiding the project will ensure that the redevelopment of Te Matapihi, including the seismic strengthening and refurbishment work is undertaken in accordance with a conservation plan prepared by a suitably qualified heritage professional and the heritage values of the building.

### **Building footprint optimisation**

36. As part of the October 2020 decision making process, in which Council selected Option C as the preferred option to take forward into the LTP process, Council asked officers to consider the opportunities and feasibility of optimising the building's footprint, including potential uses, costs and risks.
37. The project design team determined there were three feasible extension options that may be worth investigating.

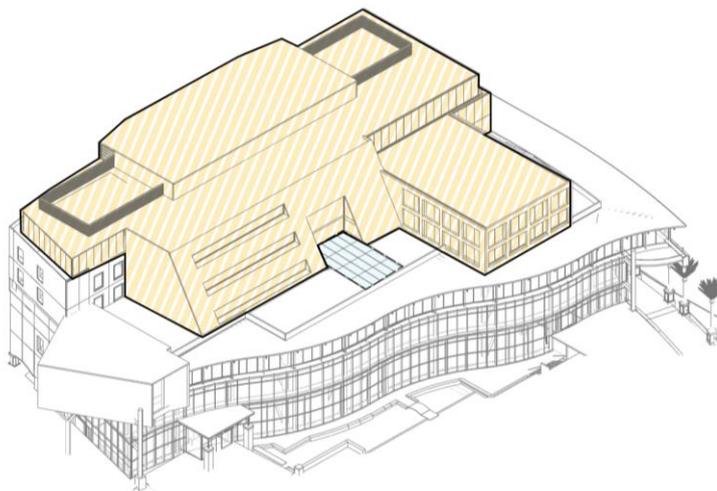
## Option 1 – Level 3 and 4 extension



38. This option looks to extend levels 3 and 4 of the building across the existing roof line by adding an 8m extension for each floor – it adds 880sqm of additional usable space and takes the total useable area across the two floors from 2,300sqm to 3,180 sqm.
39. The existing configuration of levels 3 and 4 is not optimal due to the narrow corridor created by the lift core on the Te Ngākau side of the building – therefore this extension option creates a much more efficient floor plate with the core (lifts and stairs) being almost centred.
40. Some of the other benefits an extension of this size would have are:
- minimal visual impact from Te Ngākau and Harris St;
  - low risk from a resource consent perspective;
  - no shading impact on Te Ngākau;
  - no additional structural work over and above the proposed Option C scheme;
  - minimal impact on the building services;
  - skylights retained in existing location;
  - some rooftop space is retained for other use such as a rooftop garden.
41. The key drawback for this option is that it provides a relatively small increase in the floor area (and modest addition to the building's density) which in turn means the cost benefit ratio may not maximise the return on the investment.
42. Although no decisions have been made in respect of the use of these floors, as shown in the table below, officers have considered the capital cost from a return on investment perspective and on the basis of leasing as office space.

Capital cost	\$8.5M
Rent p.a.	\$0.7M
Depreciation / interest p.a.	\$0.3M
Net annual return	\$0.4M
Payback on cost of extension	21 years
Estimated programme impact	3 months

**Option 2: Extend levels 3 and 4, add level 5**



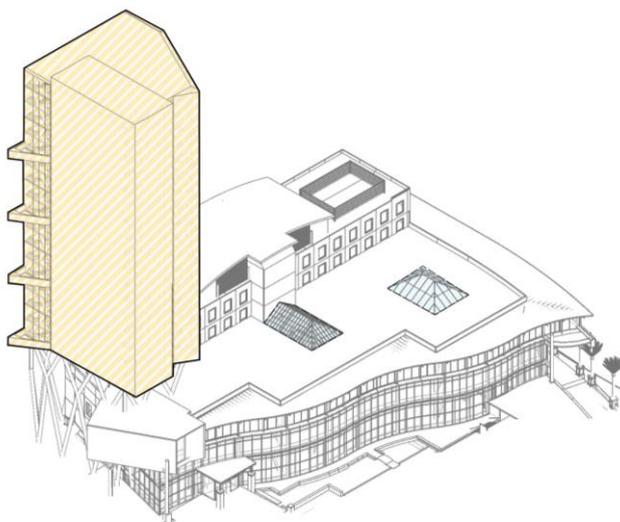
43. This option extends levels 3 and 4 as well as adding a new level 5 - this would provide an additional 3,735 sqm of usable space (meaning the total space available over the three floors is 6035sqm).
44. Key benefit is that it maximises occupation while remaining within the constraints of the current height plan, with limited impact on the proposed Option C structural scheme.
45. Other benefits of this option include:
  - doesn't increase shading to Te Ngākau;
  - creates a whole additional floor;
  - the north east extension offers possible connection with the library below, with potential access to outdoor space for library users;
  - existing core becomes more centralised within the floor layout enabling efficiencies.
46. Some of the impacts this option presents are:
  - additional structural work required to accommodate increase in weight loading;
  - extension would have some visual impact from Civic Square and Harris Street;
  - the bulk and height of the extension could mean some risk to planning approval;
  - significant increase in cost;
  - additional bathroom facilities required to meet occupancy standards;
  - full rebuild of services layout and a new plant room required;

- northern skylight will need to be relocated (meaning it becomes less centralised within the floor plate);
- increased time required to design, consent and construct.

47. As with Option 1, the table below considers the capital cost from a return on investment context and if leased as office space.

Capital cost	\$29M
Rent p.a.	\$2.3M
Depreciation / interest p.a.	\$1.3M
Net annual return	\$1.0M
Payback on cost of extension	27 years
Estimated programme impact	9 -12 months

### **Option 3: Highest possible build with residential potential**



48. This option considers the highest possible build for the building's structure and considers a 17 storey residential tower.
49. While the tower would be outside of current district plan height planes, it aligns with potential future rules and doesn't significantly block views. However, this leads to a slender tower much more suited to residential accommodation rather than offices.
50. Benefits of this option include:
- aligns with planning policies to maximise housing density within the central city area;
  - provides a significant quantity of highly valued residential accommodation;
  - could incorporate either extension from Options 1 or 2.

51. Potential drawbacks for this option include:

- high planning risk with district plan height plane changes required;
- heritage and consent implications, these are particularly relevant now that the building has been listed;
- visual impact on Central Library and surrounding area;
- extensive impact on the proposed structural design;
- estimated 18 month programme impact; not including the potential for legal challenge;
- prohibitive cost which is not feasible within the context of the draft LTP.

Capital cost	\$114M
Development opportunity \$	Unknown
Estimated programme impact	18+ months

52.

Note: At this stage, due to the cost, high risk and significant unknowns of this option, officers have not attempted to identify the value of the development opportunity to build a residential tower.

### **Floor maximisation conclusion**

53. Options 1 and 2 are both feasible building extension schemes worth considering as part of the proposed redevelopment of Te Matapihi, however on the basis of the:

- a) moderate impact on the building and environs;
- b) cost and return on investment;
- c) minimal impact on structure, building services and construction programme;

officers have determined that Option 1 is the recommended option and that the remediation and refurbishment scheme for Te Matapihi is adapted to include the extension of levels 3 and 4.

## **Sustainability Options**

### **Key drivers for considering sustainability**

54. The October 2020 paper noted that there were three broad areas of opportunity to improve sustainability in the remediation of the building and demonstrate environmental leadership:

- building services and energy efficiency;
- embodied carbon;
- climate change and associated sea level rise.

55. Council is committed to long-term, economically viable, sustainability implementation. These aspirations were first established in the “Wellington Towards 2040: Smart Capital” vision and more recently consolidated in “Te Atakura – First to Zero” to make Wellington City a zero carbon capital (net zero emissions) by 2050.

56. To evaluate the sustainability of buildings and fitout in New Zealand, the New Zealand Green Building Council has developed the Green Star rating tools.
57. To rate a building or fitout's overall environmental impact, Green Star rating tools award points across nine categories: Energy, Water, Materials, Indoor Environment Quality (IEQ), Transport, Land Use & Ecology, Management, Emissions, and Innovation.
58. A Green Star rating is then awarded to a building or fitout, with a possible score of up to six stars.

### **Approach to sustainability options**

59. During the structural and building services design work the design team identified that the Option C scheme would give an equivalent of a 4 Green Star rating once completed.
60. Officers, including the Council's sustainability team, worked with the consultant design team to develop options for achieving 5 and 6 Green Stars for the building (using the Option C remediation scheme as the base case for the building). Particular consideration was given to identifying what measures within the Green Star points system were most clearly aligned with Council's sustainability goals.

### **Sustainability Option 1 (5 Green Star)**

61. 5 Green stars is defined by the New Zealand Green Building Council as achieving "New Zealand Excellence". Officers believe that 5 Green Star is achievable for an additional capital cost of \$1.9m (noting detailed design is yet to be completed) and specifically achieves Council's priorities through the following interventions:
  - no natural gas;
  - rooftop solar panels;
  - allowance for green spaces / ecological diversity via a roof garden, green wall and/or landscaping (to be determined);
  - environmental resiliency with core services moved out of the basement and the majority of the ground floor raised;
  - low carbon refrigerants used;
  - water sustainability via rainwater harvesting (puts less load on stormwater system – increases resilience);
  - sustainable transport hub to encourage cycling, plus charging for electric cars.
62. These proposals would generate 15-20% energy saving and 30% less greenhouse gas emissions - this would equate to approximately \$35k in energy savings per year.
63. These annual operational savings would provide a payback of the \$1.9m investment over the revised life of the building, however this does not take into account asset renewals (which might require 50 to 75% of the initial investment again) during the building's (reset) life cycle period of approximately 55 years.

### **Sustainability Option 2 (6 Green Star)**

64. 6 Green Star is defined by NZGBC as "world leadership". In the context of Te Matapihi, 6 Green Star would include all the things the 5 Green Star scheme does, plus it would

require a full upgrade to the building thermal envelope. This would mean a complete replacement of the glazed wall on the Te Ngākau side of the building (the wavy wall).

65. Other additions to achieve 6 Star would include:
- systems to ensure that the outdoor air provided to the building is doubled compared to minimum code levels;
  - committing to end of asset life reduction measures (i.e. consideration of embodied carbon; disposal and recycling options);
  - procuring steel and timber from certified providers only.
66. The estimated cost to achieve a 6 Star accreditation is \$11.5m. These initiatives would generate 30% energy saving and 50p-60% less greenhouse gas emissions. This would equate to \$60k operational savings per year which would have an investment payback of many times the (reset) life of the building (approximately 190 years).
67. It is important to note that embarking on a pathway to achieve 6 Stars of an existing building comes with a real risk of not being able to achieve the outcomes required to get that accreditation. Construction and design practicalities mean 6 Green Stars is usually the domain of new builds.

### **Sustainability conclusion**

68. Officers recommend a 5 Green Star Certification as it:
- aligns with Council's commitment to Te Atakura;
  - demonstrates visible environmental leadership;
  - achieves real benefits in reduced energy usage, water usage and GHG emissions;
  - comes at significantly less risk and cost to achieve in comparison to a 6 Green Star scheme.

### **Options**

69. Key options for Council at this point centre on the development of the upper floors and sustainability. These are outlined above in this paper.

### **Next Actions**

70. The decisions made in this paper will guide our procurement process as we look to engage contractors and consultants for the next phase of the project.
71. These decisions will also guide the development of the service model and the next phases of design and development.
72. A further design and service level workshop is anticipated with Councillors later in the calendar year, once the service model, partnership model and design process is further advanced.
73. Regular briefing communications will be provided to Councillors, and stakeholders will be updated on a quarterly basis.

### **Attachments**

Nil

Authors	Jim Robertson, Chief Advisor Lucy Lang, Manager Future Library Peter Brennan, Manager Property Gisella Carr, Manager Arts, Culture and Community Services
Authoriser	Claire Richardson, Chief Operating Officer

---

## **SUPPORTING INFORMATION**

### **Engagement and Consultation**

The principles that are outlined in this paper and for which Committee endorsement is sought, are the direct result of the Special Consultative Procedure held in mid-2020. While the choices surrounding the building were a focus, feedback was also received regarding the services and user experiences for the new library. Alongside this feedback, several stakeholder groups have given their input to date. This will continue as the project progresses.

### **Treaty of Waitangi considerations**

As outlined in paragraphs 14 to 16, Mana Whenua and other Māori entities have offered initial feedback as part of the previous Special Consultative Procedure. This has shaped thinking to date and is reflected in the principles that will take the project forward. We also have a dedicated stream of activity focussing on engagement and partnership with Mana Whenua. Initial conversations have been held and there is strong interest. We envisage a strong Mana Whenua presence throughout this project and reflected in the final building and the activities that happen within it.

### **Financial implications**

The overall Capex envelope for the development of the library building (Option C) is well defined at \$178m, and adopted as the preferred option by a previous resolution of Council. This amount has been incorporated into the draft LTP.

Options for extra development of the upper floors (ranging from \$8.5M for Option 1 to \$29M for Option 2) and sustainability initiatives (ranging from \$1.9M to \$11.5M) are provisionally costed and laid out in paragraphs 38-47 and 61-67 respectively.

Any increase in Capex expenditure will need to be accommodated as part of the 2021-31 LTP.

### **Policy and legislative implications**

Nil

### **Risks / legal**

Key risks for this tranche of decisions centre around the options for sustainability and upper floor development. These are at a rudimentary design stage only, which presents some risks to programme and cost, and cannot be fully quantified until detailed design is complete.

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

Te Atakura (First to zero) was adopted by Council in June 2019 and lays out our direction to reduce our carbon footprint on a journey towards carbon neutrality. All of the sustainability options in this paper contribute to these outcomes to a greater or lesser degree

### **Communications Plan**

Regular briefing communications will be provided to Councillors whilst the community and key stakeholders will be updated on a quarterly basis.

---



---

## **GAMBLING VENUES POLICY 2021**

---

### **Purpose**

1. This report asks the Strategy and Policy Committee to adopt the recommended Gambling Venues Policy 2021.

### **Summary**

2. The Council has consulted on its Gambling Venues Policy and received 635 submissions from a wide range of groups and individuals from both sides of this issue.
3. The draft proposal included the preferred option of a sinking lid approach but also included the alternative of managed zone-based caps on gaming machine numbers.

#### *Problem gambling concerns*

4. The submissions from those concerned with problem gambling noted the significant harm that this form of gambling can have on some people and advocated for a sinking lid option. Some acknowledged that this is a long-term strategy and will not lower access to pokies for problem gamblers in the short to medium term.
5. Note that the Council cannot close existing venues so access to Class 4 gambling is expected to continue. Note also that the venues in the central city turn over more frequently and this is where venues and Class 4 gaming machine numbers have been falling irrespective of zone caps or sinking lids.

#### *Community group concerns and the Council's use of gaming funds*

6. The submissions from community organisations expressed their concern on any impact on funding as they are generally highly reliant on grant funding for providing community services and do not have the financial capacity to absorb any changes easily. Their preference is to maintain the status quo. In this case, note that a sinking lid will only reduce grant funding as venues close or if gambling rates fall. Note also that the majority of existing venues have been in operation since before the Gambling Act 2003 came into force.
7. The Council and its CCOs also source Class 4 gaming funds directly from grants and indirectly from community organisations purchasing Council services. If this source was to be limited by venues exiting, then the Council may have to reduce services or find other sources of funding.

#### *Options*

8. This paper recommends a sinking lid approach across the whole city (no new venues can enter if a venue relinquishes its licence). This was the approach agreed as the recommended option by the Committee. This clearly signals that Class 4 gaming will reduce over time in the city as and when venues relinquish licences.
9. The paper notes other options including a suburban sinking lid (no new venues in these areas) and capped numbers in the central area (tight control) or retaining the zone caps with capped numbers set at the current levels so no venues can enter the market without a venue closing (tight control – revised from original proposal).

---

## Recommendations

That the Strategy and Policy Committee:

1. Receive the information.
2. Agree to adopt a city-wide sinking lid for Class 4 gaming machine venues. In this case the current caps will be removed from the Gambling Venues Policy and no further Class 4 gambling licenses will be issued under this policy.
3. Agree to amend the Gambling Venues Policy to reflect wording changes arising from legislative change for the new Racing Industry Act 2020.
4. Agree to amend the Relocation Clause to be “Any Class 4 (NCGM) venue may be relocated provided it relocates to the Central Area Zone”.
5. Agree to remove the clause allowing mergers under section 95 of the Gambling Act 2003.
6. Agree to reinstate the Primary Purpose clause to prevent non-designated premises becoming Class 4 venues if a sinking lid position is not adopted.
7. Recommend to Council that it adopt the Gambling Venues Policy (Attachment 4) as agreed by this committee.
8. Note that a sinking lid will likely have no immediate impact on the levels of problem gambling as a sinking lid has no effect on existing venues as the Council has no power to close these venues. In addition, unless venues close or licences are removed it is unlikely that the proposed sinking lid will cause an immediate decline in funding for community, sports, arts, and cultural organisations.
9. Note that the Council and its CCOs receive funding both directly and indirectly from the proceeds of Class 4 gaming. If this funding declines over time this will need to be replaced or service levels changed.
10. Agree to delegate to the Chief Executive and the Community Safety Portfolio Leader the authority to amend the proposed Gambling Venues Policy to include any amendments agreed by the committee and any associated minor consequential edits.

## Background

10. The Council is required to review its Gambling Venues Policy under Section 102 of the Gambling Act 2003 (the Act). Pursuant to Sections 83 and 86 of the Local Government Act 2003, the Council has consulted on its Statement of Proposal for its Gambling Venues Policy 2020.

### What influence does the Council have?

11. The Council only has the power to limit the number and placement of venues with Class 4 gaming machines. It does not have the ability to restrict gambling in Wellington. The main regulator of gambling is the Department of Internal Affairs. Officers have previously provided information on the limited powers possessed by the Council as granted by the Act. These are further outlined in Attachment 1.

### Existing Policy

12. The Council has had a Gambling Venues policy since 2004 which has sought to manage the availability of gambling in Wellington through zone caps of the maximum number of machines able to be licenced in any zone.

13. The Council limits the number of machines in a range of ward-based zones. This is done through managed caps. The Council in the past has reviewed the caps in each zone and adjusted them as it has seen fit.
14. From 2004 to 2010 the caps were based on machine numbers per head of population. The 2015 Policy changed the caps on machine numbers from a population ratio to a straight machine limit.
15. The existing policy allows for a maximum of 747 machines based on the caps which have been placed on the existing zones.
16. Under the existing policy the maximum number of machines has not been utilised with 633 machines currently allocated across 40 venues in Wellington. This is shown in Table 1. The only zone which is currently at capacity is the Southern Zone which is entitled to 100 machines and currently has 100 machines across 7 venues.

Zone	Maximum Machines					Current number of machines	Option B Original Proposed Limits
	2004	2007	2010	2015	2020		
<b>Year</b>	<b>2004</b>	<b>2007</b>	<b>2010</b>	<b>2015</b>	<b>2020</b>		
Southern	116	116	100	100	100		100
Northern	146	146	136	136	131		136
Eastern	125	125	114	114	108		114
Onslow	62	62	53	9	-		40
Western	73	73	67	44	33		
Lambton (excluding CBD)	55	55	95	9	-		270
<b>Subtotal</b>	<b>577</b>	<b>577</b>	<b>565</b>	<b>412</b>			
Central Area	No Limits	No Limits	No Limits	335	261		
<b>Total</b>				<b>747</b>	<b>633</b>		<b>660</b>
	Population Based	Population Based	Population Based	Machine Based limits			Machine Based limits

2020 paper

17. The Council has consulted with the public on three options. These options are as follows.
  - **Option A** – Implement a sinking Lid (this is the Council's preferred option).
  - **Option B** – Lower the caps on the maximum number of machines by 87, align zone names to the 2019 Representation Review and reinstate the Primary Activities Clause.
  - **Option C** – Other (Including no change to the existing policy, or another option we haven't listed).

## Discussion

### Submissions Received

18. The Council received 635 submissions from a broad range of submitters. Officers note that the issue of Class 4 gambling is a sensitive subject and has meant that there were strongly held views from the different sides of the discussion. Officers have sought to present the arguments of all sides as clearly as possible and have provided a summary of submissions which is found in Attachment 2.
19. These submissions and their preferred option are set out in Table 2.

<b>Table 2. Number of Submissions</b>				
<b>Option A Sinking Lid</b>	<b>Option B Lower the caps</b>	<b>Option C Other</b>	<b>No Position</b>	<b>Total</b>
499	13	120	3	635

Individual and Organisational Submissions

20. The Council received 97 submissions from organisations and 538 submissions from individuals however many submissions received from both individuals and organisations were pro-forma submissions.

Proforma submissions

21. 450 submissions are pro-forma submissions. These submissions were produced by organisations which provided their members as well as members of the public with a predetermined submission form. Each of these pro-forma submissions gave participants one of the options without the opportunity to fill in the other options. Examples of the pro-forma submissions are found in Attachment 2.

**Submission Feedback**

**Option A Implement a Sinking Lid**

22. Option A received a total of 499 submissions. Of these 499 submissions, 401 were in the pro-forma format, with 299 submissions from Action Station and 102 from the Problem Gambling Foundation and Mapu Maia.
23. Officers have decided to include the online submission provided by Action Station as 299 submissions rather than as one submission with 299 signatories or as a petition.

Option A Comments

24. 144 submitters chose to make comments on Option A and these had the following themes.

<b>Table 3 Option A Themes</b>		
Council needs to do more	There are too many machines/venues in Wellington.	Comments around addiction and temptation issues
Comments about the amount spent	Comments about vulnerability	Comments about needing to find an alternative funding option

Impact on the Pasefika community	Comments about the impact on communities	Reduces Harm
Reduces Access	Reduces harm and Access	Remove Pokies
Allows time to transition	Personal answers	

25. Officers note that many submitters provided considerably more information than is captured in these themes and that these submitters representatives often have a considerable standing in their community or are subject experts. The following submitters who chose Option A have made comprehensive submissions which are too broad to narrow down to individual themes
- Paula Snowden – Problem Gambling Foundation
  - Vicki Hirini – Salvation Army Oasis

**Option B Lower the Caps**

26. The Council received 13 submissions which chose Option B as their preferred option. 12 submitters chose to make comments on Option B which had the following themes.

Allows funding to continue	Option B would have immediate effect	There is no evidence for Option A
Reduces Harm	Reduces Access	Personal Reasons

**Option C (including no change to the existing policy, or another option we haven't listed)**

27. The Council received 120 submissions which chose Option C as their preferred option. Option C provided submitters with an opportunity to provide another option for the Council to consider. These are outlined in Table 5.

Option C	No Change	A&B	Ban Machines	Reduce Machines	Change to the way operators operate	No Comment	Total
	113	2	2	1	1	1	<b>120</b>

28. No change received a total of 113 submissions. Of these 120 submissions 49 were pro-forma submissions on behalf of organisations and clubs. These included 34 from grantees and 15 from cricket clubs.
29. 64 Submitters chose to make comments on Option C with the following themes.

The Council has other priorities	Changes to the way operators operate	There is no viable sustainable alternative for funding
Funds support the community	Reduce machines by 50%	

30. The following submitters who chose Option C have made comprehensive submissions which are too broad to narrow down to individual themes;
- Adam Parker - Hospitality NZ
  - Martin Cheer – Pub Charity.

No Position

31. Three submissions were received from organisations who chose not to take a position on the proposals. Officers contacted these groups to see if they wanted to take a position but were informed that they had deliberately chosen to not take a position on the proposals. These submitters are as listed below:
- The Malaghan Institute – this group wanted to make the Council aware of the funding that is granted to the organisation but did not want to take a position on the policy or the proposal.
  - Regional Public Health – have indicated that they are interested in the outcome of the policy review and would like to be kept abreast of the issues but would not be putting forward a position in this process.
  - Mary Potter Hospice – provided information on what funding is used for in their organisation but stressed that they did not wish to take a view on the policy.

Oral submissions

32. 43 submitters opted to make an oral submission on October 29 and November 5 2020.

Policy Questions

33. The following points were the major points of debate from submitters; whether or not to introduce a Sinking Lid; whether to expand or remove the relocation clause; and whether stronger rules should be included on TAB venues. Officers also proposed to reintroduce the primary purposes clause to the policy which was removed in 2015. Many submitters commented on this as well.

A Sinking Lid

34. Many submitters argued in favour of a sinking lid, which would mean that if a venue relinquished their Class 4 licence, the licence is unable to be replaced. One of the main arguments in favour of this was that it would lead to fewer machines and venues and would impact levels of problem gambling.
35. The important distinction of a sinking lid is that it sends a clear signal that Class 4 gaming will reduce in Wellington over time. This will take some time as it is reliant on

venues relinquishing their licences, and when it is relinquished it cannot be replaced. This may lower gaming risk and also may lower funding levels over time however the likely timeframe will allow the sector to manage this transition.

36. It is noted that a sinking lid is likely to have no immediate impact on the levels of problem gambling as a sinking lid has no effect on existing venues. Of the currently 40 venues in Wellington 33 have operated since before 2003 when the Act was introduced with between 15 and 18 machines at each venue. The Council has no power to close these venues. A sinking lid will not cause these venues to close and will have no impact on the level of money spent at these venues. Consequently, the issues of problem gambling will continue to exist even with a sinking lid while venues remain open.
37. It is noted that the number of machines and venues has decreased since introduction of the Act in 2003 and the Council's initial Gambling Venues Policy in 2004 with the Council's policy of managed caps. Venues have decreased from 74 in 2004 to 40 in 2020, at the same time machines have decreased from 1024 to 633.
38. At a national level over the last five years, the venue and machine numbers for the 25 TLAs with sinking lid policies have fallen at a similar rate as the 42 TLAs without sinking lid policies (Table 6).

<b>Table 6: Change in national venue and Class 4 machine numbers</b>				
		<b>Mar-15</b>	<b>Sep-20</b>	<b>Change</b>
Total	Venues	1,277	1,068	-16.4%
	Machines	16,614	14,754	-11.2%
Sinking Lid	Venues	715	597	-16.5%
	Machines	9,516	8,415	-11.6%
Non-Sinking Lid	Venues	562	471	-16.2%
	Machines	7,098	6,339	-10.7%

39. It is noted that venues and machines are declining while money spent on class 4 gambling is increasing both across New Zealand and the Wellington region. It is important to remember that the Council has no control on the amount of money spent at Class 4 venues.

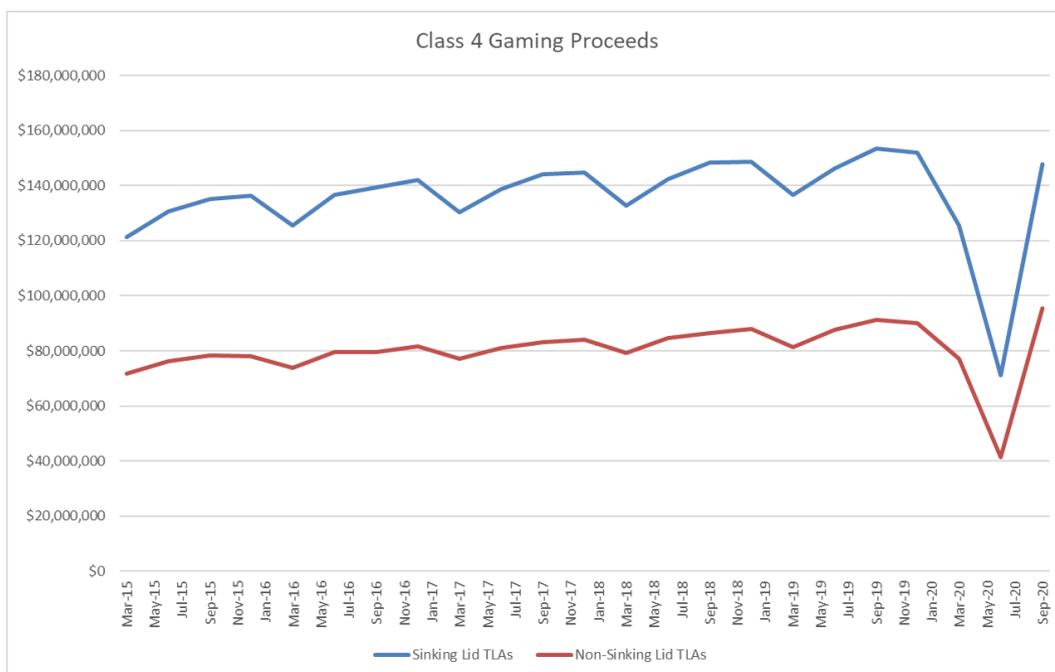
Concerns about the impact on community and venue numbers.

40. Many submitters noted that there are suburbs in Wellington that are 'oversaturated' in their machine and venue numbers and that more needs to be done to prevent the proliferation of machines and venues on these areas which they considered vulnerable and high risk.
41. It is noted that many of these machines are located outside of the CBD, and often do not fit with the 'family friendly' image of a community or suburb. However, the suburban venues tend to be longer term venues that change their use or ownership less frequently than venues in the central city.

42. A sinking lid in these areas would help address these submitters concerns. It would address the areas which are perceived to be the highest risk and allow no new venues to be established in these areas. It would prevent any new venues entering these areas.
43. An option could be that the central city would retain capped machine numbers which would allow businesses to continue to operate within this cap. In this area business turnover is more likely and venue (and machine) numbers have fallen.

Impact on community, sports and cultural organisations

44. Conversely, many organisations that benefit from the proceeds of class 4 gambling have argued that a sinking lid will perversely impact community and sports groups funding.
45. These concerns are acknowledged. Many of these groups are ‘hand to mouth’ organisations, reliant on volunteers, subscriptions and community funding in order to financially survive. The level of grant funding is significant and there are few options to replace the scale of this funding.
46. However as noted in the preceding paragraphs, levels of gambling and spending has not decreased across New Zealand, the wider region or Wellington city (at nominal levels). It is unlikely that an immediate decline in funding would occur as a result of a potential sinking lid, as a decline in machines and venues since 2004 has not resulted in a decline in spending and as such is unlikely to lead to a decline in funding unless gambling habits change and/or venues close more quickly than they are currently.
47. The following graph indicates the proceeds for the last five years for both those TLAs that have sinking lid policies and those that do not have one. There is little to distinguish the differences in growth in proceeds between these two options.



48. However, these groups are reliant on Class 4 funding alongside other fundraising initiatives and many groups do not have reserves which could be relied upon should

Class 4 funding decline over time. This would lead to a fall in services provided by these organisations unless the funding can be replaced.

### **Relocation Clause**

49. The Council's existing policy includes a relocation clause which allows for venues to be relocated to the Central Area or to a "Centre" as identified in the District Plan, excluding neighbourhood centres. This is outlined below"

*Any Class 4 (NCGM) venue may be relocated provided:*

- *it relocates to the Central Area Zone; or*
- *it relocates to an area identified as a "centre"<sup>1</sup>, but excluding Neighbourhood Centres, in the Wellington District Plan; and*
- *the NCGMs in the new venue would not result in more NCGMs in a zone than is allowed under section 4 of this policy*

50. The purpose of this is to allow existing venues to be removed from areas such as suburbs, into the city or main centres, ideally reducing the number of machines and venues in suburban communities. This prevents venues being relocated to community or suburban areas and places the risk in the city which is arguably more suited to such activities.
51. There are areas that have been identified by submitters which have been "oversaturated" with Class 4 venues and machines and are considered areas with communities of high risk and high deprivation. Submitters specifically identified areas such as Newtown and Northern suburbs.
52. These suburbs have existing machines and venues that are unlikely to be removed or closed, (machine and venue numbers in these areas have not declined since 2004). The existing relocation clause allows for these machines to be relocated from Newtown to the city. Technically a venue could also relocate between centres or from the Central Area to a centre.

### *Removal of the relocation clause*

53. Those who were in favour of a sinking lid proposed that the Council remove the ability to relocate venues completely from its policy. Removal of this clause was not part of the consultation process and to remove the clause may require additional consultation.

### *Expansion of the relocation options within the CBD*

54. Submitters opposed to a sinking lid wanted an expansion of the relocation policy to allow venues to relocate within the Central zone in order "to enable existing gaming venues to move to new, modern premises, to move to buildings that have a higher earthquake rating, and to move if the current landlord is imposing unreasonable terms".
55. However, venues are able to move already providing that they meet the requirements listed in the 2003 High Court decision (Waikiwi). These are listed below
- the new building will be in a site that is very close to the existing site;

---

<sup>1</sup> *Sub-Regional centres* – Johnsonville, Kilbirnie. *Town Centres* – Karori, Mt Cook, Tawa, Miramar, Newtown. *District Centres* – Brooklyn, Island Bay, Newlands, Churton Park, Khandallah.

- the Class 4 venue's name will be the same;
- the ownership and management of the venue will be the same; and
- for all intents and purposes, the patrons and the public will regard the venue as being the same venue, even though its physical location will change in a relatively minor way.

56. Under these provisions, a relocation such as this would not trigger the Council's Relocation clause and is managed by the Department of Internal Affairs.

*Recommended changes to the Relocation clause*

57. Given the arguments from both sides relating to relocations it may be necessary to amend the existing relocation clause to prevent relocation between centres or from the central area to a centre.
58. The existing policy allows for relocation to centres (outside of the central zone) and there is a potential risk that venues may wish to relocate to these areas. As the caps would be removed with a sinking lid policy, it may be possible for venues to relocate between centres outside the central zone, which previously would have been prevented under the existing caps.
59. It is noted that Section 102 (5B) of the Act directs the Council to consider the social impact of gambling in high-deprivation communities within the district when considering relocation policies.
60. The organisation submissions have noted that they are seeking relocation within the central zone as they have not suggested they would like to relocate to areas outside the central zone.
61. It is recommended that only the first bullet point of the relocation policy is retained to limit relocations to only to be for enabling a relocation to the central area and the relocation clause is amended as follows.

*This relocation policy sets out when the Council will grant consent in respect of a venue that replaces an existing venture. The effect of this relocation policy is prescribed in section 97A of the Gambling Act 2003. Any Class 4 (NCGM) venue may be relocated provided it relocates to the Central Area Zone as defined in the District Plan.*

**Club Mergers**

62. It is noted that there was also a request from those who wanted a restriction on relocations, to prevent mergers of incorporated societies. Such mergers are provided for in the Council's existing policy under Section 95 of the Act.
63. Officers acknowledge that in other cities incorporated societies have merged to in effect create "Super clubs." In Wellington there are currently two venues that would qualify under this provision – The Island Bay Bowling Club and Johnsonville Bowling Club.
64. The likelihood of these clubs merging is low given their locations. However, officers note that this clause is effectively redundant under the policy, and propose to remove the clause allowing for mergers under Section 95 of the Act.

**TAB venues**

65. The policy includes a clause covering TAB venues as required under the Racing Industry Act 2020. These venues are standalone TAB sports betting venues. Under the current policy there are no limits placed on these venues as they are regarded as low risk gambling venues and this low risk was also noted by submitters.
66. If the TAB venue does include Class 4 gaming machines, then they are covered by any restrictions in this policy on Class 4 gaming.
67. The wording of the existing policy requires updating to reflect the wording of the Racing Industry Act 2020.
68. The amended clause is included below, with the changes in bold.

***WHERE ~~BOARD~~ TAB VENUES MAY BE ESTABLISHED***

*The ~~New Zealand Racing Board~~ **TAB NZ** requires the consent of the Council if it proposes to establish a ~~Board~~ **TAB** venue. For the avoidance of doubt, this policy only applies to applications for the establishment of stand-alone ~~Board~~ **TAB** venues. These are venues in premises that are owned or leased by ~~the New Zealand Racing Board~~ **TAB NZ**, where the main business is providing racing and/or sports betting services. The policy does not cover the installation of TAB terminals in premises not owned or leased by the Board (for example hotels, bars and clubs).*

*TAB venues may be established anywhere in the Wellington District, subject to the provisions of the Wellington City District Plan and meeting application and fee requirements.*

**Reintroduction of the primary purpose clause.**

69. It was proposed to reinstate the clause in order to prevent non-designated premises becoming Class 4 venues. If a sinking lid is adopted, there will be no new venues allowed in Wellington and we will not need to reinstate this clause.
70. If zone caps are retained in any form, then officers recommend that the primary activities clause be reinstated which places a further restriction on venues.
71. Section 101 (4) of the Gambling Act 2003 allows the Council to determine what the primary activity of a Class 4 venue should be. Prior to 2015 the Council's policy stated that a Class 4 venue required an on licence with a designation, a club licence or permanent club charter. This clause was removed from the policy in the 2015, as the Act requires the access to gaming areas within a venue to be R18. However, with the removal of the clause it may be possible for a venue without a designation to apply for a Class 4 licence. In effect this would make it possible for a restaurant or café with an on licence to apply for a Class 4 licence.

**Options**

72. The committee may decide on one of the following options
  - a) agree to adopt a city-wide Sinking lid for Class 4 gaming machine venues. In this case the current caps will be removed from the Policy and no further licences will be issued. A draft version of this is found in Attachment 4. This is the recommended option.
  - b) agree to adopt a sinking lid policy in all zones apart from the central area. This will result in no new licences being issued other than in the central area. A machine cap would be retained in the central area allowing for monitoring

and management of the caps as per the Council's previous and existing policies. The central caps would be based on their existing numbers as at March 1 2021. This could allow the risk that is associated with new licences to be contained in the CBD shifting some of the risk from the suburbs and communities.

- c) agree to retain the current zone-based caps and set them at the current machine numbers as at March 1 2021 so that there is very tight control on any new venues. None can be established unless another venue closes.

73. Table 7 sets out these options

<b>Option</b>	<b>What does this do?</b>	<b>Pros</b>	<b>Cons</b>
City Wide Sinking Lid	No new venues are licensed under a sinking lid policy	No new venues. A clear signal that Class 4 gaming will decrease in the city over time.	Access to pokies remains, as the Council cannot close existing venues  Potentially funding <u>may</u> fall over time as venues are not replaced, which may lead to a funding shortage for community organisations.  The Council and its CCOs receive funding directly and indirectly from organisations that pay for Council services from funds sourced from grants funded by Class 4 gambling.
Sinking Lid in Suburban areas.  Machine caps set in the Central Area.	No new venues will be licensed in the suburbs. New venues can only be licensed in the Central Area if there is room under the cap.  The cap can be set at March 1, 2021 levels so that new venues are only allowed if a venue closes.	The sinking lid is targeted at the areas that experience the highest risk.  Allows the hospitality sector some capacity to continue to operate in the Central Area	Access to pokies remains, as the Council cannot close existing venues.  This allows machines and venues to be replaced in the Central Area but within tight limits and only if there is capacity
Class 4 gaming machine number caps set at March 1, 2021 levels in each Zone	New venues can only be licensed if there is room under the cap. The cap can be set at March 1, 2021 levels so that so that new venues are only allowed if a venue	The Council continues to manage its caps as it has since 2004. There is tight control on the numbers of new machines and	Access to pokies remains, as the Council cannot close existing venues.  Allows machines and venues to be replaced across the city but within tight limits and only if there

---

	closes.	venues	is capacity
--	---------	--------	-------------

74. The Council could also decide on one of the following recommended options;
- a) agree to amend the Relocation Clause to remove the second and third bullet points as to prevent venues being relocated to centres outside the Central Zone.
  - b) agree to remove the clause allowing mergers of incorporated societies.
  - c) agree that, if the caps are retained, that the primary purpose clause is reinstated to prevent licences without a designation applying for a Class 4 licence.

### **Next Actions**

75. The Council will adopt the Gambling Venues Policy 2021 including any changes agreed by this Committee. The revised policy will be provided to the Department of Internal Affairs which manages the sector.

### **Attachments**

Attachment 1.	Summary of Council Powers	Page 39
Attachment 2.	Summary of Submissions	Page 42
Attachment 3.	Draft Policy - Marked up version	Page 122
Attachment 4.	Gambling Venues Policy 2021	Page 127

Authors	Jim Lewis, Intermediate Policy Advisor Geoff Lawson, Team Leader Policy
Authoriser	Baz Kaufman, Manager Strategy and Research Stephen McArthur, Chief Strategy & Governance Officer

## SUPPORTING INFORMATION

### Engagement and Consultation

The Council was required to consult using the Special Consultative Procedure under Sections 83 and 86 of the Local Government Act 2002. All major stakeholders were sent a copy of the Statement of Proposal, this included all 40 venues, 175 Grantees, 14 Societies, 11 community groups. The documents were also provided to stakeholders such as The Problem Gambling Foundation, Regional Public Health and other groups associated with harm prevention. As part of the Consultation process the Council was required to under Section 102 of the Gambling Act 2003 consult with organisations representing Māori. This engagement saw the Council provide the Statement of Proposal to Mana whenua.

The submission documents were also provided to all Council libraries as well as made available on the Council website and Korero Mai engagement page. As a result of this extensive engagement the council received 635 submissions on its proposed Gambling Venues Policy.

### Treaty of Waitangi considerations

As part of the Consultation process the Council was required to under Section 102 of the Gambling Act 2003 consult with organisations representing Māori. The Council provided the Statement of Proposal to mana whenua during consultation.

### Financial implications

Both the Council and CCOs receive grant funding from class 4 gambling.

Class 4 Grants received by CCOs are listed below:

\$	2017	2018	2019	2020	Total
Wellington NZ	14,600	19,000		43,556	77,156
Basin Reserve Trust	66,686		34,320	720,000	821,006
Wellington Zoo Trust	199,983	511,868	10,911	425,000	1,147,763
Experience Wellington	122,500	106,666	115,000	95,000	429,166
Karori Sanctuary Trust					185,472
Total	403,769	637,534	160,321	1,283,556	2,341,180

NZCT has provided the funding for;

- Youth in Sport Programme 2015-2017 – \$190K per year, 2017-2020 - \$160K per year (note this has been funded by NZCT since 2011)
- Push Play Programme – \$13K in 2015
- Dragon Boat Festival \$60K per year since 2015 (note this has been funded by NZCT for approximately 20 years, including funding the fleet of boats)

Between 2008 and 2011 NZCT have provided direct funding for a number of Council projects including:

- \$400K for the fit out of the ASB Sports Centre,
- \$500K for the Nairnville Park Artificial Sports field
- \$500K for the Wakefield Park Artificial Sports field.

In the 5 last years they have also provided funding to RSO's and Clubs to allow them to partner with the Council on Council asset projects including the 3<sup>rd</sup> Hockey Turf at the National Hockey Stadium (Wellington Regional Hockey Stadium Trust) and the Terawhiti Artificial Turf.

Lion Foundation has provided funding of \$5k for She Moves Women in Sport Conference in 2016.

In addition, almost all club led partnership projects (where the Council has contributed to development of club owned assets) have been recipients of class 4 funding, examples include Toitu Pōneke, Lyall Bay Surf Club, Worsler Bay Boating Club, Renouf Tennis Centre etc.

Total value of fees and charges the Council receives from clubs and community groups – which is reliant on grant funding in many cases.

- In 2019-20 the Council received \$1.55M in revenue for sports field, court, pool and other facility bookings. This includes bookings at the ASB Sports Centre
- Of this \$1.34K came from not-for-profit clubs, groups and organisations and \$215K came from commercial organisations.
- This includes \$541K from sport and recreation clubs, \$694K from Regional Sporting Organisations, \$46.5K from other groups and non-profit organisations and \$54K from schools.
- We also received \$200K in revenue from ground and premise leases
- Of this \$136K came from sport and recreation clubs, \$39K from other not-for-profit groups and \$25K from education groups

A decrease in proceeds may impact the access to funding, similar to that of community groups as mentioned in the paper. However, as noted in the paper, levels of gambling and spending has not decreased across New Zealand, the wider region or Wellington city (at nominal levels). It is unlikely that an immediate decline in funding would occur as a result of a potential sinking lid, as a decline in machines and venues since 2004 has not resulted in a decline in spending and as such is unlikely to lead to a decline in funding unless gambling habits change and/or venues close more quickly than they are currently.

#### **Policy and legislative implications**

The Gambling Act 2003 requires the Council to adopt a Gambling Venues policy. The Council has limited powers that it has in relation to Class 4 gambling.

#### Location

The Council can decide to restrict or limit the location of **new** venues to certain areas (the Council is not able to restrict the location of existing venues)

Section 101 (3) of the Act notes that the policy –

- (a) Must specify whether or class 4 venues may be established in the territorial authority district, if so where they may be located

The Council is able to restrict **new** venues from being located next to “sensitive” sites (Education, Religious, Community buildings and facilities)

Section 101 (4) of the Act notes that the Council may have regard to any relevant matters including

- (a) the characteristics of the district and parts of the district

- (b) the location of kindergartens, early childhood centres, schools, places of worship, and other community facilities:
- (c) the number of gaming machines that should be permitted to operate at any venue or class of venue:
- (d) the cumulative effects of additional opportunities for gambling in the district:
- (e) how close any venue should be permitted to be to any other venue:
- (f) what the primary activity at any venue should be.

### Number

The Council may limit the number of machines in a venue – it currently does this through managed caps in each electoral zone within the city. These have been based of the 2003 electoral zones.

Section 101 (3) of the Act notes that the policy –

- (b) May specify any restrictions on the maximum number of gaming machines that may be operated at a class 4 venue;

The Act restricts new venues to a maximum of nine machines. Venues established prior to 2003 are limited to a maximum of 18 machines

### Relocation

Section 101 (3) (c) allows the Council to include a relocation policy and a relocation policy was introduced in 2015.

### Social Impact

Under Section 101 (2) of the Act the Council must have regard to the social impact of gambling within the territorial authority district. Officers have produced a report outlining both the background of Wellington's gaming venues policies as well as the impact that class 4 gambling has on Wellington. This was prepared and attached in the previous paper.

### **Risks / legal**

N/A

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

N/A

### **Communications Plan**

If the Policy is adopted the Council must send a copy of the new policy to the Department of Internal Affairs.

### **Health and Safety Impact considered**

The Social costs of gambling have been outlined in the previous paper.

---

## **Attachment 1**

# **What powers does the Council have in relation to Class 4 Gambling?**

The Council is reviewing its Gambling Venues policy under the Gambling Act 2003. In order to do this, it is important to understand what powers the Council has in determining its Gambling Venues Policy. The following attachment contains the key sections of the Gambling Act that apply to the policy

### **Sections:**

#### **101 Territorial Authority must adopt a Class 4 Venues Policy**

- (1) A territorial authority must, within 6 months after the commencement of this section, adopt a policy on class 4 venues.
- (2) In adopting a policy, the territorial authority must have regard to the social impact of gambling within the territorial authority district.
- (3) The policy—
  - (a) (a) must specify whether or not class 4 venues may be established in the territorial authority district and, if so, where they may be located; and
  - (b) (b) may specify any restrictions on the maximum number of gaming machines that may be operated at a class 4 venue; and
  - (c) (c) may include a relocation policy.
- (4) In determining its policy on whether class 4 venues may be established in the territorial authority district, where any venue may be located, and any restrictions on the maximum number of gaming machines that may be operated at venues, the territorial authority may have regard to any relevant matters, including:
  - (a) the characteristics of the district and parts of the district:
  - (b) the location of kindergartens, early childhood centres, schools, places of worship, and other community facilities:
  - (c) the number of gaming machines that should be permitted to operate at any venue or class of venue:
  - (d) the cumulative effects of additional opportunities for gambling in the district:
  - (e) how close any venue should be permitted to be to any other venue:
  - (f) (what the primary activity at any venue should be.

- (5) A **relocation policy** is a policy setting out if and when the territorial authority will grant consent in respect of a venue within its district where the venue is intended to replace an existing venue (within the district) to which a class 4 venue licence applies (in which case section 97A applies).

### **102 Adoption and review of class 4 venue policy**

- (1) A policy on class 4 venue under section 101 must be adopted in accordance with the special consultative procedure in Section 83 of the Local Government Act 2002 and, for the purpose of subsection (1) (e) of that section, the territorial authority must give notice of the proposed policy; in a manner that the territorial authority considers appropriate to –
- (a) Each corporate society holds a class 4 venue licence for a venue in the territorial authority district; and
  - (b) Organisations representing Maori in the territorial authority district
- (2) A policy may be amended or replaced only in accordance with the special consultative procedure, and this section applies to that amendment or replacement.
- (3) Subsection (1)(b) does not affect the ability of a territorial authority to take similar action in respect of any other population group.
- (4) A territorial authority must, as soon as practicable after adopting, amending, or replacing a policy, provide a copy of the policy to the secretary.
- (5) A territorial authority must complete a review of a policy within 3 years after the policy is adopted and within 3 years after that review and each subsequent review is completed.
- (5A) The first time that a territorial authority commences a review of a policy after the Gambling (Gambling Reduction) Amendment Act 2013 comes into force, the territorial authority must (and may at any other time) consider whether to include a relocation policy as defined in section 101 (5) in its class 4 venue policy.
- (5B) Whenever a territorial authority is considering whether to include a relocation policy in its class 4 venue policy, it must consider the social impact of gambling in high-deprivation communities within its district.
- (6) A policy does not cease to have effect because it is due for review or being reviewed

## **Notes**

1. It is important to understand the powers and control that the Council possesses under its Policy as directed by the Act.
2. The Council is limited in its powers under the Act to influence class 4 Gambling and that Class 4 gambling is a legal activity. The Council has no control over the amount spent at venues.

- 
3. The Council only has the power to limit the number and placement of venues with Class 4 gaming machines. It does not have the ability to restrict gambling activities themselves in Wellington.

*Location*

4. The Council can decide to restrict or limit the location of **new** venues to certain areas. The Council is not able to restrict the location of existing venues.
5. Section 101 (3) of the Act notes that the policy –
- (a) Must specify whether or class 4 venues may be established in the territorial authority district, if so where they may be located
6. The Council is able to restrict **new** venues from being located next to “sensitive” sites (Education, Religious, Community buildings and facilities).
7. Section 101 (4) of the Act notes that the Council may have regard to any relevant matters including
- (a) the characteristics of the district and parts of the district
  - (b) the location of kindergartens, early childhood centres, schools, places of worship, and other community facilities:
  - (c) the number of gaming machines that should be permitted to operate at any venue or class of venue:
  - (d) the cumulative effects of additional opportunities for gambling in the district:
  - (e) how close any venue should be permitted to be to any other venue:
  - (f) what the primary activity at any venue should be.

*Number*

8. The Council may limit the number of machines in a venue – it currently does this through managed caps in each electoral zone within the city. These have been based of the 2003 electoral zones.
9. Section 101 (3) of the Act notes that the policy –
- (b) May specify any restrictions on the maximum number of gaming machines that may be operated at a class 4 venue.
10. The Act restricts new venues to a maximum of nine machines. Venues established prior to 2003 are limited to a maximum of 18 machines.

*Relocation*

11. Section 101 (3) (c) allows the Council to include a relocation policy and a relocation policy was introduced in 2015.

*Social Impact*

Under Section 101 (2) of the Act the Council must have regard to the social impact of gambling within the territorial authority district. Officers have produced a report outlining both the background of Wellington’s gaming venues policies as well as the impact that class 4 gambling has on Wellington which can be found in

## Attachment 2 Summary of Submissions

### 1 Total submissions received

The Council has received 635 submissions on its proposed Gambling venues policy changes. Officers have broken these submissions down in order to analyse them by the method of submission. These categories are listed in the table below with the options that were chosen for each category.

Submission Type	Option A	Option B	Option C	No Position	Total
<b>Korero Mai</b>	74	8	33		<b>115</b>
<b>Written</b>	19	5	33	3	<b>60</b>
<b>Grantees</b>	-	-	34		<b>34</b>
<b>Problem Gambling Foundation and Mapu Maia</b>	102	-	-		<b>102</b>
<b>Online</b>	5	-	5		<b>10</b>
<b>Cricket</b>	-	-	15		<b>15</b>
<b>Action Station</b>	299	-	-		<b>299</b>
<b>Total</b>	<b>499</b>	<b>13</b>	<b>120</b>	<b>3</b>	<b>635</b>

In the Council's Statement of Proposal, it outlined three options for submitters to consider which are listed below.

Option	Description
<b>A</b>	Implement a Sinking Lid
<b>B</b>	Lower the caps on the maximum number of machines by 87, align zone names to the 2019 Representation Review and reinstate the Primary Activities Clause.
<b>C</b>	Other (including no change to the existing policy, or another option we haven't listed. Please tell us what this:

120 submitters chose Option C. Due to the open-ended nature of the question it is necessary to list the different responses to Option C. Officers have categorised these responses into five groups these will be analysed in further detail. These responses are listed below.

Option C	No Change	A&B	Ban Machines	Reduce Machines	Change to the way operators operate	No Comment	Total
Korero Mai	28	2	1		1	1	<b>33</b>
Written	31	-	1	1	-	-	<b>33</b>
Grantees	34	-	-	-	-	-	<b>34</b>
Online	5	-	-	-	-	-	<b>5</b>

Cricket	15		-	-	-	-	<b>15</b>
Total	113	2	2	1	1	1	<b>120</b>

## 2 Pro Forma submissions

Of the 635 submissions, 450 were in a pro-forma format. Organisations have provided their members with the ability to make a pre-selected submission. In all of the pro forma submissions, submitters were not offered the other two options. Many of these submissions did not include any additional comments. There were however some individual comments included in the pro forma style of submissions. In order to account for all of the submissions, officers have decided to count each submission as an individual submission on its own merits.

These submissions have been broken down into organisational format in order to more succinctly determine the nature of their positions. Each of the pro forma submissions had a distinct position based on the option that was selected.

The pro forma submissions are broken down into the following categories:

Organisation	Number of submissions
Cricket Clubs	15
Grantees	34
Problem Gambling Foundation	102
Action Station	299
	<b>450</b>

### 2.1 Cricket Clubs

The Submission provided by Cricket Wellington included a pro forma submission from 15 individual cricket clubs in support of the larger Cricket Wellington submission.

These 15 submissions were primarily the same with the only differences being the names of the cricket club, and minor differences such as the number of members. Some of the clubs that are located inside the Wellington city boundaries, while others which are in neighbouring cities and make note of this. Although a number of these clubs are not affected directly by the Council's proposal, their affiliation to Cricket Wellington has led to their submission accompanying the submission from Cricket Wellington. The submitters are listed below.

Name	Cricket Club
Gordon Dry	Eastern Suburbs Cricket Club
Campbell Mackie	Hutt District Cricket Club
Rik Mudgway	Johnsonville Cricket Club
Malcolm Benge	Junior Cricket Upper Hutt
Brent Wenlock	Naenae Cricket Club
Iain MacIntyre	Northern Park Cricket Club
Allan Hewson	Petone Riverside Cricket Club
Rochelle Roddick	Porirua City Junior Cricket Club
Brendon Wood	Stokes Valley Cricket Club
Dave Gillespie	Taita Cricket Club
Dan Henderson	Upper Hutt United Cricket Club

Colin Owens	Victoria University Cricket Club
Justin Morgan	Wainuiomata Cricket Club
Scott Ryland	Wellington Collegians Cricket Club
Ashwin Patel	Wellington Indian Sports Club

Below is a copy of the Johnsonville Cricket Club submission as an example of the submissions form the afore mentioned cricket clubs.

*On behalf of the Johnsonville Cricket Club, we endorse Cricket Wellington's submission supporting Option C: No Change to current policy.*

*The Johnsonville Cricket Club is represented by the Wellington City Council as our local territorial authority and in 2019-20, 44% of the overall club income was generated through gaming funds. The impact that class 4 funding has on our organisation is considerable, and without it the ability to service our participants, coaches and volunteers would be significantly inhabited.*

*Various community organisations and clubs have traditionally been dependent on gaming funding, and although reliance on funding is volatile, there is a real absence of other feasible options that will regularly provide income for clubs, like ourselves, to help with costs associated with running a sustainable cricket club. Gaming funding aids our ability to fund affiliation fees, purchase cricket balls, cricket equipment, apparel, and to support various club initiatives targeting participation. We work hard to diversify income every year, but it is a challenge to generate sponsorship and fundraising money, and as the financial effects of Covid-19 are realised, and we are acutely aware that accessing funding from alternative sources will become increasingly difficult and unfeasible.*

*Cricket Wellington is a significant supporter of cricket clubs in Wellington and is responsible for various community initiatives that directly benefit clubs. We understand that changes made to the Wellington City Council Gambling Venues Policy will have a direct impact on their ability to generate income and therefore support clubs, like ourselves. We stand behind Cricket Wellington and support the collective club position in support of Option C*

## 2.2 Grantees

34 submissions were received from organisations who provided a standard copy of the Council's submission form with Option C selected. These submissions also included prefilled comments sections with each submission having identical comments.

Below is a list of the grantees who submitted in this format.

<b>Name</b>	<b>Grantee</b>
Nick O'Connor	Onslow Cricket Club
Rob Blamires	Waipukurau Little Theatre Inc
Alan Hulton	New Zealand Country Music Association Inc
Richard Mowbray	Tawa AFC
Swarna Hemachandra	Asthma New Zealand Inc
Russell Cookson	Hutt Cricket Academy
Helen Whitcombe	Funding Connection Ltd

Heather Henare	Skylight Trust
Raewyn Clarke	Island Bay Surf Club
Bronwyn Hussey	Hutt Valley Ridign for the Disabled
Rosie Telford	Miramar Rangers AFC
Karen Ross	Hillary Outdoors
Honiss	Swimming Northland
Michael Jones	Seatoun AFC
Mohanan Morganan	HH Research Foundation NZ
Karen Watkins	Individual
Brian Bray	Wellington Hospitals Foundation
Simon Lin	Wellington North Badminton Association
Raman Chhima	Wellington Indian Association
Todrick talor	Life Education Trust Wellington City
Helen Whitcombe	Avalon Public Hall Society
John Sheehan	Hutt Old Boys Rugby Football Club
PM Ranghika	New Zealand Maori Golf Association INC
Tim Bignall	Te Maori Cultural Centre
Dinah Luke	Te Aroha Valley Trust
Wairangi Luke	Te Ra Te Raukura Festival and Terunganui o Te Ati Awa
Frences Pearson	Poneke Kilnirnie Softball Club Inc
Donna kennedy	Wellington Riding for the Disabled
Jack Sanders	SportsLink Charitable Trust
Bowls Wellington	
Shane Bilderbeck	Western Suburbs Football club
Rob Elvin	NZ Masters Billiard and Snooker Association
Bryan Hall	Sports Education community and Cultural Trust
Bryan Hall	Kiwis Gold Development Foundation Trust

Below is an example of the afore mentioned submission. Note that the box with Option C was ticked.

*The Current ward caps should be retained. The relocation policy should be expanded to allow relocations within the CBD (currently the policy only allows venues to relocate from outside the Central Area Zone to within the Central Area Zone).*

***What Strengths does your preferred option have over the other options?*** Gaming machine funding is extremely important to a large number of community organisations within Wellington City. The current funding provided by the gaming trusts is vital. There is no replacement funding available.

*The current caps strike a fair balance. It is appropriate they remain. The introduction of a more restrictive policy will adversely affect community funding and increase the migration of the gambling spend to online providers. Offshore-based online gambling providers do not make any community grants, do not create any local employment, and do not pay any taxes to the New Zealand Government.*

***Is there any other information you want to include in your submission?*** I also consider that it is fair and reasonable to expand the current venue relocation provision to enable

*existing gaming venues within the Central Area Zone to move to new, modern premises, to move to buildings that have a higher earthquake rating, and to move if the current landlord is imposing unreasonable terms.*

### 2.3 Problem Gambling Foundation and Mapu Maia

The Council received 102 pro forma submissions from the Problem Gambling Foundation (PGF). These submissions allowed participants to provide their feedback on PGF's position around Option A. A list of Problem Gambling Submitters is included below. 4 submitters have requested that their names are removed and have been redacted due to their personal links to the harms caused by gambling.

Sadie Fiti	Meafou Rita McCarthy	Tiatia Liko	FiSavaliga Liko
Vaimaila Carter	Gauifaliai Tuisamia-Simanu	Lagi Finai	Letoee Naremanov
Mary Smith	Michelle Smith	Te Armoe Parata	Riki Saywell
Dean Karu	Erana Harrison	Pomare Gordon	Danielle Mokomoko
Mark Makepeace	(Redacted for Privacy)	Shawn Teague	Robert Lew
Ofa Taunga	Vatau Taunga	Simote Taunga	(Redacted for Privacy)
Matekai Fakaton	Sitiveni Pouvalu	Seini Valu	Veanapou Valu
Fine Valu	Siosaia Veā	Lusi Veā	Ana Taunga
Funaki Pauta	Mau Pauta	Tofa Fagalao	(Redacted for Privacy)
Faletulu	Malaki Muaiavi	Levaai Tolo Pereira	Mercy Brown
Tania Mullane	Noeline Matthews	Jo Clarke	Kelly Olliver
Sarah Cooke	Jennifer de Saxe	(Redacted for Privacy)	Aneterea Fau
Matthew Pallier	Pania Solomon	Sharli Jo Solomon	Sterieanne Rees
Paul Matthews	Hinemoe Metekingi	Ngahina Elkington	Peter Mellars
Ropota Sefeai	Richard Winerra	Hori Waaka	Grace Katere
Trini Ropata-Tawhiri	Ayesha Burn	Moana Salomon	Mykie Sagar
Ashleigh Sagar	Samuel Metekingi	Lauisa Metekingi	Kyle Edmonds
Emily Toimata-Hottam	Sefo Lemalu	Malieka Lemalu	Ana Tupai
David Thomas	Sio Logotuli	Alovale Petelo	Rina Thomas
Ella Kalolo	Rosie Tofilau	Maria Loilal	Sieni Leota
Logo Sala	Honeybee Terry	Sefo Lemalu	Pat Sila
Molo Tofilau	Ake Abbett	Andrew Muliaga	Fiona Petesa
Faga Tagi	Jennifer Fowoti	Fiona Paterson	Vale Amosa
Sio Smith	Vaa Lole	Apolo Tuia	Rouru Senia
Nane Senio	Tina Leota	Tale Sila	Mailei Kaligi
Aggie Smith	Lina Raterna		

51 of the 102 Proforma submissions provided by the Problem Gambling Foundation included comments as to why they believed that a sinking lid was needed. Officers have grouped the

submissions into themes. It is important to understand that many submitters had multiple reasons for wanting a sinking lid, however, in order to easily categorise the submissions officers have decided to use themes. These submissions are included in this document.

An example of the pro forma submission provided by the Problem Gambling Foundation is included below.

***Have your say on pokies in Wellington***

*Wellington City Council is seeking feedback on its proposed gambling venues policy for electronic gaming machines more commonly known as 'pokies.' The Council current policy limits the number of machines in certain areas, but we would like the policy to include a 'sinking lid.' That means no new pokie venues would be able to open in the Wellington area. We think a s sinking lid is the most effective way to prevent gambling harm from pokies.*

*Why is this important?*

*Currently Wellington City has 633 pokies across 40 venues. In 2019, people in Wellington lost over a staggering \$40 million on these machines.*

*Some people support pokies because gambling losses are used to fund community groups. But only 40% of the losses are returned to the community.*

*Pokies are highly addictive and are the most harmful form of gambling. it is estimated that 30% of the money lost om pokies comes from people experiencing harm. Pokies outside casinos make up almost 50% of the people who seek help about their gambling. This means that most of the community funding generated from pokies is coming from a small number of people. Pokie machines in Wellington are clustered in medium deprivation areas where people can least afford to lose significant amounts of money.*

***What needs to happen?***

*We are asking the Wellington City Council to implement a sinking lid policy. That will mean the Council will refuse any pub or club that applies to host pokies. Over time, perhaps several years, pokies will be phased out as existing venues cease to host pokies.*

*We know that Wellington City Council can do the right thing and listen to the people in their community. The Council can make the changes to respond to the harm pokies are causing.*

*This submission is regarding proposed changes to the Wellington City Council's Class 4 Gambling Venue Policy. I would like to support the preferred option with a modification regarding TAB venues and see\**

***A true sinking Lid that includes TAB venues with NO relocations and NO mergers***

*I think that this is needed because:*

## 2.4 Action Station

An online submission was provided by Action Station which was signed by 299 people and organisations. Officers have decided to include this as 299 submission rather than as one submission with 299 signatories or as a petition.

A list of Action Station submitters is included below

<b>Action Station submissions</b>		
Jesse Thompson	Jenny Moon	Essra Fayeh
Morgan-Jean Butler	tommy benefield	Holly Barnard
Sach Dustin	Asphodel Myhre	Sarah Barnard
Therese Grevatt	Douglas Wilson	Rebecca Mawson
Hong Yuan	Neva Poletti	Charlotte moll
Conor Hill	Jane Allan	David Cameron
Luke Hiscox	Teresa dalton	Madison McVie
Matthew Beckers	Justine Hamill	Olivia Chubb
Jay W	Charles Chadwick	Frank Eggleton
Samuel Martin	Linda Spicer	Amy Brooking
David Brownless	briar nicol	Mary ORegan
Nicholas Stevens	Anna Tonks	Tawhai Johnson
Alexander Garside	Liz Tonks	Mele Wendt
Jane Scott	Ken Tonks	Taylor Turia
Fiona Miles	Kristen Paterson	Gary Carkeek
John Anderson	Josie Roberts	Sylvia Edge
Lisa Haselton	Kate Day	Tanya Engineer
Ivan Yeo	John Wierenga	Gemma Wilson
Daniel Webster	Andrew Craig	Libby Clark
philip king	Susan Paul	Ken Quarrie
Sally Davidson	G Dubuis	Fiona Standen
Tessa Levett	Anahera Foley-Paama	Alice Boulton
Renee Collins	Andrew Shepherd	Kristin Gibson
Etienne Wain	Naomi Solomon	Margaret Graham
Jan Macdonald	Nigel Wilson	Hamish Low
Lexi Taylor	Lisa K	Laura Rogers
Sabine Peschko	Alex Bramwell	Kathy Cleland
David Payton	Kathryn Oxborrow	Gillian Cameron
Nick Johnstone	Lisa Matthews	Jane Oliver
Malcolm Yeates	Yang lin	Derek LeDayn
Blair Polly	klare braye	Marion Grant
Belinda Yeates	Simote Pomale Taunga	BOBBI Te kahika
Tarn Evans	Pene Burton Bell	Patricia Norton
Daile Biberstein	Diana Minnee	James Harris
Des Kelly	Yvonne Weeber	Lefki Marsh
Joel Tebbs	Alexandra Carr	Josie Adams
Mark Ngatai	Eliot Pryor	Jacqueline White
Benjamin Ian Sawrey	Breahn Stubbs	James Harcourt

Vivienne Ball	Bridget Stubbs	Max Hollander
Brian Andersen	Kerri Stubbs	Lnita Pares
Dan Harward Jones	E Verner	Kathryn Carmody
Bruce Gibbins	Dan Mustapic	Michael Allender
manjit grewal	Janet Bagshaw	Tracey Mikaera
Laura O'Connell-Rapira	Carolyn Tristram	Greta Borren
Jeremy Tumoana	Philippa Thompson	Dave O'Brien
Stephen Day	Philippa McAtee	Wendy Vink
Spencer Crocker	Virginia Tangatatai	Julie Williams
Fiona Roberton	Elspeth Mack	David Shaw
Kitty MacIntyre-Hyatt	SamKate Douglas	Elizabeth Robertson
jennifer duckworth	Paul Stephens	Rebecca Brown
Michael Harvey	Heather Kirkman	Anna Win-Mason
Kahu Himona	Brian Souter	brett bulkeley
Katie Smith	Hannah Schickedanz	Caroline Houghton
Lauren Parsons	Gaynor G	Emma Morley
Stephanie Chamberlin	Janet Weir	Jill Goodwin
Pete Wellington	Riyaz Hussain	Vaughan Crimmins
Alice Young	Nik Zahariadis	karen smyth
Tim Harford	Sarah Neal	Polly Stupples
Shaiza Wan	Anthony Fraser	Katharine Gebbie
Ben Zwartz	Steffen Wohlleben	Heinz Wieser
Rita Atkinson	Glenis Levack	Hera Cook
Mark Murphy	Karen Watson Govindan	Paul Stevenson
Danielle Yager	Irina Ilyushkina	Jessie Black
Timothy Owens	A Bell	Rosemary Cole
Toni Duder	Annabelle Tucker	Paul Vink
Matthew Vink	Trevor Henry	Sharron Tan
Wineke Vanathof	Becky Holmes	Lauryn Hedley
Sarah Roberts	Morgan Evans	Pauline Dear
Sandra Kinney	Aliyah Winter	Judith Harris
Murray Lambert	Jane Chewings	Dan Kyles
Andrea Skews	Sarah Lynagh	Sophia Wight
Hana Popea-Dell	Tabby Besley	Kelly OShea
Helen Gibbons	Kohu Kawiti	Kris Rogers
Jim Walmsley	Ross Quayle	Marion Leighton
Ross Davis	Mary Barr	Stephanie Gates
Trish O'Kane	Niroshan Nawarajan	Janet Caroline Williams
Frederik Leonhardt	Jessica Johnson-Pirika	Jamed Barr
Clare Maihi	Kat Lintott	Jane O'Shea
Jen Jewell	Lachlan Ridley	Christine Richardson
Beth Jones	Jan Newton-Howes	Sam Stephens
Julie Bell	bill jones	Peggy McConnell
Marie Russell	Rose Morris	Rebecca Lang
Eric Houghton	Ruth Pink	Richard Hallam
Matthew Parker	Anita Easton	Anika Molloy
Anna Costley	Teiana Mavropoulos	Philomena Nziramasanga
Teresa Maguire	Barbara Street	Bronwen Lumsden
Ralph Wilkinson	Hannah Gordon	DCM Downtown Community Ministry
Peter Tia	Lisa Maule	Faye Semumanutafa

Ruth Copeland	Andrew Charleson	Jane Elliott
Kenneth Simpson	Sonja Easterbrook-Smith	tane gonzalez
Clare Docherty	Anne Russell	Steven Brown
Thomas Mitchell	Meisha Nicolson	Lucie Martin
Venetia King	Hanny Naus	Fraser Austin
Frances Rudland	Susan Clarke	Mui Leng Goh
Megan Cook	Christine Dowell	Sian Robyns
Laura Duffy	Laura Page	Catherine Androutsos
Leon Theaker	Janine Kaminski	
Russell Clarke	Katherine Smyth	
Sam Muirhead	Nigel Baxter	
Charlotte Corcoran	Jo Dixon	
Angela Fieldes		
Adrienne Mitikulena		
Hannah Timms		

An example of the Action Station Submission is included below.

We are asking the Wellington City Council to implement a sinking lid policy. That will mean the Council will refuse any TAB, pub or club that applies to host pokies. This will, over time, reduce the number of pokie machines in Wellington City. We know that Wellington City Council can do the right thing and listen to the people in their community. The council can make the changes to respond to the harm pokies are causing. We ask the Wellington City Council to implement a gambling venues policy that introduces a sinking lid that provides:

- ★ A ban on any new venues including TAB venues: No new pokies venues will be permitted in Wellington.
- ★ No relocations: If a venue with pokies is forced to close or voluntarily closes, the Council will not permit the pokie machines to be relocated to any venue within the Council area.
- ★ No venue mergers: Where pubs and clubs that host pokies merge, they will no longer be permitted to host pokies. I make these recommendations as they constitute a public health approach to gambling harm. \*Your name, address, phone number, and email address are required for this official submission and will be for Council use only.

\* Why is this important? Wellington City Council is seeking feedback on its proposed gambling venues policy for electronic gaming machines, more commonly known as 'pokies'. The Council has powers to determine which TABs, pubs and clubs can host pokie machines.

The current policy limits the number of machines in certain areas, but we would like the policy to include a 'sinking lid'. That means no new pokies venues would be able to open in the Wellington area. We think a sinking lid is the best policy available to reduce the number of pokie machines and reduce gambling harm.

Currently Wellington City has 633 pokie machines across 40 venues. In 2019, people in Wellington lost over a staggering \$40 million on these machines. Some people support pokies because the gambling losses are used to fund community groups. But only 40% of the losses are returned to the community and not always into the community it comes from. Pokies are highly addictive and are the most harmful form of gambling.

It is estimated that 30% of the money lost on pokies comes from people experiencing harm. Pokies outside casinos make up almost 50% of the people who seek help about their gambling. Pokie machines in Wellington are clustered in the most deprived neighbourhoods in the city where people can least afford to lose significant amounts of money. Council's consultation process is public, and your comments will be available for public inspection. Submissions are open until 1 October 2020.

Your submission won't be returned to you, so if you require a copy, please make one before submitting. Your name, address, phone number, and email address are required for this official submission and will be for Council use only. If you require a special private hearing where your identity will be protected and you have experienced gambling harm, please contact PGF Group on 0800 664 262.

### 3 Analysis of submission comments

#### 3.1 Themes

##### Option A – A Sinking Lid

The Council needs to do more	Too many venues/ machines	Temptation/addiction
Money spent	Vulnerability	Need alternative funding
Pacific	community	reduces harm
reduces access	reduces ham and access	remove pokies
allows time to transition	Personal reasons	

##### Option B - Reduce the caps by 87

Allows funding to continue	B will have an immediate effect	No evidence for A
Reduces Harm	Reduces Access	Personal reasons

##### Option C - Other

The Council has other priorities	Ban Gambling	It won't make a difference
Combine A and B	Changes to the way operators	Reduce the number of machines by 50%
There is no viable sustainable alternative for funding	Funds support the community	

Officers note that there are submissions that encompass a number of these themes and that are too comprehensive to summarise. These are generally provided by experts in their field and officers encourage Councillors to read these submissions in their entirety

Under Option A these submissions include the following

- Paula Snowden – Problem Gambling Foundation

- Vicki Hirini – Salvation Army Oasis

Under Option C these submissions include the following

- Adam Parker – Hospitality NZ
- Martin Cheer – Pub Charity

# STRATEGY AND POLICY COMMITTEE

15 APRIL 2021

Absolutely Positively  
**Wellington** City Council

Me Heke Ki Pōneke

Theme	The Council needs to do more	
Submitter/s	Submission Content	Officers Response
<b>Lauisa Metekingi</b>	There needs to be limits enforced on access to pokie machines. People with gambling problems don't know where to draw the line so I appeal to the Council to step in - this is for those who are struggling and their whanau	<b>Officers acknowledge that there are a number of people struggling and suffering as a result of problem gambling. However, the Council is limited in its powers as to what can be done.</b>
<b>Seanoa Faramio</b>	Duty of care to limit and manage existing venue and gaming machine numbers. Make positive policies on Class 4 gambling venues.	
<b>Connor Hill</b>	I want the council to make it as hard as possible for Pokies to exist in Wellington City.	
<b>Fuailegai Heger</b>	I would like the Council to include TAB venues, no relocations, and no mergers as part of the sinking lid policy.	

Theme	There are too many machines/venues in Wellington	
Submitter/s	Submission Content	Officers Response
<b>Sadie Fiti</b>	There are too many places with gambling machines. I agree wholeheartedly with this "sinking lid" policy as proposed. I would also like to see profits from these machines to go back to the communities where the relevant machines are located. E.g. profits from Newtown should go back into the Newtown community	<p><b>Officers acknowledged that there is intense feeling in the community, particularly in the community linked with gambling and problem gambling associated organisations and individuals around the number of machines.</b></p> <p><b>Officers note that the number of machines in Wellington has been actively managed down using caps. The number of machines has been declining steadily. There were 91 venues and 1,000 machines in 2001 and that has gradually decreased to the current level of 40 venues and 633 machines.</b></p> <p><b>There is no proposal to increase the number of machines.</b></p>
<b>Te Armoe Parata</b>	There is already an excessive amount of gaming venues open and available already. Not only is there an excessive amount of gaming venues available already, but they open as early as 9am and close at 5:00 am to 6:00 am making gambling accessible at any time. Children are left alone at all hours of the night. Stop putting these venues in low income communities preying on the community's vulnerability	
<b>Noeline Matthews</b>	633 machines is enough for the city.	

Theme	Comments about temptation and addiction	
Submitter/s	Submission Content	Officers Response
Riki Saywell	Decrease temptation	<p><b>Officers acknowledge and understand that there are sectors of society for which class 4 gambling and indeed gambling in general is a major issue in relation to addiction and temptation. In many instances this has seen an increase in perverse behaviour by those who have unfortunately been affected by the impacts of problem gambling. Officers do not wish to downplay this in any way. Officers acknowledge the pain and loss that has been suffered by those affected by this.</b></p> <p><b>It is important to understand that the Council is very limited in the scope of its powers. The Council is unable to close venues or remove machines, it is unable to prevent people from participation.</b></p> <p><b>Class 4 gambling remains a legal activity.</b></p>
Erana Harrison	People have enough addictions without having pokie addictions too. They are no good for whanau. Think about the next generation.	
Sarah Cooke	Gambling is an awful addiction	
Sefo Lemalu	It is a bigger temptation for young people that try to buy a home for the first time. Decrease the ability to save especially young people. Increases thefts in the community	
Sio Logotuli	The pokies are evil, and people find it hard to resist the temptation. The locations are in the poor areas of the city of Wellington. Makes the poor poorer. Increases behaviour problems in the community, increases family violence, rent/bills unpaid/behind. no food, children's needs are not met/ neglected. causes stress/anxiety, people avoid seeing the doctor, causes self-harm, suicide. Playing pokies is not a fun activity, not inclusive leads people to isolation.	
Ella Kalolo	Pokie are temptations to local people. Increases poverty in the community, cause/increase family violence, increase thefts, debts, rent behind. Children's needs are not met. Health is affected i.e. stress/	
Sefo Lemalu	great temptation to vulnerable people in the region. Increase isolation, increased mental problems, needs of children are not met	
Stuart Macaan	Eventually it will eliminate pokie machines. A government study showed that 1/3 of those using pokies are suffering from gambling addiction. The eventual elimination of these machines is the best way in the long term to protect these people.	
Jordan Friis	I support the proposal of the sinking lid policy as problem gambling is a major issue hurting our communities. I live in the Newtown area and I see the the amount of time people spend using pokies at the local bars	

---

	<p>and am staggered with the numbers the amount of money that goes into pokies every day, in Newtown alone. They are depriving the community by their addictive nature, and they should be phased out from the city. I believe it is problematic to have community funding coming from an inherently harmful practise. And often the funding that pokies provide does not go back into the areas of the community where the harm is being done. I also support no mergers or relocations, and support the TAB being included in the sinking lid policy.</p>	
--	---	--

Theme	Comments about the amount spent	
Submitter/s	Submission Content	Officers Response
Shawn Teague	The money spent is disgraceful	<p><b>Officers acknowledge that there is a tremendous amount of money spent on Class 4 Gambling. The DIA puts the amount lost in 2019 in Wellington at \$40,719,323.</b></p> <p><b>The Council, however, does not have any influence on the amount that is lost in Class 4 Gambling.</b></p>
(Redacted for privacy)	It is not good for our people to waste their money	
Alovale Petelo	<p>People play pokies as quick and easy money. Pokies make vulnerable people poorer. Causes thefts in the community, increase family violence, waste money that people don't have. Suicide, stress and Anxiety.</p> <p>Increase health problems, behaviour problems increase among young people. Decrease the ability to save. People that play the pokies become lonely/isolate themselves from the community. Don't know how to socialise. please get rid of them.</p>	

Theme	Comments about vulnerability	
Submitter/s	Submission Content	Officers Response
Honeybee Terry	Problem due to vulnerable, low income and people suffering from mental health issues	<b>Officers note that people who identify as problem gamblers are in fact extremely vulnerable. It has been noted that both venues and machines are congregated in low decile areas as well as areas where vulnerability is seen as high. Officers acknowledge this. Officers note that these machines and venues are located in bars (as per the Council's policy) and it is in fact the bars which are located in these suburbs.</b>
Pat Sila	People become isolated, deceitful, increase family violence, Children's, needs are not met, neglect. Mental health issues, stress, anxiety, suicide, self-harm. People can't save for their first home	
Andrew Muliga	It causes violence in public places. Gamblers become anti-social, isolate themselves from their friends, affect wellbeing, increase anxiety, depression, self-harm, suicide.	
Ivan Yeo	An increase in machines and venues will expose Asians, migrants and the refugee community to further harm from EGM gambling. Please consider AFS's recommendation that the Council minimise the harm from gambling by adopting a sinking lid policy with no relocations or venue mergers permitted	
Pania Solomom	Our whanau need to be protected by the harm that gambling causes	

# STRATEGY AND POLICY COMMITTEE

15 APRIL 2021

Absolutely Positively  
**Wellington** City Council

Me Heke Ki Pōneke

Theme	Comments about needing to find an alternative funding option	
Submitter/s	Submission Content	Officers Response
Lina Raterna	<p>The cycle of continued reliance on this source of community funding is relatively fake and distorted. There needs to be a break in the unhealthy relationship of having pokies in certain communities that are in high risk, low socio-economic areas. WCC should join other local councils in adopting sinking lid policies and be part of those that have done so already. there is already comprehensive research that pokie machines disguised as proving a public good is actually hosting nurturing, harmful behaviour as something normal. it odes normalise the existence of as part and parcel of community structure and make-up when really it carries with it a huge amount of social cost. more needs to be done to reduce the harmful aspect of pokies. You can do that by adopting the sinking lid policies and start to by saying No more !!!</p>	<p><b>Officers recognise that the funding model is not ideal. However, until the Government adopts a new form of funding solution, organisations, clubs and community groups will continue to be funded by Class 4 gambling. The Council has no influence over the funding of these groups.</b></p>

Theme	Comments about the impact on the Pasefika community	
Submitter/s	Submission Content	Officers Response
<b>Tofa Fagaloa</b>	Pacific population is over-represented in gambling. The Social impacts on families, intergenerational effects. E.g. Abuse/family violence. Economic impacts, breakdowns of family units	<p><b>Officers are aware of the fact that Pasefika and Māori are over-represented in the harm statistics around Class 4 gambling. There are a high number of machines located in areas which have high numbers of members of these communities. Officers acknowledge this and also note that the Council has no ability to shut down existing venues or remove existing machines. It does have the power to put caps and limits on the number of new machines in these areas.</b></p>
<b>Levaai Tolo</b>	I am very concerned that Pacifica and Maori families are the most vulnerable, are going to be impacted negatively when pokies are made more accessible to our communities. Already Pasefika and Maori communities are suffering with the highest statistics in their gambling addiction. When adults have gambling addictions it also affects the families in a very detrimental way; money which should be used to house, clothe and feed the family is NOT prioritised by people with gambling addictions. This will mean the most vulnerable citizens - young children- will suffer the most from adults in their world who are supposed to take care of them, neglecting their needs because gambling has become priority. This is not the kind of thing our city should be known for; we should be highlighting a safe environment and promoting our city through businesses that are positive for all, especially our vulnerable children.	
<b>Mercy Brown</b>	Pokies are highly addictive and most harmful to the individual and their families especially if they have young children and especially if they are of Pasifika decent. Complex issues arise when there is not enough money to feed the children when there is an addict in the family, so why would the council continue to contribute to children's poverty? Many of our children go hungry every day because the adults in the family are either not in employment or have an addiction to gambling. To reduce harm to family and especially children, the council have an obligation to the younger members of society. Research shows that the harm to health, finances, employment, education and relationships, with mental wellbeing, spiritually and poverty are much higher if council continue to allow this to happen. Think about what this means to the children of the	

	<p>addicts. Think about the cost to get the addicts clean and after that! Think about the cost to the children and their wider families. Think about the crimes that the addicts are capable of to get their kick! The cost to society and the consequences for families and especially children is huge. The children did not ask for this so please make the right and sensible policy that will reduce harm to our children.</p>	
<p><b>Mino Cleverly</b></p>	<p>As a group, PAG unanimously wishes to see reduced harm to our communities that problem gambling may facilitate and sees A as the best option to help achieve this we believe.</p>	
<p><b>Sai Lealea</b></p>	<p>Submission to the Wellington City Council on the “Gambling Venues Policy” from the Wellington Fijian Pastors Group Introduction This is a submission by the Wellington Fijian Pastors Group (WFPG) on the proposed Gambling Venues Policy of the Wellington City Council. The WFPG is comprised of church pastors and elders from the main Fijian churches in Wellington. They have the interest of their parishioners and members of their families and communities in mind in making this submission. It is a submission that: • provides a brief background to the policy • outlines the rationale behind the proposal; • sets out the position they take on the policy; and • concludes with brief remarks. The WFPG also welcomes the opportunity to appear as a group to present its submission to the City Council if provided. Background: Wellington City Council is seeking feedback on its proposed gambling venues policy for electronic gaming machines, more commonly known as ‘pokies’. The Council has powers to determine which TABs, pubs and clubs can host pokie machines. The current policy limits the number of machines in certain areas, but we would like the policy to include a ‘sinking lid’. That means no new pokies venues would be able to open in the Wellington area. We think a sinking lid is the best policy to reduce the number of pokie machines and reduce gambling harm Why is this important? Currently, Wellington City has 633 pokies across 40 venues. In 2019, people in Wellington lost over a staggering \$40 million on these machines. Some people support pokies because the gambling losses</p>	

	<p>are used to fund community groups. But only 40% of the losses are returned to the community and not always into the community it comes from. Pokies are highly addictive and are the most harmful form of gambling. It is estimated that 30% of the money lost on pokies comes from people experiencing harm. Pokies outside casinos make up almost 50% of the people who seek help about their gambling. Pokie machines in Wellington are clustered in the most deprived neighbourhoods in the city where people can least afford to lose significant amounts of money. What needs to happen? We are asking the Wellington City Council to implement a sinking lid policy. That will mean the Council will refuse new consents to any TAB, pub or club that applies to host pokies. This will reduce, over time, the number of pokie machines in Wellington City. We know that Wellington City Council can do the right thing and listen to the people in their community. The council can make the changes to respond to the harm pokies are causing. Conclusion The WFPG fervently believes that a sinking lid policy is the best option for Wellington and its residents going forward as it provides a gradual path to reducing the number of machines and venues while considering other avenues of fundraising</p>	
<p><b>Gerhart Berking –              Mapu Maia</b></p>	<p>Wellington City is home to 8,928 Pasifika people, with high concentrations in certain areas. Two notable geographical areas are the (Southern) Strathmore-Berhamphore corridor and the (Northern) Johnsonville-Tawa region. 27 Both areas have a prominent Pasifika presence. In conjunction with this, both geographical areas can be identified as pokie “hubs”, as they take up a relatively-high proportion of Wellington City’s current pokie machines. The Strathmore-Berhamphore corridor is home to 2,940 Pasifika people, around 33.5% of Wellington City’s Pasifika population. Of this community, 1,839 Pasifika people (62.5%) live in medium-high deprivation (NZDep decile 8).28 There are 11 Class 4 venues and 172 pokie machines in Strathmore-Berhamphore corridor (Strathmore, Miramar, Kilbirnie, Rongotai, Newtown and Island Bay). That is 27% of the Territorial Local Authority’s (TLAs) total machines, the second largest cluster outside of the CBD. Both</p>	

	<p>Johnsonville and Tawa collectively hold 1,986 Pasifika people, just over 22% of Wellington City's Pasifika population.<sup>29</sup> There are 8 Class 4 venues and 113 pokie machines between Johnsonville and Tawa, 17.8% of the TLA's total machines and the third largest cluster outside of the CBD. Both hubs combine to make 45% of Wellington City's pokie machines. When adding these two hubs with the CBD hub (Te Aro, Lambton, Pipitea) of 261 pokie machines, it amounts to 546 pokies machines, 86% of the TLA's total. There are no other significant clusters making up the remaining 14%, meaning there are three pokie hubs in the Wellington City region, two of which are Pasifika dense areas. Mapu Maia submits that Pacific communities are not at fault for 'living in the wrong geographical area', but that Class 4 pokie machines are spread inequitably which in turn place Pasifika at risk of socioeconomic harm. Mapu Maia submit that a comprehensive sinking lid policy can go some way to address these harms.</p>	
--	--	--

Theme	Comments about the impact on the community	
Submitter/s	Submission Content	Officers Response
<b>Pomare Gordon</b>	Pokie Gambling addiction is just wasting families and destroying communities	<p><b>Officer note that the impact on communities of class 4 gambling is a serious issue. There are valid concerns about the number of machines in areas, particular low decile areas, and areas with vulnerable communities in them. There are also valid concerns about the impact that class 4 gambling has on Pasefika, Māori, and East Asian communities, which have been identified as ethnicities that are overrepresented in problem gambling statistics.</b></p> <p><b>Officers have previously noted that the Council does not have the power to close existing venues and machines. The Council has in the past used caps in order to limit or reduce the machines and venues in communities. The council has actively managed these caps down across the city</b></p>
<b>Mark MakePeace</b>	Harm in the community far outweighs any supposed good. Known as one armed bandits in Asia and rightly so. New Zealand should never have bought into the sales pitch of profiteers	
<b>Robert Lew</b>	People continuously struggle and there are already a lot of machines in the community. Putting a cap on the number of machines will definitely help the communities that have a lot of access to the machines to minimise the money put into the machines. I am happy to speak on my own experiences in hope that it might help someone out there going through the same struggles	
<b>Jo Clarke</b>	Gambling is an incredibly destructive addiction that needs to be managed and eventually eliminated from our society, this is not who we are	
<b>Kelly Oliver</b>	It is harmful to good people in our community - destroys families	
<b>Peter Mellars</b>	Too many vulnerable people are becoming addicted to this terrible affliction. Gambling of this nature hurts many of our community. Please be brave and help the less fortunate	
<b>Malieka Lemalu</b>	It doesn't help build any community spirit. Increased family and community violence. Family members become anti-social, become individualistic, isolation becomes the norm. Leads to anxiety depression and suicide	
<b>Ana Tupai</b>	It doesn't help poor people in our community. People become more individual in their thinking and way of life. Increase thefts and violence in the community. Increase violence among young adults. Decrease ability	

	to save, young people have purpose in life.	
<b>David Thomas</b>	Increase mental health problems in the community, family violence increases, increased poverty	
<b>Rina Thomas</b>	People waste money and time. Pokie machines increase behaviour issues in the community, increase community thefts, increase poverty. Increase health issues, example anxiety/stress, isolation, self-harm, suicide. Increase family violence, break up marriages/relationships, rent and bills unpaid. Children are left along at home; children go without a lot. People live unhappy lives.	
<b>Rosie Tofilau</b>	People spend more time at the pubs. Increase poverty in the community. Increase theft in the community, behaviour problems, moody, deceitful, telling lies. Stress, anxiety, sleeping problems, suicides, Blood pressure/diabetes etc/ No food, children always left alone, bills not paid/behind. Relationship problems. family violence increases, isolation.	
<b>Sieni Leota</b>	increase poverty in the community, increase family violence, mental health problems, I.e. Suicide/stress/anxiety, children go without	
<b>Logo Sala</b>	Increase thefts in the community, increase family violence, poverty in the community	
<b>Molo Tofilau</b>	It increases poverty in the community. Children always go to school hungry. Children are the victims of those who gamble. Community becomes unsafe increase in violence in the community.	
<b>Ake Abbett</b>	Pokie machines are destroying community. It makes people more individualistic, no sense of belonging, community. Create more thefts in the community. Increase family violence. Children are victims of people/family members that gamble. Increases health problems, anxiety, stress loneliness, causes self-harm, suicide. No money = no food, children go to school hungry. please take them away.	

# STRATEGY AND POLICY COMMITTEE

15 APRIL 2021

Absolutely Positively  
Wellington City Council

Me Heke Ki Pōneke

<b>Fiona Petesa</b>	it increases family violence, children go to school hungry, increases thefts in the community and people are no longer safe. Increases anxiety and suicide. We don't need these pokie machines in our communities.	
<b>Faga Tagi</b>	makes people poorer, children suffer, they go hungry, bills are not paid on time. More thieves in the community, gamblers become more anti-social	
<b>Jennifer Fowoti</b>	it causes poverty, children go hungry to school. Increases family violence, increase thefts and violence in the community. Increase anxiety, depression and self-harm, and finally suicide. Pokies do not help the community. Pokies ruin people's lives, their sense of belonging	
<b>Fiona Paterson</b>	Vulnerable, poor people feed the pokies machines with money that don't have as a result an increase in family violence, children's needs are neglected. Well-being, stress/anxiety. Young adults become isolated, individualistic in thinking. Anti-social, self-harm, suicide	
<b>Vale Aмоса</b>	No sense of community life anymore. Increase violence in the community, public places are no longer safe, more thefts in the community. Gamblers become more and more isolated, increase anxiety/stress/depression/self-harm and suicide	
<b>Sio Smith</b>	Gamblers become more isolated and no longer fit in communal life. Increase social violation of community resources. Increase in family violence, children's needs are not met. Neglect responsibilities as parents and adults. Increase stress/anxiety, depression, self-harm and finally suicide	
<b>Vaa Lole</b>	It causes lots of problems in the community. I was a gambler over the years - very bad my children went without a lot. Went to school hungry. Relationship problems increase, family violence Mental problems, anxiety/stress. Suicide attempts. Please get rid of all the pokies	

<b>Apolo Tuia</b>	It doesn't help us as we are trying to raise our children. Increase in thefts in the community, community becomes unsafe for our children, increase stress/anxiety leads to suicide	
<b>Rouru Senia</b>	makes people anti-social - temptation vulnerable people find it hard to avoid. Increase family violence, community becomes unsafe	
<b>Nane Senio</b>	It doesn't help poor families in the community. Increase fear, anxiety, thefts, family violence, children live in unsafe communities	
<b>Tina Leota</b>	Pokie machine are evil community members become anti-social. Increase family violence, suicide among teenage children. Increase in thefts in the community. Poverty	
<b>Tale Sila</b>	I don't want to bring my moko in an unsafe community, pokie machines is evil. Increase in family violence, anti-social among community members. Increase in thefts in the community	
<b>Mailei Kaligi</b>	Pokies doesn't help anybody, It increases family violence, thefts in the community. Mental health issues increase. I.e. suicide attempts, anxiety, depression, dishonest	
<b>Aggie Smith</b>	Increase violence in the community. A temptation that poor people in the community find it hard to avoid. Doesn't help build communities that are safe anymore. Increase family violence children are the victims of the violence, Increases mental health problems.	
<b>Damien Sligo-Green</b>	It reduces the opportunities for those suffering from addiction or poor mental health to multiply negative outcomes for themselves, their whanau and the wider community	
<b>Annaliese Johnston</b>	Sinking lid means that numbers of pokie machines will reduce over time. I believe this is the best option for our community in Wellington.	

	<p>Gambling harm from pokies disproportionately impacts vulnerable people and communities. According to the Problem Gambling Foundation, pokies are considered the most harmful form of gambling. They give players unrealistic impressions of the odds of winning, confuse people about how much money they have lost, and encourage sustained periods of gambling – often in the hope of recovering losses. They also disproportionately feature in poorer communities and can exacerbate existing inequality and social harms, including family violence. As a resident of Kelburn I don't see any pokies in my community, and it is unjust that other communities have to bear the burden of them. I believe a sinking lid policy is the best and least harmful policy for Wellington council to choose. Other councils around the nation have adopted this policy and it is time Wellington caught up. I also encourage the council to both vote for the sinking lid policy and include the policies of not allowing relocation of pokies and no mergers, and to ensure that TABs are included in the sinking lid policy. These elements will ensure a strong harm prevention approach to pokies in Wellington.</p>	
<p><b>Manu Ward</b></p>	<p>A sinking lid policy would have the effect of reducing the number over time of these harmful machines. This would allow community groups time to transition to more ethical funding models. It would eventually result in less money lost to gambling from my suburb in Newtown, ultimately benefitting families and economy of our suburb.</p>	
<p><b>Aashif Sacha</b></p>	<p>Eventually get rid of all of these machines that will reduce societal harm</p>	
<p><b>Jane Lamb</b></p>	<p>Reduction in harm to community</p>	
<p><b>Benjamin Swale</b></p>	<p>It reduces this harmful scourge on the poorest in our community.</p>	
<p><b>Elise Ranck</b></p>	<p>I'm most concerned about the impact of gambling harm on my neighbours and greatly disturbed by the current pokies economy in which the poor and vulnerable are funding hobbies of the middle-upper</p>	

	<p>class. It's outrageous that one in three people who play pokies monthly or more are described as "at risk" gamblers. Even more outrageous is that over 80% of pokie machines in Wellington are located in "medium" or "medium high" deprivation areas, whereas the rest are located in "low" or "medium low" deprivation areas. So pokies revenue comes from people who can least afford to lose money.*</p> <p>Sinking-lid is the simplest way to even start naming gambling harm as a real issue and begin taking action and also to begin slowly phasing out pokies and seeking alternative funding sources for middle class hobbies. We need Wellington to take strong and bold action to phase-out pokies. This is particularly important as we enter a recession where the poor will suffer the most.</p> <p>*These statistics are taken from the 2018 Health Promotion Agency survey, the Department of Internal Affairs and Problem Gambling Foundation.</p>	
<p><b>David Medland</b></p>	<p>I don't want to see any more outlets or machines or opportunities for gambling in our city - there are enough places now! We have a societal problem with gambling, and we don't want to increase accessibility.</p>	
<p><b>Eryn Grible and Ellie Clayton</b></p>	<p>We support a sinking lid policy, but with additional incentives for existing venues to move away from providing gambling options.</p> <p>Newtown has one of the higher densities of pokie machines in Wellington. We are well aware that serious harm is caused by problem gambling in our community. The Newtown community has many vulnerable populations including lower socio-economic residents, social housing tenants, mental health consumers and new migrants/former refugees.</p> <p>We understand that Council has limited options for limiting this harm, and that a sinking lid policy is probably the best option open to you. While we do see this as a positive move to stop an INCREASE in harm,</p>	

	<p>we don't see it as sufficient to limit the current harm.</p> <p>We are concerned that a sinking lid policy, while halting new machines from opening, will also cause venues that currently have licences to hold onto those very tightly, meaning the harm already occurring in our suburb would not be reduced. We would call for an investigation into options of not renewing pokie licences when ownership of a venue changes.</p> <p>We would also call for greater incentives for venues to move away from providing gambling options at all, and greater education and support for those living with problem gambling and their whānau. If venues do have pokies, we feel they should also have other offerings available so they're not solely a pokies venue i.e. quiz nights, live music, live sports games etc, as currently we see that some venues are just glorified pokie rooms, offering no other entertainment or recreation.</p>	
<p><b>Zoe Williams</b></p>	<p>I believe that pokie machines are designed to take advantage of people. Some people can play them for fun but many people are sucked in to a brain-state that is neurologically difficult to get out of. New Zealand has a problem with poverty and pokies is part of this problem in the way that it takes advantage of people, sucking them into addiction and putting people into debt. We need to get rid of these insidious machines that are hurting our communities and I understand that the sinking lid policy is the best action that the council can take to work towards getting rid of this negative force in Wellington. I don't support Option B because it isn't enough of a reduction in machines to make a real difference in our communities, especially the more vulnerable ones.</p>	
<p><b>Stephanie Williams</b></p>	<ul style="list-style-type: none"> <li>• There is strong evidence to justify a change from the status quo. •</li> <li>Although the community funding model currently used to distribute Class 4 gaming works well – it overwhelmingly supports sport and recreation which promote a healthy lifestyle. We therefore don't feel we can promote a healthy lifestyle in sport but not promote it other areas too. •</li> </ul>	

	<p>We disagree that there are no other viable, sustainable alternative funding sources. We are a creative country and we will find a way. • Our club is fortunate to have been supported by Eastern Suburbs Sports Trust for many years. Their model of channelling funds into the community is a rare one but sustainable. 2 • We have purposefully as a community sport organisation tried not to be reliant on grant funding. Any funding from outside agencies has been for purchasing / replacing equipment - 'nice extras'. However, our recent success story is of our current Springfloor Fundraiser for re-springing our floor that has been very successful and has not needed funds from a gaming trust. • There is a concern that as we move as a country into a recession, accessing funding from alternative sources will become more difficult. However, what would our society look like if there were no pokies and a lesser social cost from gambling</p>	
<p><b>Susan Elliot</b></p>	<p>I was appalled to learn that the Wellington City Council is not fully supporting a ban on new pokie gambling machines with the goal of having them eliminated from our community over the next two years. Evidence clearly shows gambling has a deleterious effect on children and families, and 1 this damage disproportionately affects low-income children and families.</p>	

Theme	Option A Reduces Harm	
Submitter/s	Submission Content	Officers response
<b>Stuart Baker</b>	Better for the public good.	<p><b>Officers acknowledge that a sinking lid will over time lead to a decline in machines and venues. This is not disputed by officers. However, this is unlikely to have an immediate effect. The number of venues has been declining in Wellington steadily from 70 in 2003 to 40 in 2020, however this natural attrition has not seen a decline in gambling levels.</b></p> <p><b>Over time fewer machines and venues may lead to a reduction of harm, which officers agree is a good thing.</b></p>
<b>Eugene Doyle</b>	Better Social outcome	
<b>Fred Albert</b>	on the whole I think that more harm than good is done by gaming machines and we should work to reduce access over the long term	
<b>Aneria Komene</b>	It reduces psychological stress factors and it also reduces financial loss for people whom does not have the finances that in reality doesn't exist. It reduces crime rates e.g. Beneficiaries whom gamble can barely survive on the benefit and they usually turn to a criminal mindset when they need to feed the urge and some degrade themselves so much for a gamble they lie to themselves and steal and lie to family and friends they burgle they scam they do everything and anything they can to get money even sell their souls or sell their children off to feed the addiction. It's a very bad addiction gambling and I would know cos I've been a gambler for 20+years. And I've come across people who do these things even I've done these things except sell my soul and children off as I don't have any children and wouldn't ever dare In the world do it to my own if ever! This eliminating gambling will end financial crisis for us people whom live here in Wellington, we are barely even surviving due to fact our country is in a world pandemic.	
<b>Ana Wilson</b>	reduces harm to vulnerable communities but also allows for beneficiaries of pokies to transition to other form of funding. Pokie establishment need to contribute to harm reduction (I agree that sporting grants are part of harm prevention). Strict auditing needs to be made public	
<b>Anna Sheffield</b>	Minimises the damaging effects of gambling	
<b>Patrick Wilkes</b>	Overall pokie machines are a regressive tax on the poorest and most vulnerable people. They should be discouraged as much as possible. I understand that the council cannot ban them, but a sinking lid is the best of the options to remove them over time.	

<b>Lynn Cadenhead</b>	Reduces gambling harm.	
<b>Laura Jamieson</b>	Makes the most sense for the future of the city, reduces harm and leads to a future with reduced harm from gambling.	
<b>Thomas Worters</b>	This is the only option that will have a meaningful impact on the harm caused by pokie machine gambling. Community groups that receive funding from pokie machines will have ample time to find alternative sources of funding due to the time delay between this policy taking effect and a any real change in pokie machine numbers. Furthermore, as it stands, this system redirects money from the poor to community groups that often represent wealthy communities. Maori and low socioeconomic groups often struggle to attain this funding due to constraints on their fundraising ability. As a result, community funding from gambling often results in the redistribution of wealth from the poor to the wealthy. This is an inefficient system that reinforces inequity. By implementing a sinking lid, the WCC will be able to slowly contribute to a more equitable city.	
<b>Liam Prince</b>	It enables a likely long transition period to develop alternative funding models for community groups, while progressively minimising harm/exploitation of individuals with gambling addictions.	
<b>Benjamin Sawrey</b>	Implementing a sicking lid will decrease the incredible harm that pokies have on our communities while allowing time to transition.	
<b>Ben Pringle</b>	Currently Wellington City has 633 pokie machines across 40 venues. In 2019, people in Wellington lost over a staggering \$40 million on these machines. Pokies are highly addictive and are the most harmful form of gambling. It is estimated that 30% of the money lost on pokies comes from people experiencing harm. Pokies outside casinos make up almost 50% of the people who seek help about their gambling. Pokie machines in Wellington are clustered in the most deprived neighbourhoods in the city where people can least afford to lose significant amounts of money. While people tend to support pokies because the gambling losses are used to fund community groups, they miss the fact that only 40% of the losses are returned to the community and not always into the community it comes from. I support the sinking lid policy approach because it is a	

---

	harm reduction approach that means less people are exposed to the health risks of pokie machines over the long term. This is clearly an advantageous approach compared to the status quo.	
<b>Jacqueline Fuller</b>	This option provides the best chance of reducing and managing the social impact of gambling.	

Theme	Option A Reduces Access	
Submitter/s	Submission Content	Officers response
<b>Jess Ducey</b>	I support reducing (and hopefully eventually eliminating) the number of gambling machines in the city. I know that their income benefits community groups, but they are taking that income from vulnerable populations and I would rather see those services funded by government	<p><b>Officers note that over time venue and machine numbers <u>may</u> decline as a result of a sinking Lid.</b></p> <p><b>The Council is unable to close existing venues, and due to the fact that a number of venues in Wellington are clustered in suburbs means that access is widely available for those who wish to access class 4 gambling. Submitters have noted that problem gamblers tend to only gamble close to the area that they live in and are unlikely to travel great distances to find machines. Officers acknowledge this; however it is worth noting that without wholesale closures of venues (which the Council is unable to do) gamblers in Newtown will still be able to access other machines in their area. It is also worth noting that for those that are willing or able to travel, there are additional machines in other parts of the city, as well as neighbouring cities nearby.</b></p>
<b>Ashley Bree</b>	Limits to what is existing, and no more - a reduction over option 2. Hopefully allows Council to enact further reductions	
<b>Jonathan Fletcher</b>	It stops the spread of gambling machines and will, over time, reduce their total number	
<b>Beth Parkin</b>	Natural attrition of machines, minimal administration required and easy to understand	
<b>Tamsyn Clemerson</b>	Minimise access to gambling, avoid it becoming a widespread social activity	
<b>Leeha North</b>	reduces the amount of access to gambling all together	
<b>Colleen Cook</b>	It will gradually wean people off the machines. Gambling is a huge problem in NZ and may well get worse with the expected increase in unemployment as a result of the pandemic	
<b>Margaret Wallace</b>	Reduces the availability of machines	
<b>Francis Blyth</b>	Gambling venues encourage gambling which tends to take money out of the pockets of poorer families/whanau. Many families suffer the effects of gambling and gambling addictions, but the impact is greatest on families without sufficient funds to support the addiction. Ultimately it is especially women and children from poorer families who bear the brunt of gambling problems. Many gamblers underwent a form of withdrawal during the Covid lockdown, some supported by social service agencies. This shows that gambling addictions can be addressed just by making gambling opportunities less freely available.	
<b>L Melbye</b>	It completely removes the gambling opportunities, or future opportunities to encroach.	
<b>Ben Baker</b>	Easy to implement, and shifts to reduction of pokies	
<b>Michael Lowe</b>	it leads to a decline in the number of machines, and ensures no new machines are added into communities where there are currently none.	

# STRATEGY AND POLICY COMMITTEE

15 APRIL 2021

Absolutely Positively  
**Wellington City Council**

Me Heke Ki Pōneke

<b>Jude Ball</b>	It will generally reduce the number of pokie machines in Wellington, and thereby reduce gambling harm.	
<b>Ellen Blake</b>	Controls and limits gambling opportunity.	
<b>Liz Hibbs</b>	Option B has merits but Option A will mean a more effective reduction. In the current economic climate it's likely that a sinking lid policy will have a significant effect on numbers of machines in Wellington over the next year or two. As venues with pokie machines close, and the overall numbers of machines reduce, by 9 or by 18, this will result in lower numbers than the proposed cap/s or boundary tweaking. Additionally, option B does nothing to reduce numbers of machines in areas of greatest poverty and deprivation - it seems to be focused on capping numbers in the 'leafy' suburbs. That is not an effective way to deal with problem gambling and does not support the most vulnerable communities.	
<b>Kathrin Strati</b>	No more machines to be introduced	
<b>Nick Jeffaries</b>	The addictive nature of Pokies and the consequences this has on our community are well known and researched. Although profits from them does contribute to community initiatives and problem gambling etc. I don't think the means of acquiring this money outweigh the damage that these machines can do for individuals/families. I would prefer to implement a sinking lid so that their use can be phased out and therefore reduce or remove the impact they have on addicted individuals.	
<b>Ariki A</b>	provides [fewer] outlets for gambling	
<b>Andrew Bartlett</b>	That this will, over time, reduce the number of pokie machines in Wellington City. This means that the council can in the future consider other options like 'buying back' licences in exchange for (say) capital works on sporting facilities that might otherwise be funded by pokie distributions. (Without a sinking cap such buy-backs would first have to	

	<p>have a sinking cap be consulted on and agreed, this proposal actually allows the council flexibility in the future) See the bottom of this ABC new piece for how it is being offered in Canberra  <a href="https://mobile.abc.net.au/news/2020-04-02/act-government-covid19-coronavirus-spending-package-announced/12114504?pfmredir=sm">https://mobile.abc.net.au/news/2020-04-02/act-government-covid19-coronavirus-spending-package-announced/12114504?pfmredir=sm</a></p>	
<b>Janey Fryer</b>	A reduction in overall gambling machines and venues in Wellington region and corresponding reduction in gambling harm	
<b>Etienne Wain</b>	We need to decrease the number of pokies in Wellington. They prey on those of lower incomes and those with gambling addictions (often there is a large overlap between the two groups) and as such have no place in a fair and just society. Any good they do in the community through providing funding to community groups is outweighed by the negative impacts pokies have on individuals and families. A sinking lid is superior to the other options because it guarantees an eventual decrease in the number of pokey machines in Wellington, hopefully eventually to zero.	
<b>Era Yuan</b>	It stops any new machines being instated.	
<b>Paul Barber</b>	<p>I strongly support the Council's preferred option, Option A to implement a sinking lid policy that allows no new venues or machines in Wellington.</p> <p>It is heartening to see the information provided by the council that shows how the number of gaming venues and machines has been declining over recent years. Implementing a clear sinking lid policy will help preserve these gains and ensure that the number of these machines continues to decline.</p>	
<b>Brad Olsen – WCC Youth Council</b>	<p>Noting that harms of gambling, and the amount of money that is used on these activities that cannot therefore be spent by households, Youth Council views it as desirable to reduce the potential for gambling to occur by adopting a sinking lid policy on Class 4 gambling machines. This sinking lid policy will stop any additional gambling machines from</p>	

	operation and will over time see the number of gambling machines fall.	
<b>Alana Hathaway</b>	This will mean pokies (the most addictive form of gambling) are slowly phased out, particularly out of lower socio-economic communities. I believe that as communities we are able to more creative with funding streams, where we don't need to be reliant on money that is being funnelled out of lower socio-economic communities, only to be invested in predominately communities of high socio-economic status.	
<b>Henry Foot</b>	Reduces pokie machines	
<b>Julie Stent</b>	To help get rid of the gambling	

Theme	Option A Reduces Access and harm	
Submitter/s	Submission Content	Officers Response
<p><b>Ramil Adhikari – The Public Health Association Wellington</b></p>	<p>Submission to WCC on Gambling Venues Policy Summary • Our preferred option is Option A, the sinking lid proposal. • We argue that the proposal does not go far enough to prevent gambling harm and should be strengthened by disallowing venues to transfer their quota of Class 4 machines should they relocate. About the PHA The Public Health Association (PHA) is a national membership association with a commitment to health for all. It provides an opportunity for people who share this commitment to v Be part of a collective voice on the social determinants of health v Gather, share and learn with others who work in public health v Influence policy to improve the health of all New Zealanders v Keep up to date with events and issues in the public health sector. Our submission We note that one of the key focuses of the Gambling Act 2003 is, as per section 3(b) of the Act, to prevent and minimise the harm caused by gambling. We submit that WCC should make harm reduction a key focus of all gambling policy reforms they undertake. The Public Health Association Wellington Branch sees the deleterious effects that problem gambling has on the wellbeing of whanau and communities in Wellington. Harm from gambling isn't just about losing money. Gambling can affect self-esteem, relationships, physical and mental health, work performance and social life I added in the gender aspect because 90% of people who lost jobs due to Covid were women. Ninety per cent of Kiwis who lost jobs during Covid-19 pandemic are women, data shows (Gamblershelp, 2020). Gambling is therefore a public health issue, and policy action is needed to prevent harm (Wardle et al, 2019). Problem gambling is associated with use of drugs, alcohol and other activities to alleviate the anxiety brought on by the gambling lifestyle. Even if a gambler never experiences financial ruin as a result of the lifestyle, they may struggle with drug and alcohol addiction after self-medicating to deal with the stress (Psych guide, 2020). Also, relationships are often permanently damaged as a result of gambling. It is not only the gamblers themselves who suffer – it is often their families and the wider community. As per Centre of gambling</p>	<p><b>Officers note that the previous two responses are also applicable with this theme</b></p>

	<p>studies (COGS, 2009), gambling is also associated with: • Domestic Violence • Crime • Fraud • Child neglect The Public Health Association Wellington is particularly concerned with Class 4 gaming machines (also known as electronic gaming machines or pokies), as these machines have been shown to induce the most harm. The research shows that one of the most effective and successful strategies to minimise and prevent problem gambling involves limiting access to Class 4 gaming machines (DIA, 2019). Gambling addiction can be found across all types of people, but people living in socially deprived areas are most severely affected by gambling harm. Groups who suffer disproportionate effects of gambling harm include women, families, single parents, Maori, Pacific Island peoples, refugees, people with mental health issues, beneficiaries and people reliant on low-paid employment (HPA, 2017). Given these that these groups are particularly vulnerable to gambling harm, it is very concerning that Wellington’s pokie machines are concentrated in high deprivation communities including Newtown, Rongotai, Strathmore, Mount Cook and Kilbirnie, The City Council must consider its responsibility to protect Maori, Pacific and low income communities from unequal exposure to gambling harm. In Wellington city \$10,367,328.90 was lost to class 4 pokies in the year ending December 2019. In spite of the Covid 19 lockdown, which meant venues were closed part of the period, the expenditure from April 2020 to June 2020 was \$4,738,125.94 (DIA, 2020). This does not include any other losses from other types of gambling related harm, such as scratchies, housie, lotteries, TAB gambling, or any other gambling. There are currently 40 pokie venues &amp; 633 gaming machines in Wellington City. The Public Health Association Wellington Branch strongly encourage the Council to adopt a Sinking Lid policy. However, we are not in favour of businesses being able to transfer their full quota of Class 4 machines to a new venue should they relocate. We believe the Council should strengthen the sinking lid policy by disallowing venues to transfer their quota if they relocate, thus having a greater harm-reduction impact. The city council has the legislative power and authority to be much more proactive in relation to harm reduction. Furthermore, we are concerned that the present zoning is</p>	
--	--	--

	<p>exacerbating socio-economic and health inequities, with pokies heavily concentrated in vulnerable communities. Wellington City has a young population and attracts more young people to the area of the Massey &amp; Victoria Universities and other Campuses. With gaming machine venues concentrated in the CBD this is a temptation to a young and vulnerable group. We encourage the Council to traverse the strategy to further reduce the harm experienced in highly deprived areas (decile over 1000) where the accessibility to Pokie machines is not in same scenario in other areas or generous places. Also, these higher number of class 4 gaming machines allocated in penurious places with the highest Maori, Pacific community &amp; homeless group has thwacked the most vulnerable people &amp; community. References Wardle H, Reith G, Langham E, Rogers R (2019) Gambling and public health: We need policy action to prevent harm. British Medical Journal, 365. doi: <a href="https://doi.org/10.1136/bmj.l1807">https://doi.org/10.1136/bmj.l1807</a> Department of Internal Affairs. (2019). Society, Venue and Gaming Machine Numbers. Retrieved from <a href="http://www.dia.govt.nz/diawebsite.nsf/wpg_URL/Resource-material-Information-We-Provide-Society-Venue-andGaming-Machine-Numbers">http://www.dia.govt.nz/diawebsite.nsf/wpg_URL/Resource-material-Information-We-Provide-Society-Venue-andGaming-Machine-Numbers</a> Department of Internal Affairs. (2020). Society, Venue and Gaming Machine Numbers. Retrieved from <a href="http://www.dia.govt.nz/diawebsite.nsf/wpg_URL/Resource-material-Information-We-Provide-Society-Venue-andGaming-Machine-Numbers">http://www.dia.govt.nz/diawebsite.nsf/wpg_URL/Resource-material-Information-We-Provide-Society-Venue-andGaming-Machine-Numbers</a> The Gamblers help, (2020). Understanding of Gambling. Retrieved from <a href="http://gamblershelp.com.au/">http://gamblershelp.com.au/</a> The Psych guide, (2020). An American Addiction Centre. Retrieved from <a href="https://www.psychguides.com/behavioral-disorders/gambling-addiction/symptoms-and-effects/">https://www.psychguides.com/behavioral-disorders/gambling-addiction/symptoms-and-effects/</a> Health Promotion Agency. (2017). New Zealand Mental Health Monitor and Health and Lifestyles Survey: Methods report for the combination of three survey datasets. Wellington: Health Promotion Agency.</p>	
<p><b>Tom Simcock</b></p>	<p>Gambling generally causes enormous social harm, as set out in the Council's own research. Readily accessible gambling facilities and machines exacerbate these harms and facilitate addiction. As well as</p>	

	addressing the social harms that come from gambling, we need to address the root cause and eliminate or limit the number of gambling facilities. Option A is clearly the best option to achieve that.	
<b>Lili Tuioti</b>	It begins to reduce the number of pokie machines in the Wellington region as the gambling venues policy will prevent any new venue licences from being issued and prohibits relocation of pokie machines. The reduction in pokie machines over time will diminish the harm that problem gambling currently has on individuals, their families and the community at large.	
<b>Michelle Soper</b>	I believe we need to reduce the harm to the community from gambling using a multi-pronged approach, including removing gambling venues. Hand-in-hand with this, we need to work towards sustainable funding model for community groups and sports clubs that have become reliant on the funding from gambling venues. It seems perverse that vulnerable people with gambling problems are effectively funding sports and community groups through their addiction. There has to be a better, kinder way we can do this as a modern society!	
<b>Jack Marshall</b>	While sinking lid doesn't actually reduce gambling harm, it concentrates it to a smaller number of venues. A sinking lid will take a long time to reach zero, or significantly reduce gambling harm. However, it is still a better policy than doing nothing, as Council is unable to unilaterally remove the machines straightaway. There's no reason to continue to allow gambling harm in the City. Grants etc could be provided to match any lotteries revenue lost.	

Theme	Remove Pokies	
Submitter/s	Submission Content	Officers Response
<p><b>Isabel Anastasidis</b></p>	<p>It sounds like this kind of gambling has a huge impact on our lowest earning, most vulnerable people, and I do not believe that this is acceptable. We should be trying to phase it out entirely, and Option A seems to be the fastest way to head in that direction. Option B doesn't sound like it will make much of a difference at all - the number of machines in most of the suburbs remains unchanged. Furthermore, I am most concerned with the venues that have a primary purpose other than gambling because people are more likely to get hooked that way, so I don't think the change to reinstate the primary activities clause will be very effective. In regards to gambling being a large contributor to the funding of community initiatives, I do not believe this is a strong enough reason to keep this kind of gambling. Firstly, it falls most heavily on people who are already struggling financially, and secondly, these people are less likely to benefit from the community funding anyway, given that the bulk of it goes to sports clubs. Therefore, I don't believe that it is right for these initiatives to be receiving so much support from people who are struggling. Since Option A will mean that the number of venues and machines will decrease slowly over time, there will be sufficient time for those community initiatives to find funding elsewhere.</p>	<p>Officers note that Options A and B have the same effect on the number of machines. Unless venues close (the Council has no power to close venues) the numbers will remain the same. The only difference between options A and B is that when venues close under A they cannot be replaced. Under B as long as there is room under the caps in the wards they could be replaced.</p>
<p><b>Alice Hill</b></p>	<p>to get rid of the machines</p>	

Theme	Allows time to transition	
Submitter/s	Submission Content	Officers response
<b>Kenneth Munro</b>	Commitment to phasing out a socially harmful activity while giving time for recipients of funding to adjust to new funders	<b>A sinking lid as noted may give an opportunity to find alternative funding sources.</b>
<b>Emily Griffin</b>	Weaning can allow time to replace vice/activity and financial stream	
Theme	Personal answers	
Submitter/s	Submission Content	Officers response
<b>Kusum Nathu</b>	To stop my husband playing the pokies	<b>Officers note that many submitters had personal reasons for not liking g Class 4 gambling. Officers do not wish to comment further on these reasons.</b>
<b>Ben Goodwin</b>	Pokies have affected my family as mum goes there	
<b>Materoa Grace</b>	I've got a friend who's a mother of 5 children, who gets stuck on pokies every week. I'm worried about her a lot because her husband works but doesn't get enough money to feed all of them. When she goes to the pokies they run out of money for food for the kids. I want there to be no more pokies in Wellington because I have seen situation and the harm to her family as well	
	<b>Organisations who have outlined multiple reasons for wanting a sinking Lid</b>	
<b>Paula Snowden – Problem Gambling Foundation</b>		<b>These submissions are comprehensive, and officers note that they need to be read in their entirety. These submissions contain multiple issues that are unable to be summarised into a single theme</b>
<b>Vicki Hirini – Salvation Army Oasis</b>		

# STRATEGY AND POLICY COMMITTEE

15 APRIL 2021

<b>Option B</b>		
<b>Theme</b>	Allows funding to continue	
<b>Submitter/s</b>	<b>Submission Content</b>	<b>Officers response</b>
<b>Katie Veitch</b>	Still enables funding for community groups who without this stream of funding will disappear. Gamblers will go online to feed their addiction and most of this revenue will go overseas so the plan will not stop or lower gambling, yet many not for profit organisations who rely on grants will go under. this will mean that vulnerable New Zealanders and animals will be put at risk or put back into detrimental situations.	<b>Officers agree that option B would allow funding to continue for community groups, however, given that there has not been a decline in gambling numbers or money spent it is unlikely to have a major effect on this.</b>
<b>Simon O'Brien – Makara Peak Mountain Bike Supporters Inc</b>	As a community organisation, we rely on grants to make up the shortfall in funding to support our activities. Given we are based in the Western suburbs, and there are few venues in our area, a sinking lid approach would present an increased likelihood of no longer being available for us to access this type of funding if one of the few venues were to shut down.	
<b>Aire Moore</b>	As a starting point, it is important to acknowledge the adverse social costs that class 4 gambling can have on individuals in the community. However, the funding provided by gaming trusts to community organisations is an integral part of the community and provides significant benefits to the community. The strength is that it maintains what has been an acceptable position, with discretion for that to be reviewed on a case by case basis, which wouldn't be allowed under Option 1, while also acknowledging the benefits from the grants that gaming trusts make.	

Theme	B would have an immediate effect	
Submitter/s	Submission Content	Officers response
David Pearson	Option A seems to be a slowly but surely but it sounds very general and vague while Option B should have some immediate effect	<b>Officers note that both option A and B aim to reduce the numbers of machines and venues. However, it is important to understand that these machines and venues will not reduce until licenses are relinquished. The Council has no power to close venues or remove machines so for either option to have an immediate impact would require the immediate closure of venues and removal of machines.</b>
Theme	No evidence for A	
Submitter/s	Submission Content	Officers response
Ed Winter	There is no evidence presented in either the SOP or social impact assessment that a sinking-lid policy is either required or effective at reducing the prevalence of problem gambling. Therefore, Option A is not supported by any evidence. There is also no evidence about how effective the interventions are by onsite staff training or problem gambling counselling, at reducing players dependency and recurrence of addictive behaviour. The existing policy appears to have been effective for some time now and going forward option B seems the most pragmatic solution to allow some balanced form of adult entertainment, community funding, and control/support for NCGM gambling. The proposal definitely needs to include a requirement for the primary activity of venues to be 'non-gambling', but this should not necessarily require it to be an on-licensed venue. The policy should consider putting in location requirements such as an exclusion zone (e.g. 100m?) around sensitive sites and existing venues, in order to protect the more vulnerable members of the community and prevent 'clusters'.	<b>Officers note that a sinking lid <u>may</u> reduce levels of gambling and problem gambling over time. The existing policy has allowed the council to manage and monitor the caps. This has seen the number of machines and venue reduce over time. The Council is unable to put in an exclusion zone around existing venues, however, it does prevent new venues being opened in “Neighbourhood Centres” as described in the District Plan. Many of these sensitive sites are located in these areas.</b>

Theme	Reduces harm	
Submitter/s	Submission Content	Officers response
<p><b>Ellie Olive</b></p>	<p>Reducing the negative effects of gambling by reducing the opportunities to be lured in</p>	<p><b>Officers acknowledge that a sinking lid will over time lead to a decline in machines and venues. This is not disputed by officers. However, this is unlikely to have an immediate effect. The number of venues has been declining in Wellington steadily from 70 in 2003 to 40 in 2020, however this natural attrition has not seen a decline in gambling levels.</b></p> <p><b>Over time fewer machines and venues may lead to a reduction of harm, which officers agree is a good thing.</b></p>

Theme	Option B Reduces Access	
Submitter/s	Submission Content	Officers Response
Elise Elsie	It reduces the number of gambling machines.	<p>Officers note that over time venue and machine numbers <u>may</u> decline as a result of a sinking Lid.</p> <p>The Council is unable to close existing venues, and due to the fact that a number of venues in Wellington are clustered in suburbs means that access is widely available for those who wish to access class 4 gambling. Submitters have noted that problem gamblers tend to only gamble close to the area that they live in and are unlikely to travel great distances to find machines. Officers acknowledge this; however it is worth noting that without wholesale closures of venues (which the Council is unable to do) gamblers in Newtown will still be able to access other machines in their area. It is also worth noting that for those that are willing or able to travel, there are additional machines in other parts of the city, as well as neighbouring cities nearby.</p>
Theme	Personal reasons	
Submitter/s	Submission Content	Officers response
Depas Lucuiano	Gambling has ruined my life and family, please stop the pubs.	Officers note that many submitters had personal reasons for not liking g Class 4 gambling. Officers do not wish to comment further on these reasons
Sarah Keen	Pokies are bad for my church members	
Wu Kai	My father goes to the pokies too much so please do this to stop him.	

<b>Barry Coote</b>	My bowling club has pokie machines and we think it's wrong	
<b>Nicky Skews</b>	We discussed this at church, and we all think pokies should be banned	

**Option C**

<b>Theme</b>	<b>The Council has other priorities</b>	
<b>Submitter/s</b>	<b>Submission Content</b>	<b>Officers Response</b>
<b>Cyrus Frear</b>	We have bigger fish to fry at the moment. Dedicating resources to gambling policy is unwise and unnecessary. More importantly, gambling addiction should be addressed from a deeper level. The behaviour is only the tip of the iceberg and putting draconian measures in place to minimise exposure to gambling only channels the desire towards other harmful activities. Finally, people should be free to supply and receive goods and services; Option A is simply against the most basic human right: Freedom!	<b>The Council is required to review its Gambling Venues Policy under section 102 of the Gambling Act 2003.</b>
<b>Theme</b>	Ban gambling	
<b>Submitter/s</b>	<b>Submission Content</b>	<b>Officers Response</b>
<b>Tony Kemp</b>	My option would be to have NO gambling machines, we have instant kiwi, lotto, TAB unfortunately and a few casinos. All these and the poker machines really affect the poorer people, especially when they are set up in poorer areas of city's or towns, it can really trigger the addiction part of the brain and also just hoping for that "win". But we all know this don't we!? There is plenty of money out there to fund sports teams etc, it's just as a human race are ego's get excited and carried away, especially with people with money and POWER!	<b>Officers note that the Council has no power to remove Class 4 gambling machines or close venues. It is not able to ban gambling.</b>
<b>Theme</b>	It won't make any difference	
<b>Submitter/s</b>	<b>Submission Content</b>	<b>Officers Response</b>
<b>Kristine Ford</b>	I don't think a sinking lid will make a difference	<b>Officers acknowledge that a sinking lid is unlikely to have an immediate impact on levels of gambling, however, it <u>may</u> over time lead to a decrease in gambling levels as machines and venues are</b>

---

		<b>unable to be replaced.</b>
--	--	-------------------------------

# STRATEGY AND POLICY COMMITTEE

15 APRIL 2021

Theme	Combine Option A and B	
Submitter/s	Submission Content	Officers Response
Bruce Josh	<p>I believe you should implement both option A and option B at the same time. Reducing the number of machines, reinstating the regulations outlined, changing the boundaries and also implementing a sinking lid policy. If I had to chose one I would choose option A but believe both together is a stronger decision. In reality without additional public pressure option A is effectively do nothing. Secondly I believe that the upcoming bottle recycling deposit scheme provides a huge opportunity for alternative community funds. If all bottles collected via kerbside recycle were considered donations to a community fund administered by the community trust, plus any venues / gambling trusts which committed to giving up their pokie machines over 3 years also got a proportion of the funds to distribute, plus a phase out grant to venues as they withdrew their machines over the 3 years. Then all parties win and the community is better off. When those at the bottom suffer we all suffer. When they suffer we pay more for health care, support services, mental health and addiction counselling, crime, policing, state care if children the list goes on... when they suffer, we pay. Just sometimes / most the time we don't realise or think it doesn't affect us. Council have an opportunity to call out the best in people and not just regulate change, but inspire it. We need to consider gaming trusts and business owners and call on those who really do care about people and their communities as most do to take a proactive and unified step towards positive change.</p>	<p><b>Due to the nature of a sinking Lid under option A there is no need to combine options A and B as the wards caps will no longer be applicable. Option A means that no new machines will be allowed</b></p>
Marietta Flaws	Greater impact	

Theme	changes to way operators operate	
Submitter/s	Submission Content	Officers Response
<b>Elenor Strawberry</b>	I think preventing the addition of new machines is vital, but lowering the number of machines won't address the real issues with gambling addictions, and would ultimately result in overcrowding of machines, therefore some gamblers may turn to illegal venues. This would only serve to exacerbate the dangers of problem gambling. Therefore I think the same number should be maintained, with more focus on the ways casinos work to trick people into spending more money. For instance, casinos often lack windows or clocks, to reduce gamblers' sense of time. They also can mystify the real money being lost by the use of tokens rather than literal money. Additionally, allowing people to gamble while intoxicated means they don't have full control and can't think through the consequences as clearly. I would be interested in a policy which focuses on reducing problem gambling through regulating the venues, rather than by reducing the number/availability of venues	<b>Officers note that there is not a casino in Wellington, The Gambling Act and Council policy both prohibit the establishment of a casino in Wellington. Alternatively, the Council has no ability or power to mandate changes in how venues operate.</b>
Theme	Reduce the number of machines by 50%	
Submitter/s	Submission Content	Officers Response
<b>Bernard O'Shaughnessy</b>	1. Reduce pokie machines by 50%. 2. Redistribute equally across all wards . 3. fund sports/art facilities to replace pokie funds eg: spend the \$4 m per month now being lost on LGWM. It is time to have a new focus and stop sports funding being at the expense of poor people.	<b>Officers note that the Council does not have the power to reduce machine and venue numbers. It cannot shut existing venues. The Council does not have the power to redistribute funds.</b>

# STRATEGY AND POLICY COMMITTEE

15 APRIL 2021

Theme	There is no viable sustainable alternative to funding	
Submitter/s	Submission Content	Officers Response
<p><b>Grant Stephen – North Wellington Football Club Inc</b></p>	<p>Please leave the current policy as it is. Your submission has failed to identify and address "alternative funding models before being adversely affected." Problem gambling is a national problem and a Central Government responsibility. As a sports administrator for 20 years I can safely say that sports and community organisations rely heavily on Class 4 income to operate their coaching programmes, provide playing uniform and equipment and make the cost of participation in sport for children and families. Your proposal would no doubt gather wide spread support if you could actually put some substance behind your words and outline these alternative funding models. The ideal is admirable. The lack of analysis on impact and proposals to keep sport and community groups functioning really concerns me.</p>	<p>Officers note and understand the concern raised about an alternative source of funding for community, sports, cultural and other groups. Many of these organisations rely on class 4 gambling to make up shortfalls in funding and a reduction in funding will have an impact on the way these organisations operate.</p>
<p><b>Bryan Dickson – College Sport Wellington</b></p>	<p>No viable, sustainable alternative funding sources • Fewer machines mean fewer grants. In the last 12 months funding generated across the wider region from Class 4 gaming was \$61 million of which \$16.9 million was returned to community activity in Wellington city. There are no other sources of funding currently that would provide a substitute for the amount of Class 4 funding being accessed by the community. • Community active recreation and sport organisations have traditionally been reliant on Class 4 gaming, and while this makes these organisations vulnerable this is their reality where they are using a funding source that is regularly available and accessible in the absence of other viable funding options. There are organisations in our region who would become insolvent almost immediately without this funding. • As an organisation we work hard to diversify our income, however corporate dollars are extremely difficult to access, fundraising activity does not generate a high return, and there is unlikely to be any Government funding set aside to cover the activities that are currently funded by Class 4. As we move as a country into a recession, this will make accessing funding from alternative sources even more difficult. • In the case of College Sport Wellington and its schools, funding received mitigates the barrier of cost to participation. We work very hard to keep the cost of participation to an absolute minimum, and as such, run a very lean organisation. Without this</p>	<p>Many of these groups are 'hand to mouth' organisations – reliant on volunteers, subscriptions and community funding</p>

	<p>funding, and given the limited corporate dollars available, our alternative is to meet a shortfall through increased student levies and participation fees. This will create a greater barrier to participation, particularly for our most disadvantaged rangitahi.</p>	
<p><b>John McGifford - No. 4 District Federation of New Zealand Football T/A Central Football Incorporated</b></p>	<p>Gaming machine funding is extremely important to a large number of community organisations with Wellington City. The current funding provided by the Gaming Trusts is vital There is no replacement funding available. The current caps strike a fair balance. It is appropriate they remain. The introduction of more restrictive policy will adversely affect community funding and increase the migration of the gambling spend to online providers. Off-shore online gambling providers do not make any community grants, do not create employment and do not pay any taxes to the New Zealand Government.</p>	
<p><b>Susannah Lees-Jefferies – Royal New Zealand Ballet</b></p>	<p>We feel that gaming trusts benefit the community through significant financial support for community, cultural and sporting organisations. At a time of economic uncertainty it would be well-nigh impossible to replace this support with funding from other sources. Reducing the number of gaming venues in Wellington will reduce community funding.</p>	
<p><b>Todd Bryant – Capital Football</b></p>	<p>The community funding model currently used to distribute Class 4 Gaming is working well. As stated above helps support Capital Football’s 22,163 players and 42 clubs to have the opportunity to play and be involved in football on an annual basis. Due to the current environment sport faces there is a real feeling of uncertainty directly related to COVID-19 and the availability of alternative funding sources. COVID-19 has had a devastating effect on many sectors including sport because of lockdown impacting the flow of secure income from gambling machines and the inability of Class 4 organisations to hold reserves. This has put at risk many regional sport organisations who deliver sporting value to their communities. We are yet to see the full impacts of COVID-19, and it suggested that it will not be until 2021/2022 where we will see the true effects on sport. Some examples to date of this impact are: - Capital Football reduced staff hours to 80% of FTE (for an eight-week period) due to the financial risk of losing \$40,000 every week the season was not played; - Auckland Football Federation cancelling their season after only eight rounds of competition - New Zealand</p>	

	<p>Rugby Union laying off 25% of their staff; - Large government pay-outs to New Zealand Netball, The Warriors, Super Rugby Clubs, and the Phoenix. Now is not the time to put further pressure on community sport. Fewer machines mean fewer grants: - In the last 12 months funding generated across the wider region from Class 4 Gaming was \$61 million of which \$16.9 million was returned to community sport in Wellington city. - There are no other sources of funding currently that would provide a substitute for the amount of Class 4 funding being accessed by the community. Many sport organisations have traditionally been reliant on Class 4 Gaming, and while this makes these organisations vulnerable this is their reality where they are using a funding source that is regularly available and accessible in the absence of other viable options. There are organisations in our region which would become insolvent almost immediately without this funding as seen by many of the options taken by those regional sports bodies to avoid such during and following lockdown in early 2020. Further, in 2012, the Auckland City Council commissioned a community funding survey<sup>2</sup>. The study confirmed how essential gaming machine funding is to a very large number of community sport organisations and how extremely difficult it would be for such funding to be obtained from alternative sources. The key findings of the survey were: - Most respondents (75%) indicated that their organisation is moderately or totally reliant on gaming machine funding to fund core business activities. - Most respondents (55%) believed that there would be a high to extreme risk to their organisation and their core business if they did not receive gaming funding. A further onequarter (26%) said that there would be a moderate risk if they did not receive it. - Two-thirds of respondents (68%) said that they thought that they would be unlikely to find another source of funding if gaming funding was not available. <sup>2</sup> Auckland City Council (2012). Community Funding: A Focus on Gaming Grants. Accessed from: <a href="https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-policies/docsresearchongambling/community-fundingfocus-gaming-grants.pdf">https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-policies/docsresearchongambling/community-fundingfocus-gaming-grants.pdf</a> 5</p> <p><b>CAPITAL FOOTBALL SUBMISSION TO WCC GAMBLING VENUES POLICY 2020</b></p> <p>The study concluded: Gaming Trust funding is a major source of community sport funding for organisations in the Auckland Region. Organisations are working hard to diversify their income. However, such income is extremely difficult to access, fundraising activity does not generate a high return, and there</p>	
--	---	--

---

	is unlikely to be any Government funding set aside to cover the activities that are currently funded by Class 4. As we move as a country into a recession, this will make accessing funding from alternative sources even more difficult	
--	--	--

Theme	Funds support the community	
Submitter/s	Submission Content	Officers response
<b>Maurice Horner</b>	Funds from gaming machines contribute to social and community cohesion through the variety of local not for profit organisations that they support	Officers note that there is genuine concern amongst community groups and organisations that a reduction in machine and venue numbers will lead to a reduction in funding to these groups.
<b>Grant Baker – Manor Park Golf Sanctuary</b>	Funds from gaming machines contribute to social and community cohesion through the variety of local not for profit organisations that they support	
<b>Charlie Cordwell – Surf Lifesaving New Zealand</b>	Surf Lifesaving New Zealand is reliant on this revenue source to help with the cost of training our lifeguards. Any policy which seeks to decrease this funding source would have a significant impact on our ability to provide this training	
<b>Nigel Dixon</b>		
<b>Mike Barnes – Tawa Bowling Services Club</b>	Gaming machine funding is extremely important to a large number of community Organisations, including ours, within Wellington City. The current funding provided by the gaming trusts is vital. There is no replacement funding available. The current caps strike a fair balance. It is appropriate that they remain. The introduction of a more restrictive policy will adversely affect community funding and increase the migration of the gambling spend to online providers. Offshore-based online gambling providers do not make any community grants, do not create any local employment, and do not pay any taxes to the New Zealand Government.	These concerns are borne out of the fears this will lead to a decline in the number of people gambling which will impact the amount of money spent.
<b>Nick Julian – Brooklyn Junior Football Club</b>	Maintains community support for our sporting organisations. This provides equipment for the children to continue to play sport.	Officers note that the number of machines in Wellington as well as across New Zealand have been gradually declining since the 2003 Act and the Council's first policy in 2004.
<b>David Cooper – Netball New Zealand</b>	Gaming machine funding is extremely important to a large number of community organisations within Wellington City and Netball New Zealand are extremely grateful for the contribution that gaming funding provides to our Netball community. The current funding provided by the gaming trusts is vital. There is no replacement funding available. Ensuring sport remains affordable must be a priority for any organisation that has community wellness as a target. The current caps strike a fair balance. It is appropriate that they remain. The introduction of a more restrictive policy will adversely affect community funding and increase the migration of the gambling spend to online providers. Offshore-based online gambling providers do not make any community grants, do not create any local employment, and do not pay any taxes to the New Zealand Government.	During this time period as has been noted in the previous paper, neither spend nor the number of people gambling has declined.

<p><b>Allie Bianco – Wellington Zoo Trust</b></p>	<p>Wellington Zoo relies on funding from Gaming Trusts to support both on-going operational costs and capital works and, if Gaming Trust funding were to decrease, we would have some difficulty closing this funding gap. Funding from Gaming Trusts over the years has assisted the delivery of key capital projects such Meet the Locals He Tuku Aroha and the recent Chimpanzee park development. Gaming Trust funding will also be instrumental in enabling the delivery of projects currently underway, such as Snow Leopards and the upgrade of the Giraffe management facility. Funding from Gaming Trusts has also assisted with the installation of a PA system, which will ensure the safety of our 250,000 visitors and 100 staff in the event of an emergency. Since July 2016, we received over \$1.147 million in funding from Gaming Trusts for capital development and operational support. As part of our fundraising strategy each year, we actively pursue both Corporate Partnerships and individual generosity and philanthropy. We actively pursue individual giving and philanthropic donations, however this space is not only highly competitive but the culture of giving and the models non-profits employ in New Zealand are different from what is seen internationally. We anticipate that we would be unable to fill the funding gap from Gaming Trusts through Corporate Partnership and individual giving without a long lead time.</p>	<p>Officers note that there is unlikely to be an immediate impact on the levels of community and organisation funding given that there has not been a decline in the levels of money being spent on class 4 gambling.</p> <p>Officers note that 22 of 67 councils have a sinking lid, including Auckland and Christchurch. Levels of gambling has not declined in these cities as a result of a sinking lid being implemented</p>
<p><b>Pene Hippolite – Māori Basketball NZ Inc</b></p>	<p>Support for local business, support for the local communities as the money is put back into the local community. Evidence tells us that the problem gambling rate is low, approx 0.1% and this has not changed over the last 10 years even though gaming machine numbers have been reduced by 25%. The funding given out \$61 million to the Wellington region over 2017 and 2018 has enhanced the lives on thousands of Wellingtonians and these funds will be reduced if we go to option A or B. Restrictive caps or sinking lid encourage people to go online and gamble, this means there is no supervision of gambling and can be done via credit cards, it does not generate grant funding or any taxation income and provides no support for local businesses. It is difficult if not impossible to get local sponsorship to cover the loss of grant funding. Only option C allows for small growth, where both A and B reduce growth and therefore funding. There is no evidence to change the status quo, individuals would not go out and spend the money elsewhere as adults go out have dinner and may play a little, it is seen as</p>	

	<p>entertainment. Prohibition has never worked, people will just find other ways to gamble and sports, arts etc. will find it very hard to continue to provide positive and rewarding activities for the community.</p>	
<p><b>Tanya Piejus – New Zealand Community Trust</b></p>	<p>The purpose of the pub gaming sector is to raise funds for the community. Many community sports, arts and other groups depend on pub gaming to survive. It is crucial that this fundraising system is sustainable long term. In nominal terms, between 31 March 2004 and 31 December 2017 class 4 revenue declined from \$1,027 million to \$870 million (-15%). The decline when adjusted for inflation was \$495 million (-36%). In the same period, community funding from non-club societies reduced from \$389 million to \$300 million – a decline of 23% in real terms. The inflation-adjusted equivalent of the \$389 million distributed by the non-club sector in Q1 2004 would be more than \$526 million today. This highlights the extent of decline in fundraising capacity. Seventy-five percent of groups surveyed in 2012 indicated their organisation is moderately or totally reliant on gaming funding to support their core business. Fifty-five percent said there would be a high to extreme risk to their organisation and their core business if they did not receive this funding. There is no evidence that this situation has changed for the better since then. The reduction in gaming trust funding has had a negative impact on community organisations, with many organisations and activities ceasing to operate and others severely reduced in capacity and capability. Grassroots community organisations are struggling with few alternative sources for funding available to replace the loss of gaming funding. Voluntary organisations are increasingly reliant on nationwide public donation campaigns to stay afloat. Covid-19 has only worsened this situation. Every year, the gaming trust sector raises around \$276 million<sup>2</sup> for more than 11,000 worthwhile sports and community groups. The sector’s contribution to the community through funding, in addition to the contribution to government revenue from GST, other taxes and levies, is acknowledged by central government. We anticipate that the Government will regulate to require gaming societies to return at least 80% of the net proceeds they generate to the region where the funds were raised. This means communities that do not operate gaming machines will be unlikely to receive gaming grants and their local sports and community groups will suffer. NZCT already aims to return 92% of our funds locally.</p>	
<p><b>Marlene Levine –</b></p>	<p>Gambling in local venues has at least some level of supervision. Online gambling</p>	

<p><b>Wellington Jewish Community Services</b></p>	<p>has no supervision, and I see there is more and more in the way of easily accessible online gambling opportunity. Gambling in local venues provides tax income and charitable donations. Online gambling does not.</p> <p>The Wellington Jewish Community Centre is a charitable trust. I am the chair of the WJCC Board of Directors. We have been the beneficiaries of grants from The Lion Foundation. I understand that their grants come from gaming machines at local venues, so we benefit from this. We benefit in a huge way, providing facilities for community members that we would never have without The Lion Foundation's help.</p> <p>The help we received from The Lion Foundation most recently allowed us to undertake the first stage of a long-term development project for our existing community facilities at 80 Webb St in Wellington. This project was long overdue, and includes fixing a leaking roof and removing asbestos. We depended on a grant from the Community Facilities Fund for most of the work, but there were some unforeseen items that were not budgeted for. We used the generous grant from the Lion Foundation to undertake 3 items: 1) get a new front door compatible with the upgrade of our security system, 2) insulate the parts of the roof we fixed, and 3) pay extra scaffolding hire that was incurred because of the COVID-19 lockdown. We could not have done this without the help of the Lion Foundation.</p>	
<p><b>Danny Muthumala – Sri Lanka Association of New Zealand</b></p>	<p>Option C provides continuous revenue to Lion Foundation to offer community grants to charitable organisations and other voluntary organisations in NZ. SLANZ is a Wellington based organisation serving the Sri Lankan Community since 2004. The Lion Foundation has funded \$2,000 to SLANZ every year for the past 10 years to pay off Tawa Community Centre and Linden Social Centre hall hire (owned by Wellington City Council). SLANZ cannot survive or continue with planned activities each year if funding is not available. Any alternative funding is not possible under the current economic situation in the country. If the gaming funding is reduced or suspended, SLANZ will not be able to serve the Community in Wellington.</p>	

<p><b>Lisa Jones – Wellington Hockey</b></p>	<p><b>INTRODUCTION</b>                  Thank you for giving Wellington Hockey the opportunity to provide feedback on the above policy. This submission is on behalf of Wellington Hockey and our affiliated clubs and outlines our views on the proposed changes to the Gambling Venues Policy. The preferred position of the Hockey Community is Option C – No changes to the current arrangements relating to gaming machines and venues in Wellington.</p> <p><b>BACKGROUND</b> Wellington Hockey is based at the National Hockey Stadium in Berhampore where we have three Hockey turfs that are the hub of our community. We provide Hockey opportunities to more than 4,000 Hockey players, 49 clubs, colleges and schools in the Wellington Region. Our clubs that are based in the Wellington City Council area are as follows:</p> <p>Island Bay Hockey Club; Wellington Indians Sports Club; Brooklyn Geckos; Northern United Hockey Club; Harbour City United Hockey Club; Karori Hockey Club; Karori Junior Hockey Club; Tawa Titans Hockey Club; Tawa Junior Hockey Club;                  Victoria University Hockey Club</p> <p>Wellington Hockey prides itself on its vision and mission which are: Vision:                  Inspiring a lifelong love of Hockey                  Mission: Making great Hockey happen</p> <p>Our strategy statement is as follows: WHA is a trusted, reliable community partner. We are here to support our community.</p> <p><b>Benefits of Class 4 gaming to the Hockey Community</b></p> <p>The community funding model currently used to distribute Class 4 gaming is working well. The money we receive goes directly back to our community to ensure that our members can continue to enjoy the sport they love at a reasonable cost.</p>	
--	--	--

	<p>If the Wellington City Council introduce a sinking lid policy to gaming machines, the amount of money our community can access will diminish over time. This will have a negative impact on what we as a Regional Sports Organisation can offer our community as well as what our clubs can offer their members.</p> <p>Currently some of the areas Class 4 gaming is helping the Hockey Community are:</p> <ul style="list-style-type: none"> <li>• Support for our power bills – we pay approx. \$60,000 per year in electricity with the majority going on floodlights.</li> <li>• Community programmes – funding we receive enables us to go into schools and introduce children to Hockey and provide Have a Go opportunities for many.</li> <li>• Contributing towards salaries, wages – we simply would not exist without the support received in this area.</li> <li>• Helping with the costs of our representative teams travelling to tournaments – without this support there would be many children who would not be able to participate.</li> <li>• Facilities – many upgrades to our facilities would not be possible without funding support.</li> </ul> <p>Many of our clubs apply for Class 4 gaming to help towards their training and game fee costs.</p> <p>This money is passed on to Wellington Hockey to help cover the cost of the lease fees charged by Wellington City Council for the hire of the National Hockey Stadium. This cost in 2020 was \$110,000.</p> <p>Any reduction in Class 4 gaming proceeds will have two significant outcomes:</p> <ul style="list-style-type: none"> <li>• Cost will become a barrier to participation which will result in a decline in people being able to enjoy our sport</li> <li>• The ability for Wellington Hockey and its clubs to be able to continue to pay for its facilities will be put under extreme pressure</li> </ul> <p><b>SUMMARY</b>                  Whilst we acknowledge that the impact of problem gambling can be significant in</p>	
--	--	--

	<p>the community, we also believe that the social benefits of sport and the people that we can impact cannot be underestimated. We see on a daily basis the importance of sport to people’s health and wellbeing, and want to be able to keep providing this to our community without any more financial pressure than we already experience.</p> <p><b>CONCLUSION</b> Wellington Hockey requests that the Wellington City Council retains the status quo – Option C on the Gambling Venues Policy. The impact that Class 4 gaming money can make on the Sport and Recreation sector, therefore on the health of Wellington’s population cannot be put at risk by choosing any other option. Our submission is available on our website (<a href="http://www.wellingtonhockey.org.nz">www.wellingtonhockey.org.nz</a>) and shared with our members.</p>	
<b>Alexandra Rumbal – Tawa Tennis Club</b>	Certainty of availability of funding for club	
<b>Drew James – Creative Capital Arts Trust</b>	<p>To ensure that charitable organisations, providing essential community services, such as cultural and social wellbeing, education, sports and health are able to continue their delivery with the support of Gaming Trusts</p> <p>There is currently no discussion around viable alternative funding in a very challenging economic environment</p> <p>The current Covid-19 environment puts enormous strain on our services to deliver in an uncertain and challenging environment</p>	
<b>Terry Shubkin – YES Foundation</b>	The strength of option C is that it provides certain continuity to the current funding streams for charities and community groups like Young Enterprise, the significant risk of a sinking lid policy is that the number of venues/machines could be reduced very quickly as a result of things like Covid-19 (lockdowns resulting in venues going out of business), moderate/large earthquake damaging buildings, etc.	
<b>Chris Lander – Bowls</b>	Bowls New Zealand is a national organisation responsible for the game of lawn	

<p><b>New Zealand</b></p>	<p>bowls in New Zealand, we represent 27 regional centres and the 477 clubs within those centres across the country. The vast majority of our regional centres and clubs are managed and maintained by volunteer administrators, coaches, and greenskeepers for the benefit of more than 25,000 amateur players and 100,000 + casual players and non-playing members of clubs. Many of these players and club members are of an age which without their club, they would not have daily, or even weekly interaction with workmates, friends or family. the bowling club is often their only source of regular sporting and social engagement and is therefore vital to their physical and, importantly, mental well-being.</p>	
<p><b>Nigel Dixon - Bowls Wellington</b></p>	<p>Unlike other gambling activities, class 4 gaming invests money directly into the local community. Sport and community organisations are heavily reliant on funders to help cover operational costs. These operational costs are not 'nice to haves' but fundamental to the running of organisations so they can continue to serve the Wellington communities in which they operate.</p>	
<p><b>Catriona McBean (Taranua Mountain Race)</b></p>	<p>Especially for small community organisations, reliance on Class 4 funding is the reality of sport, recreation, community service delivery in New Zealand – especially in a COVID19 world.</p> <p>For the Taranua Mountain Race we use Class 4 funding to offset the logistical costs of running this event, such as event insurance, van and portaloos hire, race bibs and first aid. By having this funding to offset these costs, it has allowed the <b>Trust to donate significant funds to Wellington LandSAR</b> from race proceeds.</p> <p>From this year's event, the Trustees confirmed a donation of:</p> <ul style="list-style-type: none"> <li>• \$4,000, adding to previous year's donations of</li> <li>• \$6,000 (2019),</li> <li>• \$3000 (2018),</li> </ul>	

	<ul style="list-style-type: none"> <li>• \$7,000 (2017), plus</li> <li>• \$24,000 from earlier races.</li> </ul>	
<p><b>Jarrod True – Gaming Machine Association New Zealand</b></p>	<p>In 2017 and 2018, gaming grants totalling approximately \$61 million were made to community organisations based in the Wellington region. 6. The total authorised purpose funding (including the non-published club authorised purpose payments) received from Wellington City-based venues in 2019 was over \$16.29 million. Examples of recent local grants include: \$41,400.00 to Wellington East Girls’ College \$26,900.00 to Age Concern Wellington Incorporated \$88,800.00 to Lyall Bay Surf Life Saving Club Incorporated \$90,000.00 to Toitu Poneke Sports &amp; Community Centre \$47,000.00 to Creative Capital Arts \$111,800.00 to Wellington Free Ambulance Service \$43,500.00 to Rongotai College \$110,800.00 to GOYANZ Incorporated 7. The total grants amount quoted by the Problem Gambling Foundation is less than the \$16.29 million stated above, as the Problem Gambling Foundation’s data is gathered from society websites, and not all societies publish their authorised purpose payments. The funds applied and distributed by club societies, for example, are not published. Further, if the grant recipient’s name does not indicate that it is located within the territorial authority, the amount of that grant is not included in the Problem Gambling Foundation’s figures.</p>	
<p><b>Sue Geale – Netball Wellington Centre</b></p>	<p>Sport New Zealand (2018) in their Value of Sport report stated “sport and active recreation creates a happier, healthier people, better connected communities and a stronger New Zealand” and that sport is ‘in our DNA’. With going through COVID19 we saw what it was doing to our hapori when they couldn’t play their sport and how excited and energised they were when we did get back into. We have seen first handed the following benefits: • Happier and healthier people both physically and mentally. COVID19 has increased mental health issues from stress, depression and anxiety and research has shown that exercise can improve health outcomes mentally and physically. • Better connected communities as a result of strengthened social and community networks for players and their whanau. We also believe this drives down a lot of the anti social behaviour. • A stronger New Zealand – financially and through strengthened local, regional and national identity. Netball contributes to the GDP through the</p>	

	employment of people and the hosting of various competitions, tournament and programmes here in the Wellington City	
<b>Richard May – Wellington Rowing Club</b>	Over the last 5 years, 2015 – 2019, we have applied to the following organisations for funding to be applied to much needed rowing equipment including new boats, indoor rowing machines and safety boats. New Zealand Racing, Lion Foundation, Infinity Foundation, Pub Charity, Four Winds, NZCT	
<b>Graham Williams – Tawa Bowling Club</b>	<p>Unlike other gambling activities, Class 4 Gaming invests money directly into the local community. The community funding model currently used to distribute Class 4 gaming money is working well. Fewer machines mean fewer grants and there are no other sources of funding currently that would provide a substitute for the amount of Class 4 funding being accessed by the Wellington community. Sports organisations like our bowling club has traditionally been reliant on Class 4 gaming as a funding source that is regularly available and accessible in the absence of any other alternative funding option. Without this funding I am sure our club would cease to operate.</p> <p>Our Bowling Club greens and clubrooms are on reserve land held under a lease from the Council. Our clubrooms are currently hired out as a venue for meetings in support of the community. If we were to close down, this would not only impact financially on the Council but there would be a facility that provides community services, but no users.</p> <p>Funding also enables our Club to do positive meaningful work beyond simply playing bowls. This includes helping to support the elderly members of the Club in the Tawa community and other close by suburbs, as well as create a safe and inclusive environment. Sport and recreation education is also important in schools and we as a Club provide the pupils of the local Tawa College the opportunity to learn the game of bowls. As well, each year during the month of August the Club runs 'Have a Go Days' with a view to recruiting new members from the community to the game.</p>	
<b>Vanessa Taylor – Stokes Valley Bowling Club</b>	<p>Class 4 gaming invests money directly into the community.</p> <p>Unlike other gambling activities, Class 4 Gaming invests money directly into the local community. Sport and community organizations are heavily reliant on</p>	

	<p>fundors to help cover operational costs. These operational costs are not ‘nice to haves’ but fundamental to the running of these organizations so they can continue to serve the Wellington communities in which they operate. With no alternate funding sources, our community bowling clubs, as will other community groups who perform essential community services will cease to operate. This will create more social issues and place a greater burden on the council to tackle these issues and resource solutions. Additionally, without these organizations, council facilities such as gyms and sport fields will not be used as competitions and events are no longer feasible and clubs fold. This will have an impact on, not only the health and wellbeing of the community, but financially on the council who will have facilities to maintain but no users.</p>	
<p><b>Shailesh Patel – Johnsonville Tennis Club</b></p>	<p>The Club received \$58,655 in funding from Class 4 gaming machine trusts in our 2019-2020 financial year.</p> <p>These funds were used to support the following projects:</p> <ul style="list-style-type: none"> <li>• Replacement flood lights for tennis courts</li> <li>• Replacement of Honours Board</li> <li>• Provision of coaching services for junior members</li> <li>• Purchase of a ball machine</li> </ul> <p>If this funding was not available from Class 4 gaming machine trusts the Club would need to increase its membership fees by an average of \$733 per person which is simply unachievable. This level of increase in membership fees will</p>	

	<p>undoubtedly make cost a barrier to participation. It is anticipated that membership numbers would decline as a result.</p>	
<p><b>Randal Godfrey – Four Winds Foundation</b></p>	<p>The Gambling Act 2003 seeks to balance the potential harm from gambling against the benefits of using gaming machines as a mechanism for community fundraising. In 2018 \$276 million of grant funding was approved across 28,074 recipients to 10,853 separate organisations. 54% of grants distributed in 2018 were sport related with community related recipients receiving 20% - this funding is critical (and has never been more so with 2020 events)</p>	
<p><b>Nadine Coulter</b></p>	<p><b>Why Accessing Sponsorship is difficult, if not impossible</b>          Sponsorship will NOT replace grant funding. I have found in the last ten years I have been involved in volunteer positions that corporate sponsorship makes up about 2% of any funds received. Most bigger Wellington companies (ie car dealerships, investment companies) are usually aligned with either their target markets or where they went or where their children currently go to school which are usually high decile or private schools. The schools I volunteer do not fall into either of these two categories. It took Wellington East six months to gain \$7,000 of sponsorship money compared to \$60,000 of grant funding being sourced in the same period. Rongotai College has not gained any corporate sponsorship and is unlikely to being a decile 6 school.</p> <p><b>Grant Funding supports local businesses</b>          Local businesses are supported by grant funding. All grant organisations require grant funding to be used to purchase goods from a NZ Supplier. I have sourced over \$300,000 over the past seven years, a lot of which has gone to local Wellington Businesses (Kilbirnie Sports, Circus trainers, Billabong Trailers, Van hire companies) or to WCC for ground/pool/ASB court hire. If the grant machines go, this will no longer happen.</p> <p><b>Grant Funding helps lower socio economic and refugee families</b>          Grant funding goes towards summer and winter tournament trips, camps, uniforms, ground hire which frees up money that can help families who struggle to pay their tournament or sports fees. Covid has meant an extra burden for some families and so far the schools have just let the girls and boys continue to</p>	

	<p>play despite not paying fees. This is not sustainable in 2021 or beyond.</p> <p><b>Grant Funding allows kids to play more than one sport</b></p> <p>The grant funding means for some families, their talented children can play more than one sport. With academy fees, uniforms, shoe costs, families with more children have restricted their children to one sport. Research shows that children should be allowed to pursue multiple sports before selecting a specialised sport in their late teens. Without grant funding, some young girls and boys will not find their preferred sport or drop out altogether losing the enjoyment and mental and health aspects of sport and even the opportunity to become a “New Zealand” representative.</p> <p><b>Grant Funding has a positive outcome on a young persons’ mental wellbeing</b></p> <p>The value sport plays at schools, indeed for young adults in general cannot be understated. In addition to the well-publicised physical and mental health benefits, young adults involved in sport are shown to be more engaged in learning, achieve better academically, have greater self-esteem, and have fewer behavioural issues in the classroom. Furthermore, sport encourages collaboration and teamwork.</p> <p>For some young adults’ sport is their life and some of the bigger items of equipment (basketball shooting machine, floorball rink) will help on their way to becoming NZ representatives or gain university scholarships. This equipment usually is around \$12-\$20k each and without grant funding, it will never be sourced by the school. This is proven by the fact, Rongotai College has waited 15 years for the basketball shooting machine and Wellington East Girls College, 20 years to outfit the sports gym. As discussed above, corporate sponsorship will not fill this gap and over the years both Colleges will again have spaces with broken outdated gear.</p>	
<p><b>Sam Alexander (Lion Foundation)</b></p>	<p>Approximately \$280 million is returned to New Zealand communities annually from the Class 4 funding model. Whilst Lotto NZ proudly supports over 3000 good causes every year<sup>9</sup>, the Class 4 gambling sector supports approximately 11 000 community organisations every year<sup>10</sup>. There is a significant reliance on gaming trusts for community funding. In the absence of any sustainable alternative, this has become even more apparent as NZ grapples with the Covid-</p>	

	<p>19 pandemic: - Stuff.co.nz (3 April 2020) Sport Minister Grant Robertson: “One important community funding source that has dried up under COVID-19 is gaming machines and local trusts, which support grassroots programmes across most sports. I’ve been 9 <a href="https://mylotto.co.nz/">https://mylotto.co.nz/</a> 10 <a href="http://www.gamblinglaw.co.nz/download/Gaming_Machine_Grant_Data_2018.pdf">http://www.gamblinglaw.co.nz/download/Gaming_Machine_Grant_Data_2018.pdf</a> Page   10 talking to the Minister of Internal Affairs about the way in which the gaming trusts, because clearly, there has been a significant decline in revenue through gambling. It will take some time to piece together what that package would look like, but we certainly understand the impact it’s having, particularly on community sport, to not have that gaming-trust funding.” Stuff.co.nz (9 April 2020) Andrew Pragnall (CE – NZ Football): Gaming machines could make up 20 to 30 percent of a club or Federation’s revenue according to Pragnell and he was worried where that would leave some of them after the pandemic. Stuff.co.nz (16 April 2020): A halt on gambling during Covid-19 lockdown will see community groups miss out on millions of dollars’ worth of funding. The full effects of Covid-19 have yet to become evident – more especially after the resurgence of the virus in our communities in August 2020. It is still very much unknown whether or not hospitality venues will be able to keep their doors open post the cessation of various Government subsidies. Class 4 Gaming provides employment opportunities for members of the community - including local hospitality businesses, trusts and societies, equipment providers and technicians – a significant number of jobs in our cities, towns and communities.</p>	
<p><b>David Wilson - Ole Football Academy</b></p>	<p>Gaming machine funding is extremely important to a large number of community organisations within Wellington City. The current funding provided by the gaming trusts is vital. There is no replacement funding available.</p> <p>Class 4 gambling is critical to the impact that we are able to have at the Ole Football Academy in the Greater Wellington region. We are able to provide a stable, holistic educational opportunity for thousands of youths. Through class 4 funding, we are fortunate to have the facility and staff required to provide a positive</p>	
<p><b>Laura Kelly – Wellington Irish Dance</b></p>	<p>We currently hire 4 school halls and a community centre to teach classes. Since the 2016 Kaikoura earthquake which also badly shook Wellington, many buildings including the Wellington Irish Society clubrooms are no longer habitable. The lack of venues available to groups such as ours has meant that</p>	

	<p>rental costs have increased dramatically. (In 2016, we were paying \$15 per hour. Now our hourly rate is \$40 per hour.) Without funding, many classes will be cut and children whose parents are unable to travel to other classes will miss out. The Capital City Feis, held annually at Te Papa Tongarewa has now become a popular event for Dancers and spectators from around NZ. We also had competitors from Australia in 2018 and 2019. With over 800 audience members, we see this as a growing event, bringing people into Wellington city. Unfortunately there are very few venues in Wellington that are of suitable size. We have used the Lower Hutt Little Theatre in the past but like many others it is currently closed for earthquake strengthening. It is hard to envisage how we could hire a venue such as this without support. Many of our dancers enjoy the competitive side of Irish dancing. Many families simply cannot afford the costs that this entails. To enable them to have the same opportunities as other dancers, we support them by assisting with competition entry fees, travel within NZ and overseas, performance costumes etc. Without funding, some lower income families simply can't compete. We offer a free Teacher Training Programme for our junior teachers. Many are students with no income and we feel that it is important to support and encourage them in gaining a dance teacher qualification. Without financial assistance, we could not offer the programme and would lose prospective teachers</p>	
<p><b>Liz Green – Cricket Wellington</b></p>	<p>Cricket Wellington receives 40% of our annual income from gaming trust funding. These grants directly und the administration and delivery of community cricket in Wellington, including \$73,000 n average per annum to pay for Wellington City Council ground fees....</p> <p>The funding we receive form gaming grants creates real value for our entire cricket community in Wellington as highlighted below:</p> <ul style="list-style-type: none"> <li>• \$440k annually – funding of community cricket delivery and administration support</li> <li>• \$73k annually – funding of ground fees in Wellington and paid to Wellington City Council</li> <li>• \$45k annually – funding of facility hire for community cricket</li> <li>• \$40k annually – funding of facility upgrades for Health and Safety purposes</li> </ul>	

<p><b>Lisa Jones</b></p>	<p>Benefits of Class 4 gaming to the Hockey Community The community funding model currently used to distribute Class 4 gaming is working well. The money we receive goes directly back to our community to ensure that our members can continue to enjoy the sport they love at a reasonable cost. If the Wellington City Council introduce a sinking lid policy to gaming machines, the amount of money our community can access will diminish over time. This will have a negative impact on what we as a Regional Sports Organisation can offer our community as well as what our clubs can offer their members. Currently some of the areas Class 4 gaming is helping the Hockey Community are:</p> <ul style="list-style-type: none"> <li>• Support for our power bills – we pay approx. \$60,000 per year in electricity with the majority going on floodlights.</li> <li>• Community programmes – funding we receive enables us to go into schools and introduce children to Hockey and provide Have a Go opportunities for many.</li> <li>• Contributing towards salaries, wages – we simply would not exist without the support received in this area.</li> <li>• Helping with the costs of our representative teams travelling to tournaments – without this support there would be many children who would not be able to participate.</li> <li>• Facilities – many upgrades to our facilities would not be possible without funding support. Many of our clubs apply for Class 4 gaming to help towards their training and game fee costs. This money is passed on to Wellington Hockey to help cover the cost of the lease fees charged by Wellington City Council for the hire of the National Hockey Stadium. This cost in 2020 was \$110,000. Any reduction in Class 4 gaming proceeds will have two significant outcomes:</li> <li>• Cost will become a barrier to participation which will result in a decline in people being able to enjoy our sport</li> <li>• The ability for Wellington Hockey and its clubs to be able to continue to pay for its facilities will be put under extreme pressure</li> </ul>	
	<p>PCL supports the status quo for the WCC Class 4 Gambling Policy.</p> <p>Best practice governance requires those Councillors with conflicts of interest to stand aside.</p> <p>There is no evidence that a sinking lid will achieve the health outcomes suggested, however it will lead to a decline in Community funding over time.</p> <p>The claimed economic benefits of a prohibition on Gaming Machines is an</p>	

	<p>illusion.</p> <p>Should the Council consider a sinking lid as a means of eventual prohibition, it opens WCC to Judicial review as such an outcome under the current Gambling Act would be ultra vires.</p> <p>If the WCC does find Gaming Machines so abhorrent, can I suggest Council and its proxies stop applying for the proceeds, as they are one of the larger recipients.</p>	
<p><b>Phil Gibbons - Sport Wellington</b></p>	<p>Funding options • Class 4 Gaming is well-regulated to provide a financial return to the community for the benefit of those communities. Moves to reduce or remove this opportunity will have some undesirable consequences over time. • This is the funding system that is currently available to sector groups. There are no viable alternatives and funding from other sources is difficult to access despite the hard work and continued effort of sector organisations to do. Covid-19 has made this even tougher. Unintended consequences • The sinking lid option is proposed to address the harm done by Class 4 gaming. However, the proposal does not give thought to the harm that may be created because of the withdrawal of the community services that are currently funded through Class 4 gaming returns. In the case of active recreation and sport the value to individuals and communities is well documented. <a href="https://sportnz.org.nz/media/1312/the-value-of-sportmain-report.pdf">https://sportnz.org.nz/media/1312/the-value-of-sportmain-report.pdf</a> Sport Wellington submission to WCC Gambling Venues Policy 2020 6 • There will also be some financial consequences for Wellington City Council should a sinking lid policy be applied. As an example, gaming funding is often accessed to cover costs associated with facility and ground hire from Wellington City Council. In addition, there will be increased expectations on Council to fund activities that were previously funded through gaming proceeds, to at least preserve the status quo in terms of delivery of active recreation and sport services. Some of these impacts are listed later in this submission. The potential impact on Sport Wellington • The impact of reduced availability of gambling funding will be significant for Sport Wellington and ultimately the sector we serve and support. • We source funding to support coaching delivery,</p>	

	<p>facilitation costs associated with the delivery of leadership development, staff development, generating insights and evaluation information, regional workforce development, programme delivery that enhances other contracted programme roll-out, and operational costs such as rent, power, and salaries. • Round the Bays is an iconic Wellington event. It provides an opportunity for people within and outside Wellington to set goals, train for, and participate in a large and positive community experience. Delivery costs of this event are covered through accessing gaming funding and an inability to do so would compromise this event significantly</p>	
<p><b>Kevin Wilson</b></p>	<p>No change to the existing policy; where is the evidence that a sinking lid policy is the best option for Wellington? a. Over the past 12-15 years more than 10,000 gaming machines have been removed from our NZ communities and yet the problem gambling rate has remained static. b. In Wellington, there are currently 44 problem gamblers who have excluded themselves from Gaming Venues... Why should the small minority of problem gamblers take away the enjoyment of thousands of responsible gamblers and also impact negatively on the jobs of many in the hospitality industry, an industry already hit hard by Covid? c. Won't the problem gamblers find another source for their habit, yes they will as they have an addiction to gambling, not pokie machines and will that source provide Community funding, highly unlikely. d. To put it another way, would we/should we close all of our liquor outlets/bars etc due to the number of alcoholics?</p>	
<p><b>Dave Adams – Sport NZ</b></p>	<p><b><u>The importance of Class 4 funding to community wellbeing</u></b></p> <p>1. The proceeds from gambling represents the most critical source of funds for community sport and recreation, comprising approximately \$246m per annum (compared with \$23m from Government in 2019/20). The proceeds from gambling comprises:</p> <ul style="list-style-type: none"> <li>• Class 4 - \$171m (via \$150m from pubs, \$20m from clubs and \$1m from TAB)</li> <li>• Lotto - \$65m (via \$55m from LGB profits and \$10m through LGB committees)</li> <li>• Sports betting - \$10.2m (via commission payments to national sports</li> </ul>	

	<p>organisations)</p> <ul style="list-style-type: none"> <li>• Casinos - \$0.5m (via sponsorships).</li> </ul> <p>2. Returning funds to sport and recreation is an effective way for gambling agencies to demonstrate they are positively impacting New Zealand communities, (as is required under New Zealand’s gambling regulatory regime). This includes improvements in the wellbeing of all New Zealanders.</p>	
<p><b>Sean Hannan - Grassroots</b></p>	<p>Grant Funding Class 4 Gaming Venues enable extremely valuable funding to be provided to a large range of local community groups. Approximately \$300 million in gaming machine funds is provided to over 11,000 community organisations each year across New Zealand. For the year ending December 2019, approximately \$16.3m (40% of Gaming Machine Proceeds) was returned in grant funding to the Wellington City region. Class 4 Gaming societies are the only gambling operators that focus on supporting grassroots community organisations. No other gambling provider provides this level of support for grassroots organisations. Grants make a positive difference to many community organisations, which would struggle to survive without this funding. There is no easy substitute for these funds. Funding received by community organisations is critical to their ongoing sustainability. The Lottery Grants Board makes a small number of large grants to large organisations. The New Zealand Racing Board predominately uses the funds from race and sports betting to support the racing industry. The profits from the six commercial casinos are paid out to their commercial shareholders (save for a 3 token amount in community grants). No grant money is paid by offshore-based online gambling providers. GTCL is required by law to return a minimum 40% of gross proceeds to authorised purposes and it is GTCL’s intention to distribute these funds back to the community that it was generated, across the sport, community and education sectors. Our funding turnaround is quick, with grant decisions being made monthly. Many organisations throughout New Zealand including the Wellington City region have benefited from a GTCL grant. For the period 1 July 2019 to 31 August 2020, GTCL made \$397,980.42 in grants to sixty-three separate organisations who provide essential services to and within the Wellington City</p>	

	<p>region – see full list attached to this submission. With the recent effects of COVID-19 being felt nationwide, the sustainability of our local community organisations has become even more imperative now. Community organisations have suffered significantly with the closure of Class 4 Gaming Venues during Levels 3 &amp; 4, and the shortfall in funding has put their ability to continue providing their essential services at serious jeopardy.</p>	
<p><b>Megan Williams – New Zealand Festival</b></p>	<p>It is important to acknowledge that funding for the arts in the region is now more crucial than ever while our communities manage the long-term impacts that the Covid-19 has had on all aspects of life in New Zealand. We are working to mitigate the impact of this crisis on our artists, supporters and our audiences and ensure that the arts plays a key role in maintaining the wellbeing of communities over this time, The support we currently receive from gaming trusts in an important part of that mix. Without alternative funding to replace it, loss of gaming trust revenue would further exacerbate an already challenging landscape where sponsorship, donations and box office revenue are under pressure due to the major economic downturn facing the country and the world.</p>	
<p><b>Phil Gibbons - Sport Wellington (Sector)</b></p>	<p>Funding options • Class 4 Gaming is well-regulated to provide a financial return to the community for the benefit of those communities. Moves to reduce or remove this opportunity will have some undesirable consequences over time. • This is the funding system that is currently available to sector groups. There are no viable alternatives and funding from other sources is difficult to access despite the hard work and continued effort of sector organisations to do. Covid-19 has made this even tougher. Unintended consequences • The sinking lid option is proposed to address the harm done by Class 4 gaming. However, the proposal does not give thought to the harm that may be created because of the withdrawal of the community services that are currently funded through Class 4 gaming returns. In the case of active recreation and sport the value to individuals and communities is well documented. <a href="https://sportnz.org.nz/media/1312/the-value-of-sportmain-report.pdf">https://sportnz.org.nz/media/1312/the-value-of-sportmain-report.pdf</a> Sport Wellington submission to WCC Gambling Venues Policy 2020 6 • There will also be some financial consequences for Wellington City Council should a sinking lid policy be applied. As an example, gaming funding is often accessed to cover costs associated with facility and ground hire from Wellington City Council. In addition, there will be increased expectations on Council to fund activities that were previously funded through gaming proceeds,</p>	

	<p>to at least preserve the status quo in terms of delivery of active recreation and sport services. Some of these impacts are listed later in this submission. The potential impact on Sport Wellington • The impact of reduced availability of gambling funding will be significant for Sport Wellington and ultimately the sector we serve and support. • We source funding to support coaching delivery, facilitation costs associated with the delivery of leadership development, staff development, generating insights and evaluation information, regional workforce development, programme delivery that enhances other contracted programme roll-out, and operational costs such as rent, power, and salaries. • Round the Bays is an iconic Wellington event. It provides an opportunity for people within and outside Wellington to set goals, train for, and participate in a large and positive community experience. Delivery costs of this event are covered through accessing gaming funding and an inability to do so would compromise this event significantly</p>	
<p><b>Catriona McBean – D Sport</b></p>	<p>Celebrating the community benefit Especially for small community organisations, reliance on Class 4 funding is the sad reality of sport, recreation, community service delivery in New Zealand. Gaming has been supporting sport for over 60 years – it started with Golden Kiwi. It is not a new phenomenon. Gaming comes in many forms in our country, most noticeably racing is televised and TAB odds are often discussed before major sporting events, and Lotto NZ product ads are beamed into our living rooms. In the 2019 Lotto Statement of Intent, the sales target for 2021/22 is set at in excess of \$1.4 billion. More readily available at supermarkets and dairy’s, Lotto “sells the dream” and actively promotes where the profits go and the communities which benefit. Unfortunately Class 4 gaming providers are legally prohibited from doing similar, so here are some examples of where the \$61+ m Class 4 funding goes in Wellington: Essential emergency services: • Life Flight Trust Rescue Helicopter • Wellington Free Ambulance • Wellington Coastguard • Surf Lifesaving Clubs 3 Support a range of conservation and arts: • Wellington Zoo • Zealandia • NZSO • NZ Ballet • NZ School of Dance • Circa Theatre Enable us to celebrate the fabric of Wellington City • Cuba Dupa • NZ Festival of the Arts • Dragon boat Festival • Chinese New Year Festival • Te Matatini Kapa Haka Aotearoa For dsport, it provides our members with the following: • Wheelchair Rugby - training &amp; competition • Boccia - training &amp;</p>	

	<p>competition • Hosting competitions in our region - Wheelchair Rugby and Boccia</p> <ul style="list-style-type: none"> <li>• Our Youth Group (5-18 year olds) to participate in over 20 active recreation activities a year, ranging from rock climbing, ice skating, circus hub, athletics</li> <li>• For our young members to participate in the Sport Wellington Round the Bays and the Sanitarium Weet-bix Tri annually</li> <li>• Our team of 12-14 young disabled athletes to attend the Halberg Games in Auckland annually – the only dedicated sporting event for young disabled New Zealanders “Competing at the Halberg Games ... has opened up doors to many more opportunities for me to pursue. I’ve gained confidence that through my challenges I can do anything I want to do. It’s been great to see the smiles, hear the laughter and see everyone so happy at the games. It’s about enjoying each other’s company and knowing you are “equal”. TP (17 years) We are the only organisation in Wellington providing sport and active recreation programmes and services to physically disabled members of our community. These funds allow us to collaboratively work with</li> <li>• Peke Waihangā Artificial Limb Service – working with young amputees to get them activity blades to increase their mobility and engagement is sport and active recreation</li> <li>• Paralympics New Zealand – our high performance pathway for Para athletes</li> <li>• Massey University – designing clothes suitable for different types of physical impairments</li> <li>• Wellington City Council – helping make Wellington City accessible for all 4</li> <li>• Sport Wellington – helping make Wellington sport accessible for all and role modelling disability sport</li> </ul>					
<p><b>Ross Jamieson</b></p>	<p>For the year ended 31 March 2020, it cost us \$340k to operate the <b>hub</b>, including maintenance, wages for our 1.75 staff, building lease and other multiple OPEX costs. The building is valued at over \$7m, with our landlord, Poneke Rugby Club, covering the rates, insurance and depreciation costs. Our 1.75 staff spend 75% of their time welcoming and managing club and community groups to our venue. The balance of their time is devoted to operational matters and administration.</p> <p><b><u>Our \$340k of costs are covered by :</u></b></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 80%;">* Membership Fee’s</td> <td style="text-align: right;">7%</td> </tr> <tr> <td>* Venue Hire Fee’s</td> <td style="text-align: right;">34%</td> </tr> </table>	* Membership Fee’s	7%	* Venue Hire Fee’s	34%	
* Membership Fee’s	7%					
* Venue Hire Fee’s	34%					

	<ul style="list-style-type: none"> <li>* Food &amp; Beverage Profits 4%</li> <li>* Sponsorship &amp; Other Income 8%</li> <li>* <b>Class 4 Funding</b> 47% (\$160k)</li> </ul> <p>As you can see, the Class 4 funding is <b>absolutely vital</b> to our operational viability and our biggest source of revenue. Whilst over time we might be able to squeeze a few more % points out of venue hire and membership fee's, this would come with the risk of our venue becoming unaffordable to club and community groups. Corporate sponsorship is exceptionally hard, and time consuming, to attract, and no longer comes in large figures. As an example, our biggest and highest profile club, Poneke Rugby Club, worked exceptionally hard in 2020 to sell their front of jersey key logo mark, for both their top teams, earning only \$5,000 per annum from that.</p> <p>If, the WCC moves to reduce the amount of Class 4 funding available to the <b>hub</b>, I am in no doubt that we will become unviable. We would not be able to replace that income, so would need to balance our books by either :</p> <ul style="list-style-type: none"> <li>* seeking WCC OPEX funding (year on year)</li> <li>* reducing our staff by 50%</li> <li>* closing during weekdays and/or reducing operational hours</li> <li>* cancelling community health and recreation programmes we operate</li> </ul>	
--	---	--

	<b>Organisations who have outlined multiple reasons for wanting no change.</b>	
<b>Adam Parker – Hospitality NZ</b>		<b>Officers note that these submissions are not able to be summarised and should be read in their entirety. These submissions are large and the way they are written does not allow them to be broken down into themes.</b>
<b>Martin Cheer – Pub Charity Ltd</b>		



---

## Attachment 3

# Gambling Venues Policy 2021

### 1. INTRODUCTION

The Gambling Act 2003 (the Act) came into effect on 18 September 2003 and requires territorial local authorities to have in place a policy that:

- specifies whether or not class 4 venues (non-casino gaming machine venues, NCGMs) may be established in its district and, if so, where they may be located
- may specify any restrictions on the maximum number of gaming machines that may be operated at any class 4 venue (the Gambling Act 2003 establishes maximum limits of either 18 machines or 9 machines on gaming machines venues, depending on whether the venue was established before or after October 2001).

The Racing [Industry] Act ~~2003~~ **[2020]** requires territorial authorities to adopt a policy on Board venues.<sup>2</sup> The Board venues policy must:

- specify whether or not ~~New Zealand Racing Board stand-alone venues~~ **[TAB Venues]** may be established in the district and, if so, where they may be located.

In adopting both a class 4 venues policy and a Board venues policy, the Council must have regard to the social impacts of gambling in its district.

### 2. OBJECTIVES OF THE GAMBLING VENUES POLICY

The objectives of the Gambling Act 2003 are, amongst other things, to control the growth of gambling and prevent and minimise the harm caused by gambling, including problem gambling. Beyond the objectives stated in the Act, the objectives of Wellington City Council's Gambling Venues Policy are to:

- manage the risk of gambling harm created by non-casino gaming machines (NCGMs) and TAB gambling to the extent that this can be reasonably done through a gambling venues policy
- ensure that, within the limits prescribed by the Gambling Act 2003 and Racing **[Industry]** Act ~~2003~~, **[2020]** people who wish to participate in NCGM and ~~Board venue~~ (TAB) gambling can do so within the Wellington District
- provide for the relocation of Class 4 venue licences in certain circumstances.

---

<sup>2</sup> The Racing **[Industry]** Act ~~2003~~ **[2020]** specifies that a "~~Board~~ **[TAB]** venue" means the premises that are owned or leased by the ~~New Zealand Racing Board~~ **[TAB NZ]** and where the main business carried on at the premises is providing racing betting or sports betting services. Historically, these venues were referred to as Totalisator Agency Board (TAB) venues.

### 3. GENERAL PROVISIONS FOR CLASS 4 VENUES

A society requires the Council's consent in respect of a class 4 (NCGM) venue:

- to increase the number of gaming machines that may be operated at such a venue
- to operate gaming machines at a venue that was not on any society's licence within the previous 6 months
- to operate gaming machines at a venue for which a licence was not held on 17 October 2001
- to relocate a venue to which a class 4 venue licence currently applies.

An applicant for Council consent under this policy must:

- meet the application conditions specified in this policy
- meet the fee requirements specified in this policy.

### 4. WHERE CLASS 4 VENUES MAY BE ESTABLISHED

~~Class 4 (NCGM) venues may be established anywhere in the Wellington district, subject to the following restrictions. Failure to comply with any of the relevant restrictions will result in consent being refused.~~

**[No new Class 4 venues will be allowed under the Council's Sinking Lid Policy. This means that when an existing venue closes, the Council will not give consent for another to be established.]**

~~For the purposes of this policy the Wellington district is divided into seven zones. The total number of gaming machines in any zone may not exceed the machine levels detailed in the table below.~~

Zone <sup>3</sup>	Maximum number of machines
Southern	100
Northern	136
Eastern	114
Onslow	9
Western	44
Lambton (excluding Central Area Zone)	9
Central Area Zone	355

<sup>3</sup> ~~Central Area Zone is the central area as defined by the District Plan as at September 2003 excluding land zoned residential.~~

~~Lambton Zone is that area comprising the Lambton electoral ward as at September 2003 except for the Central Area Zone.~~

~~Southern Zone is that area made up of the Southern electoral ward as at September 2003.~~

~~Northern Zone is that area made up of the Northern electoral ward as at September 2003.~~

~~Eastern Zone is that area made up of the Eastern electoral ward as at September 2003.~~

~~Western Zone is that area made up of the Western electoral ward as at September 2003.~~

~~Onslow Zone is that area made up of the Onslow electoral ward as at September 2003.~~

~~Refer to the attached maps for area boundaries which are based on the electoral wards as at September 2003.~~

~~New venues will be restricted to the Central Area Zone and to “centres” in the District Plan. New venues in Neighbourhood Centres are not permitted.~~

~~Applicants whose licences were held on 17 October 2001 may have a maximum of either nine machines, or the number of machines lawfully operated on 23 September 2003, whichever is the higher number.~~

~~Applications seeking ministerial discretion, under section 95 of the Gambling Act 2003, to increase the number of gaming machines at a club venue, as the result of clubs merging, will receive consent, subject to the limits prescribed by the Gambling Act.~~

~~Applications seeking ministerial discretion, under section 96 of the Gambling Act 2003, to increase the number of gaming machines at a club venue above nine will not receive local authority consent.~~

~~Applicants must obtain any necessary resource consents under the Wellington City District Plan or Resource Management Act 1991.~~

## **5. RELOCATION CLASS 4 VENUES**

This relocation policy sets out when the Council will grant consent in respect of a venue that replaces an existing venture. The effect of this relocation policy is prescribed in section 97A of the Gambling Act 2003.

Any class 4 (NCGM) venue may be relocated provided:

- ~~it relocates to the Central Area Zone; or [as defined under the District Plan]~~
- ~~it relocates to an area identified as a “centre”, but excluding Neighbourhood Centres, in the Wellington District Plan; and~~
- ~~the NCGMs in the new venue would not result in more NCGMs in a zone than is allowed under section 4 of this policy.~~

## **6. WHERE BOARD VENUES MAY BE ESTABLISHED**

~~The New Zealand Racing Board [TAB NZ] requires the consent of the Council if it proposes to establish a Board [TAB] venue. For the avoidance of doubt, this policy only applies to applications for the establishment of stand-alone Board [TAB] venues. These are venues in premises that are owned or leased by the New Zealand Racing Board [TAB], where the main business is providing racing and/or sports betting services. The policy does not cover the installation of TAB terminals in premises not owned or leased by the Board (for example hotels, bars and clubs).~~

~~TAB venues may be established anywhere in the Wellington District, subject to the provisions of the Wellington City District Plan and meeting application and fee requirements.~~

## **7. APPLICATIONS AND FEES FOR CONSENTS**

All applications for consents must be made on the approved form. All applications will incur a fee, to be known as the Gaming/Gambling Venue Consent Fee, which is prescribed by the Council pursuant to section 150 of the Local Government Act 2002.

Fees will be charged for consideration of applications, at the rate of \$90 per hour (GST inclusive). A deposit may be required.

## **8. DECISION MAKING**

The Council has 30 working days in which to determine a consent application.

That decision will be made at officer level pursuant to delegated authority and be based on the criteria detailed in this policy.

In the case of an application relating to a class 4 venue the assessment of the number of gaming machines in the Wellington district will be based on Department of Internal Affairs' official records.

## **9. APPEALS**

Applicants have the right to request a review of the decision by Council officers, if it is believed that an error of fact or process has been made.

## **10. MONITORING AND REVIEW**

The Council will complete a review of the policy within three years of its adoption, in accordance with the special consultative procedure outlined in the Local Government Act 2002. Subsequent reviews will take place on a three-yearly cycle, as required by the Gambling Act 2003 and Racing Act 2003.

## **11. COMMENCEMENT OF POLICY**

The policy will take effect from the time the Council resolves to adopt it. The ~~2010~~ **[2015]** Gambling Venues Policy is revoked on the adoption of this policy. All applications for territorial local authority (Council) consent will be considered under the policy in place at the time the application is received.

## **12. EXPLANATION OF TERMS**

Class 4 venue - The Gambling Act 2003 categorises gambling activities according to their intensity and potential for harm. Class 4 gambling (non-casino gaming machines) is the highest-risk form outside of a casino. Racing and sports betting, which are covered by the Racing **[Industry]** Act ~~2003~~ **[2020]**, do not fall within this classification system

Society – is a Corporate Society as defined under the Gambling Act 2003. It is a not-for-profit organisation that may undertake class 4 gambling Gaming machine – Refers to class 4 non-casino gaming machine

Board venue - The Racing **[Industry]** Act ~~2003~~ **[2020]** specifies that a Board venue means the premises that are owned or leased by ~~the New Zealand Racing Board~~ **[TAB NZ]** and where the main business carried out at the premises is providing racing betting or sports betting services.



---

# Attachment 4

## Gambling Venues Policy 2021

### 1. INTRODUCTION

The Gambling Act 2003 (the Act) came into effect on 18 September 2003 and requires territorial local authorities to have in place a policy that:

- specifies whether or not class 4 venues (non-casino gaming machine venues, NCGMs) may be established in its district and, if so, where they may be located
- may specify any restrictions on the maximum number of gaming machines that may be operated at any class 4 venue (the Gambling Act 2003 establishes maximum limits of either 18 machines or 9 machines on gaming machines venues, depending on whether the venue was established before or after October 2001).

The Racing Industry Act 2020 requires territorial authorities to adopt a policy on Board venues.<sup>4</sup> The Board venues policy must:

- specify whether or not TAB Venues may be established in the district and, if so, where they may be located.

In adopting both a class 4 venues policy and a Board venues policy, the Council must have regard to the social impacts of gambling in its district.

### 2. OBJECTIVES OF THE GAMBLING VENUES POLICY

The objectives of the Gambling Act 2003 are, amongst other things, to control the growth of gambling and prevent and minimise the harm caused by gambling, including problem gambling. Beyond the objectives stated in the Act, the objectives of Wellington City Council's Gambling Venues Policy are to:

- manage the risk of gambling harm created by non-casino gaming machines (NCGMs) and TAB gambling to the extent that this can be reasonably done through a gambling venues policy
- ensure that, within the limits prescribed by the Gambling Act 2003 and Racing [Industry] Act, [2020] people who wish to participate in NCGM and ~~Board venue~~ (TAB) gambling can do so within the Wellington District
- provide for the relocation of Class 4 venue licences in certain circumstances.

### 3. GENERAL PROVISIONS FOR CLASS 4 VENUES

---

<sup>4</sup> The Racing Industry Act 2020 specifies that a "TAB venue" means the premises that are owned or leased by TAB NZ and where the main business carried on at the premises is providing racing betting or sports betting services. Historically, these venues were referred to as Totalisator Agency Board (TAB) venues.

A society requires the Council's consent in respect of a class 4 (NCGM) venue:

- to increase the number of gaming machines that may be operated at such a venue
- to operate gaming machines at a venue that was not on any society's licence within the previous 6 months
- to operate gaming machines at a venue for which a licence was not held on 17 October 2001
- to relocate a venue to which a class 4 venue licence currently applies.

An applicant for Council consent under this policy must:

- meet the application conditions specified in this policy
- meet the fee requirements specified in this policy.

#### **4. WHERE CLASS 4 VENUES MAY BE ESTABLISHED**

**No new Class 4 venues will be allowed under the Council's Sinking Lid Policy. This means that when an existing venue closes, the Council will not give consent for another to be established.**

#### **5. RELOCATION CLASS 4 VENUES**

This relocation policy sets out when the Council will grant consent in respect of a venue that replaces an existing venture. The effect of this relocation policy is prescribed in section 97A of the Gambling Act 2003.

Any class 4 (NCGM) venue may be relocated provided:

- it relocates to the Central Area Zone as defined under the District Plan

#### **6. WHERE BOARD VENUES MAY BE ESTABLISHED**

TAB NZ requires the consent of the Council if it proposes to establish a TAB venue. For the avoidance of doubt, this policy only applies to applications for the establishment of stand-alone TAB venues. These are venues in premises that are owned or leased by the TAB, where the main business is providing racing and/or sports betting services. The policy does not cover the installation of TAB terminals in premises not owned or leased by the Board (for example hotels, bars and clubs).

TAB venues may be established anywhere in the Wellington District, subject to the provisions of the Wellington City District Plan and meeting application and fee requirements.

#### **7. APPLICATIONS AND FEES FOR CONSENTS**

All applications for consents must be made on the approved form. All applications will incur a fee, to be known as the Gaming/Gambling Venue Consent Fee, which is prescribed by the Council pursuant to section 150 of the Local Government Act 2002.

---

Fees will be charged for consideration of applications, at the rate of \$90 per hour (GST inclusive). A deposit may be required.

## **8. DECISION MAKING**

The Council has 30 working days in which to determine a consent application.

That decision will be made at officer level pursuant to delegated authority and be based on the criteria detailed in this policy.

In the case of an application relating to a class 4 venue the assessment of the number of gaming machines in the Wellington district will be based on Department of Internal Affairs' official records.

## **9. APPEALS**

Applicants have the right to request a review of the decision by Council officers, if it is believed that an error of fact or process has been made.

## **10. MONITORING AND REVIEW**

The Council will complete a review of the policy within three years of its adoption, in accordance with the special consultative procedure outlined in the Local Government Act 2002. Subsequent reviews will take place on a three-yearly cycle, as required by the Gambling Act 2003 and Racing Act 2003.

## **11. COMMENCEMENT OF POLICY**

The policy will take effect from the time the Council resolves to adopt it. The 2015 Gambling Venues Policy is revoked on the adoption of this policy. All applications for territorial local authority (Council) consent will be considered under the policy in place at the time the application is received.

## **12. EXPLANATION OF TERMS**

**Class 4 venue** - The Gambling Act 2003 categorises gambling activities according to their intensity and potential for harm. Class 4 gambling (non-casino gaming machines) is the highest-risk form outside of a casino. Racing and sports betting, which are covered by the Racing Industry Act 2020, do not fall within this classification system

**Society** – is a Corporate Society as defined under the Gambling Act 2003. It is a not-for-profit organisation that may undertake class 4 gambling Gaming machine – Refers to class 4 non-casino gaming machine

**Board venue** - The Racing Industry Act 2020 specifies that a Board venue means the premises that are owned or leased by TAB NZ and where the main business carried out at the premises is providing racing betting or sports betting services.



---

### 3. Committee Reports

---

---

## **REPORT OF THE COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE MEETING OF 7 APRIL 2021**

---

**Members:** Mayor Foster (not present – apology accepted), Councillor Condie (Chair), Councillor Foon, Councillor O'Neill, Councillor Rush, Councillor Sparrow, Councillor Young.

**The Council Controlled Organisations Subcommittee recommends:**

### **DRAFT STATEMENTS OF INTENT FOR COUNCIL CONTROLLED ORGANISATIONS**

#### **Recommendations**

That the Strategy and Policy Committee:

1. Receive the information.

Website link to the Council Controlled Organisations Subcommittee meeting agenda and minutes: <https://wellington.govt.nz/your-council/meetings/committees/council-controlled-organisations-subcommittee/2021/04/07>

#### **Attachments**

Attachment 1.	Basin Reserve Trust Draft SOI	Page 132
Attachment 2.	Karori Sanctuary Trust Draft SOI	Page 153
Attachment 3.	Wellington Cable Car Ltd Draft SOI	Page 189
Attachment 4.	Wellington Museums Trust Draft SOI	Page 219
Attachment 5.	Wellington Regional Economic Development Agency Ltd Draft SOI	Page 256
Attachment 6.	Wellington Regional Stadium Trust SOI	Page 278
Attachment 7.	Wellington Zoo Trust Draft SOI	Page 302



**Basin Reserve Trust**  
**2021-22 Statement of Intent**



## Contents

1. Introduction	3
2. Objectives	3
3. COVID-19 Planning	3
4. 2021-22 Activities	4
5. Performance Targets	7
6. Governance	8
7. Finance	9
8. Appendices	11
• 2021-22 Statement of Financial Performance	



## 1. Introduction

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

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

The Statement of Intent outlines the activities and intentions of the Basin Reserve Trust (BRT) for the three-year period from 1 July 2021 to 30 June 2024, with a particular focus on the first twelve months to 30 June 2022. It details the BRT's approach to governance and contains financial information, including the annual budget.

## 2. Objectives

The objectives of the trust are stated in the Trust Deed are highlighted below:

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

## 3. COVID-19 Planning

The BRT is committed to the ongoing management and evaluation of risks associated with the enduring COVID-19 global pandemic. The Trust will be working to ensure robust and innovative plans



are in place to respond effectively if, and when, alert levels shift. This includes our continued acknowledgement of the responsibility we have for the social wellbeing of Wellingtonians, finding new ways to operate more efficiently and improving our ability to diversify engagement with local audiences. The key risk identified for the BRT is the financial impact from lost events that generate a large proportion of the BRT's annual event revenue. The strained economic climate has also impacted the BRT's ability to secure a naming rights partner to date.

Organisations that have vigorous plans in place will respond to COVID-19 more successfully than those who neglect the continued need for impetus in this space. The BRT is dedicated to ensuring our plans are continually reviewed and updated to ensure we are in the best possible position to respond.

#### **4. 2021-22 Activities**

In-line with the objectives of the Trust Deed, the BRT will focus on the following initiatives in 2021-22;

##### **Events and Functions**

The event and function calendar will have a domestic and community focus for the 2021-22 reporting cycle. The Basin will aim to deliver 78 event days, 100 practice days and 40 functions.

An overview of the wide range of events that are planned for 2021-22 are outlined below:

##### Community and other Sport Events:

The BRT is proud to be a venue for everyone and key events for 2021-22 include;

- Rugby and Football – partnerships with Wellington Rugby and Capital Football and now well established with the Basin Reserve serving to provide these two codes with three well used junior rugby and girls' junior football fields.
- Beers at the Basin – the popular festival that showcases Wellington's craft beer industry will continue to be a summer feature on the Basin's busy event calendar
- Music Concert – the BRT will gauge feasibility of hosting an annual concert at the Basin based on the review of the Peachy Keen concert in April 2021
- Ethnic Community Festival – the BRT will engage with Cricket Wellington regarding the feasibility of hosting an Ethnic Community Festival in October

It is important to note that due to the Basin Reserve being a host venue for the ICC Women's World Cup 2022, the ability to host community event days and a concert will be significantly reduced due to the venue exclusivity period commencing 21 days prior to the date of the first match at the Basin Reserve and ending ten days following the conclusion of the last match at the Basin Reserve. Therefore, the exclusivity period will commence from Sunday 20 February 2022 and ending 9 April 2022. The Basin Reserve turf renovation period will commence at the conclusion of this period.

##### Functions

The BRT has contracted Black and Gold Events to manage and promote the Norwood Room and Long Room in the RA Vance Stand as a venue for conferences, meetings, weddings, celebrations, Christmas functions or team building workshops. In total, 40 functions are planned for 2021-22, with an expected



average increase in the first quarter due to another venue undergoing refurbishments, but a reduction in the third quarter due to the ICC Women's World Cup.

#### Domestic Cricket

The Basin is the home of Cricket Wellington and the home ground of the Wellington Firebirds in the Plunket Shield, Ford Trophy and Men's Super Smash, as well as the Wellington Blaze in the Hallyburton Johnston Shield and Women's Super Smash. The Basin also accommodates Cricket Wellington development teams. The Basin is planning to host 55 days of cricket events, with 100 days of use planned for the practice facilities.

#### ICC Women's Cricket World Cup 2022

New Zealand is hosting the ICC Women's Cricket World Cup in 2022. Eight nations are competing across 31 matches in six host cities around the country from 4 March – 3 April 2022. The tournament was previously scheduled to be hosted in 2021, but due to the ongoing global pandemic, it was postponed enabling all qualifying teams the opportunity to participate and ensuring a safer tournament could be held. The Basin Reserve is selected as one of the six host venues and have secured the following fixtures:

- New Zealand v Australia, Sunday 13 March
- Australia v Qualifier, Tuesday 15 March
- Australia v South Africa, Tuesday 22 March
- South Africa v Qualifier, Thursday 24 March
- Australia v Qualifier, Friday 25 March
- England v Qualifier, Sunday 27 March
- Semi Final, Wednesday 30 March

#### International Cricket [Other]

The BRT is holding discussions with New Zealand Cricket regarding opportunities to host a Blackcaps v South Africa Test Match in February 2022. There are no other international cricket fixtures forecasted for the 2021-22 reporting cycle due to the Basin Reserve being a host venue for the ICC Women's Cricket World Cup.

#### **Redevelopment**

The Old Pavilion Stand was completed in June 2020 and the BRT's focus is committed to working with the Wellington City Council on the redevelopment of the Basin Reserve and its infrastructure.

Key projects that the BRT are working with WCC to complete are as follows:

- Embankment toilet upgrade
- Perimeter fence and gate upgrades
- Media box extension
- Picket fence upgrade
- Permanent camera stands and sightscreens upgrades
- Ground lighting to support 24x7 access



- Additional groundsman storage (between practice cage and Old Pavilion)
- RA Vance carpark / broadcast compound
- Wifi connected venue

The BRT will continue to present the ground to a high standard throughout the year, driving a comprehensive maintenance programme. The Trust is also committed to providing access to the ground 24 hours a day once acceptable and safe levels of lighting have been installed (outside of its normal operational closures).

### **Sponsorship and Fundraising**

The BRT remains committed to assisting with fundraising and sponsorship. To date the Trust has raised \$951k of funding towards various projects at the venue, with an additional \$175k of approved funding withdrawn due to Covid-19. We remain dedicated to exploring further funding opportunities.

Key opportunities that the BRT are progressing:

- Class 4 Gaming – the Trustees have established positive relationships with numerous leading community funding trusts and will continue to build on these relationships to aid future projects
- New Zealand Lotteries Commission – this presents another key funding vehicle for the BRT
- Naming Right Sponsor and Signage Partners – a continued focus is being placed on securing a naming right sponsor and signage partners
- Digital Billboards – the Trust are also investigating digital billboard opportunities at the Basin Reserve to grow a more sustainable revenue base that would provide the BRT with additional income to support the redevelopment and on-going maintenance

The Trust will report on progress each quarter.

### **Cricket Wellington and The New Zealand Cricket Museum**

The Basin Reserve is the home of Cricket Wellington, the Regional Sports Organisation for cricket in Wellington and the New Zealand Cricket Museum. The Old Pavilion is now home to the Cricket Wellington offices and the national Cricket Museum, which is due to reopen its doors to the public in October 2021. The New Zealand Cricket Museum records the history of cricket and will tell the story of the Basin Reserve through its newly developed and modernised storytelling and displays.

### **Wellington Regional Stadium Trust (WRST) Turf Services Partnership**

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



### William Wakefield Memorial

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

### Bilingual Venue

The BRT will work with the Wellington City Council and other entities/community groups where appropriate to include bilingual signage around the venue, so the Basin Reserve is a welcoming and inclusive venue for everyone. This will align with the Te Tauihu – te reo Maori Policy.

### Harassment Policies

The BRT is committed to promoting a safe and harassment-free environment for all staff, contractors and attendees at all sporting fixtures and events. In 2019-20 the BRT conducted a review of the event terms and conditions and have not had any incidents reported during the 2020-21 SOI period. The BRT will continue to adopt best practise in this area.

### Other

As a leading CCO, the BRT will work closely with Wellington City Council to support the vision for Wellington 2040: *An inclusive, creative capital where people like to live – inclusively and sustainably*, with the following initiatives:

- The BRT will identify ways the Trust can appropriately support Wellington City Councils, Te Tauihu Te Reo Maori Policy and Mana whenua
- The BRT will ensure that the Te Mapihi Maurea Naming Policy is adhered to at all times
- Te Atakura First to Zero strategy - the BRT was awarded the Toitu Carbon Zero status on 19 December 2019 and will ensure that we remain a carbon zero footprint venue
- The BRT will continue to support the Accessible Wellington, The Accessible Journey Action Plan 2019 and continue to allow free lounge access to the Basin Reserve Long Room on match days

## 5. Performance Targets

In-line with Wellington City Councils 2018-28 Ten Year Plan, the BRT aims to deliver the following performance measures for 2021-22:

Measure	2020-21 Forecast	2021-22 Q1	2021-22 Q2	2021-22 Q3	2021-22 Q4	2021-22 Total
<b>Quarterly Targets</b>						
Community Events Days*	21	1	1	0	1	3
Cricket Events Days	50	3	30	22	0	55



Measure	2020-21 Forecast	2021-22 Q1	2021-22 Q2	2021-22 Q3	2021-22 Q4	2021-22 Total
<b>Quarterly Targets</b>						
Other Sports Events Days	25	6	0	0	14	20
Practice facility usage (Days)	100	15	45	40	0	100
Functions	76	15	10	5	10	40

\*Reduction due to ICC Women's World Cup hosting and venue exclusivity restrictions

Measure	2020-21 Forecast	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast
Numbers attending events*	55,000	74,150	41,000	41,000
Event Income (\$)	309,200	1,127,340	350,000	420,000
Council Operating Grant ^ (\$)	694,659	718,040	735,000	754,000
Cash Subsidy (grant) per attendance (\$)	12.63	9.68	17.93	18.39

^includes turf management fee

\*does not include 'open to public' events

## 6. Governance

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

The BRT is governed by a Board comprising four Trustees, two appointed by Cricket Wellington and two by Wellington City Council. The Board meet at least four times a year and appoint subcommittees as it deems appropriate to fulfil its obligations. The Trustees set the strategic direction for the BRT and approve the Statement of Intent and Annual Business Plan. The Trustees monitor the organisational performance and ensure that the Trust has appropriate policies and procedures to mitigate its risks (including compliance with the Health and Safety at Work Act 2015).

### Trust Membership

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

### Performance Management

The performance of the Trust is measured in part by achievement of agreed KPI's, with regards to operational activities. The Chair of the Board will undertake an annual evaluation of Trustee



performance and will provide an update by 30 September 2021. Further, the individual performance of Trustees is monitored by the Wellington City Council (in respect of the two Council-appointed Trustees), and Cricket Wellington (with regards to the two Cricket Wellington-appointed Trustees).

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

## 7. Finance

The budget for 2021-22 has been developed on the basis of breaking even. The budget is generally conservative and in line with the activity outlined in this document.

### Analysis

The following are the key details and assumptions for the budget that results in a budgeted surplus of \$26,340

Revenue - \$1,845,640

Revenue	Forecast 2020-21*	Forecast 2021-22	% Change	Comment
Council Funding	694,659	718,040	3.3%	Inflation Adjustment
Sale of goods and services	309,900	1,127,340	264%	Significant revenue generated by hosting rights for the ICC Women's World Cup
Interest	255	260	N/A	N/A
<b>Total</b>	<b>1,004,814</b>	<b>1,845,640</b>		

\*Forecast until end of FY 2020-21

Expenses - \$1,819,300

Expenses	Forecast* 2020-21	Forecast 2021-22	% Change	Comment
Depreciation	76,900	64,750	-15%	Lower Asset Base
Costs relating to providing goods and services	732,830	1,615,400	120%	Reflects ICC Women's World Cup hosting expenditure
Other expenses	137,320	139,150	N/A	N/A



<b>Total</b>	947,050	1,819,300		
--------------	---------	-----------	--	--

\*Forecast until end of FY 2020-21

The expense side of the budget has been developed based on business as usual and a realistic estimate of the costs associated with operating the BRT.

#### **Capital Expenditure**

Capital expenditure of \$35k is included within the budget.

#### **Cashflow**

Cashflow varies throughout the year as key revenues from grants are received quarterly.

#### **Risks**

The main financial risks are as follows:

- The ICC Women's World Cup does not proceed as planned
- Concession agreement with Black and Gold is terminated
- The domestic cricket season doesn't proceed as planned
- Inability to secure and host a concert
- Increased repairs and maintenance are required

#### **Estimate of amount intended for distribution**

There is no intention to pay out reserves to stakeholders.

#### **Acquisition procedures**

There is no intention to make any acquisitions.

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

N/A



## Appendix A

- 2021-22 Statement of Financial Performance

## **ACCOUNTING POLICIES**

### **BASIN RESERVE TRUST**

#### **STATEMENT OF ACCOUNTING POLICIES**

#### **FOR THE YEAR ENDED 30 JUNE 2022**

#### **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. To support this assumption, the Trust has relied on a Letter of Comfort received from the WCC, stating that "the Council will provide such support where necessary to maintain financial viability".

##### ***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 . 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 and other 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 2022**

*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	4 to 45.5 years	(2.20% to 25.20%)
Drainage works	14 to 18 years	(5.50% to 7.20%)
Furniture & fittings	2.5 to 8.5 years	(12.00% to 48.00%)
Plant	3 to 6.5 years	(16.20% to 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 2022**

**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**

There have been no changes in accounting policies from those used in the previous financial year.

**FORECAST FINANCIAL STATEMENTS**

**BASIN RESERVE TRUST**

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

FYE 30-Jun-21		Qtr to 30-Sep-21	Qtr to 31-Dec-21	Qtr to 31-Mar-22	Qtr to 30-Jun-22	FYE 30-Jun-22	FYE 30-Jun-23	FYE 30-Jun-24
\$		\$	\$	\$	\$			
	<b>Revenue</b>							
694,659	Council funding	359,020	-	359,020	-	718,040	735,000	754,000
700	Grants other	-	-	-	-	-	-	-
309,200	Sale of goods and services	34,550	83,650	966,950	42,190	1,127,340	350,000	420,000
255	Interest revenue	65	65	65	65	260	300	300
<b>1,004,814</b>	<b>Total Revenue</b>	<b>393,635</b>	<b>83,715</b>	<b>1,326,035</b>	<b>42,255</b>	<b>1,845,640</b>	<b>1,085,300</b>	<b>1,174,300</b>
	<b>Expenses</b>							
76,900	Depreciation of property, plant and equipment	14,625	15,875	17,125	17,125	64,750	58,500	50,000
732,830	Costs related to providing goods and services	168,225	216,675	1,072,175	158,325	1,615,400	876,600	929,500
137,320	Other expenses	31,020	31,025	31,025	46,080	139,150	143,000	185,000
<b>947,050</b>	<b>Total Expenses</b>	<b>213,870</b>	<b>263,575</b>	<b>1,120,325</b>	<b>221,530</b>	<b>1,819,300</b>	<b>1,078,100</b>	<b>1,164,500</b>
<b>57,764</b>	<b>Surplus/(Deficit) for the Year</b>	<b>179,765</b>	<b>(179,860)</b>	<b>205,710</b>	<b>(179,275)</b>	<b>26,340</b>	<b>7,200</b>	<b>9,800</b>

**BASIN RESERVE TRUST**  
**STATEMENT OF FINANCIAL POSITION**

As at 30-Jun-21		As at 30-Sep-21	As at 31-Dec-21	As at 31-Mar-22	As at 30-Jun-22	As at 30-Jun-22	As at 30-Jun-23	As at 30-Jun-24
\$		\$	\$	\$	\$	\$	\$	\$
	<b>Assets</b>							
	<b>Current Assets</b>							
269,493	Bank accounts and cash	420,878	241,943	411,028	241,093	241,093	191,193	169,893
82,000	Debtors and prepayments	85,000	65,000	215,600	96,200	96,200	98,200	96,200
<b>351,493</b>	<b>Total Current Assets</b>	<b>505,878</b>	<b>306,943</b>	<b>626,628</b>	<b>337,293</b>	<b>337,293</b>	<b>289,393</b>	<b>266,093</b>
	<b>Non-Current Assets</b>							
423,174	Property, plant and equipment	433,549	442,674	450,549	458,424	458,424	499,924	549,924
<b>423,174</b>	<b>Total Non-Current Assets</b>	<b>433,549</b>	<b>442,674</b>	<b>450,549</b>	<b>458,424</b>	<b>458,424</b>	<b>499,924</b>	<b>549,924</b>
<b>774,667</b>	<b>Total Assets</b>	<b>939,427</b>	<b>749,617</b>	<b>1,077,177</b>	<b>795,717</b>	<b>795,717</b>	<b>789,317</b>	<b>816,017</b>
	<b>Liabilities</b>							
	<b>Current Liabilities</b>							
122,785	Creditors and accrued expenses	119,180	109,230	231,080	117,495	117,495	103,295	120,195
11,400	Income received in advance	-	-	-	11,400	11,400	12,000	12,000
<b>134,185</b>	<b>Total Current Liabilities</b>	<b>119,180</b>	<b>109,230</b>	<b>231,080</b>	<b>128,895</b>	<b>128,895</b>	<b>115,295</b>	<b>132,195</b>
<b>134,185</b>	<b>Total Liabilities</b>	<b>119,180</b>	<b>109,230</b>	<b>231,080</b>	<b>128,895</b>	<b>128,895</b>	<b>115,295</b>	<b>132,195</b>
<b>640,482</b>	<b>Total Assets less Total Liabilities</b>	<b>820,247</b>	<b>640,387</b>	<b>846,097</b>	<b>666,822</b>	<b>666,822</b>	<b>674,022</b>	<b>683,822</b>
	<b>Trust Equity</b>							
100	Contributed capital	100	100	100	100	100	100	100
582,618	Accumulated surpluses	640,382	820,147	640,287	845,997	640,382	666,722	673,922
57,764	Current period earnings	179,765	(179,860)	205,710	(179,275)	26,340	7,200	9,800
<b>640,482</b>	<b>Total Trust Equity</b>	<b>820,247</b>	<b>640,387</b>	<b>846,097</b>	<b>666,822</b>	<b>666,822</b>	<b>674,022</b>	<b>683,822</b>

**BASIN RESERVE TRUST**

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

FYE 30-Jun-21		Qtr to 30-Sep-21	Qtr to 31-Dec-21	Qtr to 31-Mar-22	Qtr to 30-Jun-22	FYE 30-Jun-22	FYE 30-Jun-23	FYE 30-Jun-24
\$		\$	\$	\$	\$	\$	\$	\$
	<b>Cash Flows from Operating Activities</b>							
694,659	Receipts of council funding	359,020	-	359,020	-	718,040	735,000	754,000
700	Receipts of grants other	-	-	-	-	-	-	-
285,500	Receipts from sale of goods and services	20,000	45,000	865,000	85,000	1,015,000	320,000	385,000
255	Interest receipts	65	65	65	65	260	300	300
(841,280)	Payments to suppliers and employees	(197,700)	(189,000)	(1,050,000)	(185,000)	(1,621,700)	(965,200)	(1,025,600)
(60,000)	GST (net)	(5,000)	(10,000)	20,000	(45,000)	(40,000)	(40,000)	(35,000)
79,834	<b>Net Cash Flows from Operating Activities</b>	176,385	(153,935)	194,085	(144,935)	71,600	50,100	78,700
	<b>Cash Flows from Investing and Financing Activities</b>							
(33,600)	Payments to acquire property, plant and equipment	(25,000)	(25,000)	(25,000)	(25,000)	(100,000)	(100,000)	(100,000)
(33,600)	<b>Net Cash Flows from Financing Activities</b>	(25,000)	(25,000)	(25,000)	(25,000)	(100,000)	(100,000)	(100,000)
46,234	<b>Net Increase/(Decrease) in Cash for the Year</b>	151,385	(178,935)	169,085	(169,935)	(28,400)	(49,900)	(21,300)
223,259	Add opening bank accounts and cash	269,493	420,878	241,943	411,028	269,493	241,093	191,193
269,493	<b>Closing Bank Accounts and Cash</b>	420,878	241,943	411,028	241,093	241,093	191,193	169,893

## FORECAST FINANCIAL STATEMENTS

### BASIN RESERVE TRUST

#### STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIODS ENDING

<b>FYE</b> <b><u>30-Jun-21</u></b>	<b>Revenue</b>	<b>Qtr to</b> <b><u>30-Sep-21</u></b>	<b>Qtr to</b> <b><u>31-Dec-21</u></b>	<b>Qtr to</b> <b><u>31-Mar-22</u></b>	<b>Qtr to</b> <b><u>30-Jun-22</u></b>	<b>FYE</b> <b><u>30-Jun-22</u></b>
	<b>Grant Income</b>					
694,659	Grant Wellington City Council	359,020	-	359,020	-	718,040
700	Grant Other	-	-	-	-	-
<u>695,359</u>		<u>359,020</u>	<u>-</u>	<u>359,020</u>	<u>-</u>	<u>718,040</u>
	<b>Ground Hire Income</b>					
129,144	Ground Hire International Cricket	-	-	943,800	-	943,800
65,000	Ground Hire Domestic Cricket	-	62,500	10,000	-	72,500
3,600	Ground Hire Winter Sports	-	-	-	3,000	3,000
68,440	Ground Hire Other Events	21,400	13,000	-	31,040	65,440
<u>266,184</u>		<u>21,400</u>	<u>75,500</u>	<u>953,800</u>	<u>34,040</u>	<u>1,084,740</u>
	<b>Other Income</b>					
30,000	Concession Income	7,500	7,500	7,500	7,500	30,000
10,000	Rent	5,000	-	5,000	-	10,000
3,016	Picket Fence Income	650	650	650	650	2,600
<u>43,016</u>		<u>13,150</u>	<u>8,150</u>	<u>13,150</u>	<u>8,150</u>	<u>42,600</u>
	<b>Interest Income</b>					
255	Interest income	65	65	65	65	260
<u>1,004,814</u>	<b>Total Income</b>	<u>393,635</u>	<u>83,715</u>	<u>1,326,035</u>	<u>42,255</u>	<u>1,845,640</u>

## FORECAST FINANCIAL STATEMENTS

### BASIN RESERVE TRUST

#### STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIODS ENDING

<u>FYE</u> <u>30-Jun-21</u>	<b>Expenses</b>	<u>Qtr to</u> <u>30-Sep-21</u>	<u>Qtr to</u> <u>31-Dec-21</u>	<u>Qtr to</u> <u>31-Mar-22</u>	<u>Qtr to</u> <u>30-Jun-22</u>	<u>FYE</u> <u>30-Jun-22</u>
<b>Building Expenses</b>						
8,000	Repairs & Maintenance	2,000	2,500	2,500	2,000	9,000
12,000	Cleaning	2,000	3,000	4,000	2,000	11,000
10,800	Electrical Services	8,000	1,500	4,000	1,500	15,000
12,000	Fire System	3,500	3,500	3,500	3,500	14,000
2,500	Painting	5,000	2,000	500	250	7,750
11,200	Pest Control	3,200	3,200	3,200	3,200	12,800
1,500	Plumbing	500	500	500	500	2,000
1,200	Other	-	200	1,000	-	1,200
<u>59,200</u>		<u>24,200</u>	<u>16,400</u>	<u>19,200</u>	<u>12,950</u>	<u>72,750</u>
<b>Ground Expenses</b>						
1,000	Electrical Services	600	-	600	-	1,200
-	Equipment Hire	-	-	1,500	-	1,500
2,000	Cleaning	-	1,000	1,000	1,000	3,000
-	Irrigation	-	-	250	500	750
3,500	Painting	1,200	600	600	1,500	3,900
2,000	Plumbing	-	800	800	800	2,400
12,500	Rubbish Removal	2,200	5,000	5,000	2,200	14,400
8,000	Structures Repairs & Maintenance	1,500	4,000	5,000	1,500	12,000
390,000	Turf	95,000	120,000	120,000	95,000	430,000
<u>419,000</u>		<u>100,500</u>	<u>131,400</u>	<u>134,750</u>	<u>102,500</u>	<u>469,150</u>

## FORECAST FINANCIAL STATEMENTS

### BASIN RESERVE TRUST

#### STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIODS ENDING

<u>FYE</u> <u>30-Jun-21</u>		<u>Qtr to</u> <u>30-Sep-21</u>	<u>Qtr to</u> <u>31-Dec-21</u>	<u>Qtr to</u> <u>31-Mar-22</u>	<u>Qtr to</u> <u>30-Jun-22</u>	<u>FYE</u> <u>30-Jun-22</u>
	<b>Occupancy Expenses</b>					
7,000	Gas	2,100	2,100	3,000	2,100	9,300
24,300	Electricity	6,600	6,600	6,600	6,600	26,400
40,900	Rates	11,450	11,450	11,450	11,450	45,800
13,500	Security	3,550	3,550	3,550	3,550	14,200
6,000	Telephones & Internet	2,000	2,000	2,000	2,000	8,000
20,000	Water Rates	9,000	9,000	9,000	9,000	36,000
4,600	Television	1,400	1,400	1,400	1,400	5,600
1,200	Insurance	650	-	650	-	1,300
25,000	Consumables Laundry & Toilet	6,625	6,625	6,625	6,625	26,500
<u>142,500</u>		<u>43,375</u>	<u>42,725</u>	<u>44,275</u>	<u>42,725</u>	<u>173,100</u>
	<b>Event Running Expenses</b>					
108,830	Event Running	-	25,000	868,800	-	893,800
<u>108,830</u>		<u>-</u>	<u>25,000</u>	<u>868,800</u>	<u>-</u>	<u>893,800</u>
	<b>Administration Expenses</b>					
14,200	Audit	-	-	-	15,000	15,000
12,000	Accounting	3,000	3,000	3,000	3,000	12,000
120	Bank Fees	20	25	25	80	150
8,500	Consultants	2,500	2,500	2,500	2,500	10,000
100,000	Management Fee	25,000	25,000	25,000	25,000	100,000
<u>134,820</u>		<u>30,520</u>	<u>30,525</u>	<u>30,525</u>	<u>45,580</u>	<u>137,150</u>

## FORECAST FINANCIAL STATEMENTS

### BASIN RESERVE TRUST

#### STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIODS ENDING

<u>FYE</u> <u>30-Jun-21</u>		<u>Qtr to</u> <u>30-Sep-21</u>	<u>Qtr to</u> <u>31-Dec-21</u>	<u>Qtr to</u> <u>31-Mar-22</u>	<u>Qtr to</u> <u>30-Jun-22</u>	<u>FYE</u> <u>30-Jun-22</u>
	<b>Other Expenses</b>					
-	Interest Expense	-	-	-	-	-
2,500	Marketing	-	1,000	5,000	-	6,000
2,500	Miscellaneous	500	500	500	500	2,000
800	Picket Fence Expenses	150	150	150	150	600
-	Grant Wellington City Council	-	-	-	-	-
<u>5,800</u>		<u>650</u>	<u>1,650</u>	<u>5,650</u>	<u>650</u>	<u>8,600</u>
	<b>Depreciation Expense</b>					
76,900	Depreciation Expense	14,625	15,875	17,125	17,125	64,750
<u>76,900</u>		<u>14,625</u>	<u>15,875</u>	<u>17,125</u>	<u>17,125</u>	<u>64,750</u>
<u>947,050</u>	<b>Total Expenditure</b>	<u>213,870</u>	<u>263,575</u>	<u>1,120,325</u>	<u>221,530</u>	<u>1,819,300</u>
<u>57,764</u>	<b>Net Surplus (Deficit) for the Period</b>	<u>179,765</u>	<u>(179,860)</u>	<u>205,710</u>	<u>(179,275)</u>	<u>26,340</u>

# Statement of Intent 2021-2022 Karori Sanctuary Trust

Presented to the Environment Committee  
pursuant to Schedule 8 of the Local Government Act (2002)

# Contents

<b>1. Introduction</b> .....	<b>4</b>
<b>2. The Strategic Partnership with Wellington City Council</b> .....	<b>6</b>
2.1 Wellington City Long Term Plan 2021-31 .....	7
2.2 Wellington Towards 2040: Smart Capital .....	7
2.3 Our Natural Capital: Wellington’s Biodiversity Strategy .....	7
2.4 Our Capital Spaces Framework.....	8
2.5 The Wellington Regional Economic Growth Agenda.....	8
2.6 Predator Free Wellington .....	9
<b>3. Strategic Direction for 2021/22 and beyond</b> .....	<b>10</b>
<b>4. The nature and scope of our activities in 2021/22</b> .....	<b>11</b>
4.1 Objectives .....	11
4.2 A place that treasures.....	11
4.3 A place that engages.....	13
4.4 A place for learning.....	15
4.5 A place that empowers.....	17
<b>5. Performance Measurements</b> .....	<b>18</b>
5.1 KPI Scorecard 2021/22.....	18
5.2 Non-financial Performance Measures .....	19
5.3 Financial Performance Measures .....	19
5.4 Conservation Measures .....	20
5.5 Conservation Activities .....	21
<b>6. The Karori Sanctuary Trust Board’s Approach to Governance</b> .....	<b>22</b>
6.1 The Trust Deed.....	22
6.2 Relationship with Wellington City Council.....	22
6.3 Board Membership).....	23
6.4 Board Performance.....	24
6.5 Board Skills Matrix .....	24
6.6 Annual General Meeting.....	25
<b>7. Organisational Health, Capability and Risk Assessment</b> .....	<b>25</b>
7.1 Organisational Health and Capability .....	25
7.2 Executive Team.....	25
7.3 Environmental Practices .....	25
<b>8. Health and Safety</b> .....	<b>25</b>
8.1 Asset Management Plan .....	26
8.2 Risk Management .....	27
<b>9. Additional Information</b> .....	<b>28</b>
9.1 Response to other specific letter of expectation matters (if applicable) .....	28

9.2 Ratio of Shareholders' Funds to Total Assets .....	28
9.3 Estimate of Amount Intended for Distribution.....	28
9.4 Acquisition Procedures .....	28
9.5 Activities for which the Board seeks Compensation from a Local Authority .....	28
9.6 Estimate of Commercial Value of Shareholders' Investment .....	28
<b>Appendices .....</b>	<b>29</b>
Appendix A: Accounting Policies.....	29
Appendix B: ZEALANDIA Budget for 2021/22.....	33

## 1. Introduction

The significant level of uncertainty surrounding our operating environment as a consequence of the COVID-19 pandemic continues. At the time of writing, ZEALANDIA is experiencing the benefits from a resurgence of domestic tourism. Whilst this is far from fully compensating for the loss of the international tourist market, it does mean that performance to-date is achieving the revised targets we set in our 2020/21 SOI, giving us confidence that our business assumptions and revised performance targets remain valid.

In light of the continued uncertainty and following a range of discussions with colleagues in other CCOs, we have based our planning for 2021/22 on the same assumptions as for 2020/21, most notably, no international tourism of any significant scale during the year.

That said, our ambition to continue having a positive and transformative impact for our city (and beyond) remains as strong as ever.

Our 2019/20 Annual Report records the significant impacts we achieved across the financial, social, environmental, and human capitals despite the impacts of a pandemic-related lockdown. Our economic value to Wellington alone was estimated at \$29.5m, a continued increase year-on-year over the past five years. We continue to have strong and positive social and human capital impacts through, for example, community engagement and volunteering, and of course our environmental and conservation impacts all continue to flourish. The research conducted by Dr Danielle Shanahan into aspects of the human health and wellbeing impacts on the Wellington community has been world-leading and startling in the clarity of what the data is indicating. The realisation of just how the biodiversity of our city has been transformed was particularly evident during lockdown, as reported by many media channels.

Our partnership with Wellington City Council remains pivotal and this SOI documents our plans for how ZEALANDIA will continue to add value to Wellington and meet Council's goals as set out in the letter of expectations.

Our vision for nature-rich communities remains a central theme, with the wider Wellington region being internationally recognised as the most nature connected urban area in the world. This vision, and the plans we have that underpin it, is entirely consistent with, and supportive of, Council's four wellbeing goals as indicated in the letter of expectations.

As highlighted in previous SOIs, the majority of our work is long-term and so many of the approaches and actions articulated in this SOI describe a continuation, or further development, of existing programmes and projects that have been described in previous SOI documents. Our 20-year strategy document, *Living with Nature: Tiaki Taiao, Tiaki Taonga – our strategy for 2016-2035*, remains the key touch-stone document for all this work.

### Next steps in 2021/22

Section 2 of this document outlines the close strategic alignment of ZEALANDIA's plans with Council's environmentally focussed strategies. Taking one example, our work remains closely aligned to Council's Te Atakura First to Zero strategy. We have been Toitū Envirocare carboNZero certified for six years and have been leaders in the city with exemplary initiatives such as the early installation of car charging stations and PV technologies, and the deployment of New Zealand's first EV passenger shuttles. We continue to target waste minimisation having made significant advances in this area through, for example, the reduction in use of plastics across our operations.

We look forward to working with Council colleagues on the development of new strategies as mentioned in the letter of expectations.

Our investment in all areas of our operations including key areas of impact: conservation and restoration, research, education and learning, visitor engagement, outreach and major ongoing projects such as Sanctuary to Sea, will continue. Our engagement with mana whenua will remain a central tenet of what we do and how we do it, increasingly weaving te ao Māori and mātauranga Māori throughout our work. Relationships with other key partner entities such as Predator Free Wellington, the Zoo, Victoria University of Wellington, and the Biological Heritage National Science Challenge (to name a few) will also remain close and strong.

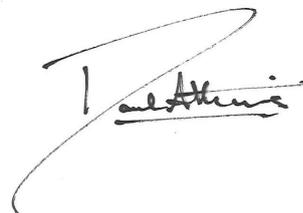
The detailed design phase of Tanglewood House is due to be completed in 2020/21 and we are, therefore, planning to commence the building phase of this Centre for People and Nature during the period covered by this SOI. Full details and timelines will be available when the detailed design and building consent stages are completed.

The financial context of Council is fully understood and the plans within this SOI are based on an inflation indexed increase in the operating grant only. It should be noted that ZEALANDIA has not requested any additional financial support from Council.

The following sections of this SOI provide a detailed view of our plan for 2021/22. They address all the specific areas highlighted in the letter of expectations and, overall, describe how we will continue to make a significant contribution to our city and the vision for *Wellington 2040: An inclusive, creative capital where people like to live – inclusively and sustainably*.



Phillip Meyer  
Chairman, Karori Sanctuary Trust



Paul Atkins  
Chief Executive, Karori Sanctuary Trust

## 2. The Strategic Partnership with Wellington City Council

Wellington City Council (Council) remains a key strategic partner and principal funder of the Trust and we will continue to align our priorities with the Council's strategic direction and make a strong contribution towards advancing the Council's aims as signalled through a range of strategy documents including the 2021-31 Long Term Plan.

Our 2019/20 Annual Report highlighted once again our significant impact as a high performing contributor to the liveability of our city and the wider Wellington region, working effectively with partner organisations to drive Wellington's position as a unique natural capital. We are grateful for the Council's continuing support for our operations and vision.

Despite the challenging operating environment in the last quarter of 2019/20, ZEALANDIA completed the financial year with only a small operating deficit of \$100,000 (after adjusting for one-off income items) as declared in our annual report, a healthy balance sheet and a clear plan for tackling the challenges of 2020/21. At the end of 2019/20, our operating working capital balance was \$2,959,381 including \$1.8m of commitments for our Tanglewood House build and scholarship funding. The balance of \$1.2m is the working capital reserve agreed with the Board to cover a potential 2020/21 budget deficit; it includes at least three months of operating expenses in line with financial management good practice.

We are committed to the delivery of the Council's vision for *Wellington 2040: An inclusive, creative capital where people like to live – inclusively and sustainably* by contributing towards the following community outcomes for the City.

- Environmental wellbeing: We will continue to progress our work to add value to Wellington and the wider region through environmental restoration and transforming how we value and live with nature.
- Social wellbeing: We will continue to deliver social capital value for the common good in Wellington and beyond, especially by building community connection and capability. We are committed to Te Tiriti o Waitangi, and the growth of our foundation in te ao Māori. Our volunteer programme continues to flourish with over 500 volunteers currently supporting our work.
- Cultural wellbeing: We will continue to contribute to the restoration of New Zealand's natural heritage.
- Economic wellbeing: We will continue to contribute positively to the regional economy by employing people and providing training opportunities to volunteers and interns. In 2019/20, ZEALANDIA contributed \$29.5m of economic value to the Wellington region through capital investment, job creation, training and other local spending.

In response to the letter of expectations, during the year we will:

- continue to contribute to the goals outlined in Te Atakura, the First to Zero strategy through our continued commitment to being an environmentally responsible organisation. ZEALANDIA aims to enable and empower employees, volunteers, visitors, and the community to act sustainably. ZEALANDIA has been Toitū Envirocare carboNZero certified for the last six consecutive years and our Green team will continue working with staff to improve our sustainability practices.
- work with the Council on the development of the new strategies in the areas of economic development, arts and culture, and children and young people.
- improve accessibility at ZEALANDIA where possible in line with the goals outlined in Accessible Action Plan 2019-22.

In 2021/22 we will continue to implement the living wage policy for our employees as required by Council and anticipate that the Council again will support funding the additional cost associated with this on an ongoing basis.

### **2.1 Wellington City Long Term Plan 2021-31**

We look forward to contributing to the successful delivery of the new Wellington City Long Term Plan for 2021-31 when finalised.

### **2.2 Wellington Towards 2040: Smart Capital**

Wellington's Strategic Vision, "Wellington Towards 2040: Smart Capital" is supported by four goals – people-centred city, connected city, eco-city and dynamic central city. The eco-city goal recognises the importance of Wellington taking an environmental leadership role.

We make a significant contribution to the city through not only our unique amenity value, but increasingly as the source of the resurgence of native fauna now being experienced throughout the city and suburbs. Additionally, many of our programmes further the environmental leadership role through, for example:

- Learning: Our education resources and programmes are used by schools nationwide, increasing the impact of our education work far beyond the sanctuary fence. Our community and youth programmes seek to connect New Zealanders of all ages and experience levels with the value and importance of nature engagement.
- Research: ZEALANDIA is continuing to contribute cutting edge and internationally recognised research through our multi-disciplinary, long-term programme. The ZEALANDIA Centre for People and Nature will continue to support capability growth in socio-ecological research through the Future Leaders Fund, and the research and community engagement will support the ongoing transformation in how people live with nature.

### **2.3 Our Natural Capital: Wellington's Biodiversity Strategy**

Wellington's Biodiversity Strategy, completed in 2015, aims to protect and restore the city's indigenous biodiversity. In order to protect indigenous biodiversity Council recognises the need to connect people to it, and to carry out research so it can be better managed.

Council has identified four themes for its work to implement the Biodiversity Strategy:

- We will aim to protect the ecologically significant areas on both private and public land.
- We will restore these areas, create safe buffer zones around them and connect them together. We will reduce pest numbers throughout Wellington City to a point where our native species can survive and expand.
- Throughout the urban environment, we will focus on raising awareness of the issues facing indigenous biodiversity and connecting people to their natural environment.
- We will enable our community to continue restoration work across all our reserves and we will support them in these efforts.

There is an increasing awareness worldwide of the need to protect our natural environment. Wellington is uniquely positioned to grow as a nature capital with ZEALANDIA at its heart as a nature destination and a site for urban ecology research and community learning.

## **2.4 Our Capital Spaces Framework**

The Council's Open Spaces and Recreation Framework for Wellington 2013-23 includes three priorities that are directly relevant to ZEALANDIA:

- Enhancing the Halo project and biodiversity - expand pest management and native planting; and work with partners to deliver the Halo project buffer zone to expand the safe habitats for birds flying in and out of ZEALANDIA.
- Accessible information - Provide on-site signs and information (on paper, online and for mobile devices) that can be accessed by everyone, including people with physical, hearing or sight impairments.
- Partnerships - Help expand partnerships, recognising that partnership requires resourcing from both sides.

Working with Council on these priorities aligns closely with our purpose of restoring our connection with our unique natural heritage, inspiring and enabling people to take action.

## **2.5 The Wellington Regional Economic Growth Agenda**

WellingtonNZ's vision for Wellington is that, by 2025, Wellington will be the most prosperous, liveable and vibrant region in Australasia.

WellingtonNZ remains a key partner and in 2021/22 we will continue to advance this increasingly close relationship.

In 2019/20, ZEALANDIA not only benefited Wellington's environment but also contributed positively to its regional economy by:

- providing over 400 training opportunities to volunteers and interns to learn new skills and further their careers.
- employing over 100 people
- adding \$29.5m of economic value to Wellington.

In 2019/20, ZEALANDIA hosted over 143,000 visitors, up 4% on 2018/19. With the closure of New Zealand's international borders in March 2020 in response to the COVID-19 pandemic and

through offering free entry from 16 May to 30 June, the number of Wellingtonians visiting ZEALANDIA this year has increased to 57% of all visitors, up from 49% last year. Correspondingly, the number of international visitors has dropped from 39% to 30% in 2019/20. Looking forward, we will work closely with WellingtonNZ to position Wellington as an attractive destination for New Zealand domestic tourists.

## **2.6 Predator Free Wellington**

Our close relationship with Predator Free Wellington continues, with exchange of information, advice, and other forms of support being provided on an ongoing basis. This relationship forms a crucial element of our work beyond the ZEALANDIA fence, and the ability to extend the halo significantly across Wellington.

### 3. Strategic Direction for 2021/22 and beyond

ZEALANDIA's 20-year strategy, Living with Nature: Our strategy for 2016-2035 / Tiaki Taiao, Tiaki Tangata: Te Rautaki 2016-2035, was published in 2016 and we continue to drive all our activity and programmes in support of the key themes as below:



#### A PLACE THAT TREASURES HE WĀHI TAONGA

Restoring Te Mara a Tane and its extending halo of biodiversity.

Building our organisation's capacity to drive transformation.



#### A PLACE THAT ENGAGES HE WĀHI HUIHUINGA

Creating inspiring, accessible experiences.

Forming strong and enduring local, national and international partnerships based on shared goals.



#### A PLACE FOR LEARNING HE WĀHI MĀTAURANGA

Embracing Mātauranga Māori and other knowledge frameworks.

Being a hub where people of all ages can learn, create new knowledge and share their insights and understanding.



#### A PLACE THAT EMPOWERS HE WĀHI WHAKAMANA

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

Inspiring change through example and shared passion for action.

## 4. The nature and scope of our activities in 2021/22

The following sections set-out our high-level objectives, scope of business and key performance indicators under our four strategic themes outlined in our Living with Nature - Tiaki Taiao, Tiaki Tangata. It will be supported by our business plan for 2021/22 and a range of other operational plans that are approved by the Board from time to time.

The KPI Scorecard (section 5.1) brings together a set of Key Performance Indicators to enable ZEALANDIA management, the Trust Board and Council to focus on the most important measures of success for 2021/22.

### 4.1 Objectives

The 2021/22 work programme is presented in line with our four strategic themes from our 20-year strategy, Living with Nature - Tiaki Taiao, Tiaki Tangata:

- A place that treasures.
- A place that engages.
- A place for learning.
- A place that empowers.

### 4.2 A place that treasures

The conservation and restoration activities in the sanctuary continue to be central to all our work. As set out in our ZEALANDIA Te Māra a Tāne Māra a Tāne Conservation and Restoration Strategy 2018-2038, this work involves restoring our wetlands, monitoring and managing threats to species, carrying out active reintroductions and planting, and working beyond the fence to create safe places for wildlife.



**A PLACE THAT TREASURES**  
**HE WĀHI TAONGA**

We are committed to being an environmentally responsible organisation and taking a proactive approach to sustainability issues and reducing our carbon footprint in line with the Council's Te Atakura First to Zero Policy.

We have successfully achieved Toitū Envirocare carboNZero certification for the sixth consecutive year. Our emissions in 2019/20 were 66.35 tCO<sub>2</sub>e, which is 26% lower than last year's total of 89.29 tCO<sub>2</sub>e and 38% lower than the base year total of 107.31 tCO<sub>2</sub>e. The high reduction in emissions this year is due to our two electric passenger buses and the impact of closing the sanctuary for seven weeks due to the COVID-19 lockdown.

As mentioned in the previous SOI, we are already an internationally recognised, world-class site, as indicated by our success in attracting increasing numbers of visitors, volunteers, researchers and interns, and the next 10 years will see us working hard to become an exemplar of a fully integrated, world leading conservation organisation offering outstanding opportunities for cutting-edge research, education, visitor experience, interpretation, and outreach.

We will build on our continuous improvement culture which has been pivotal in driving recent successes. We care for our people by providing support to enable everybody to contribute to our nature-rich vision and realise their full potential. We remain committed to developing our staff and volunteers in ways that contribute to our goals. In 2019/20 we invested over \$24,000 in staff training to ensure that we continue to support the professional development of our people.

We conducted our latest biennial staff survey in late 2020 to gather feedback and the data will provide insight into where we can improve engagement and organisational performance.

We continue to pay close attention to carefully managing our working capital as it is this that enables us to manage future financial risk in these uncertain times and invest in our infrastructure, including the development of Tanglewood House.

### **Development of Tanglewood House**

The resource consent and preliminary design phases of the project have been completed. In response to the global pandemic, the detailed design phase of the project was put on hold in early 2020/21 as we went through a process of cost analysis to ensure the project was achievable within budget. A contract has now been signed with a Wellington-based architect company, working alongside a local construction company, to complete the detailed design and building consent stages. It is anticipated these will be completed by early 2021/22 and we will move directly into construction at that point.

Full details of timelines and completion date will be determined and agreed as soon as practicable in 2021.

As indicated in our 2020/21 SOI, the Board has approved funding for the development of Tanglewood House and this funding has been secured and ring-fenced in our budgets. The funding includes the contribution from Council as agreed and confirmed in the 2017 Long Term Plan.

### **Current (ongoing) programmes**

- Maintain the perimeter fence so that it ensures the area within the fence is secure from mammalian threats.
- Coordinate with other groups beyond the fence to mitigate and minimise threats to dispersing wildlife.
- Undertake effective monitoring and management of threats (plant and animal pests).
- Manage and monitor indigenous plants and animals, especially those recently transferred to the sanctuary or requiring support, for example, through provision of supplementary food or nest boxes.
- Manage the welfare of species held in captivity to ensure successful breeding outcomes where appropriate.
- Support nationally and locally led species recovery programmes and restoration work where possible.
- Invest in the professional development of our people.
- Maintain volunteer satisfaction with their experience at ZEALANDIA.
- Measure staff satisfaction through our engagement survey.

### **Strategic Initiatives**

- Implement the Sanctuary to Sea Kia Mouriora te Kaiwharawhara strategy with partners to achieve tangible outcomes for people, the forest and the water.
- Progress key sanctuary-based freshwater restoration initiatives.

- Support mana whenua aspirations through the Sanctuary to Sea Kia Mouriora te Kaiwharawhara. project, support of key projects and close partnership in areas of interest.
- Develop smart initiatives to grow our people, and support systems to deliver enduring financial vitality.
- Continue to identify and implement opportunities to reduce waste through initiatives to reduce, reuse and recycle and to reduce our carbon footprint in line with the Council's Te Atakura First to Zero Policy.
- Maintain our Toitū Envirocare carboNZero accreditation and deliver good sustainability practices across the whole of the organisation.
- Redevelop the ZEALANDIA website to provide a more relevant and integrated user experience across all aspects of our work including visitation, education, research, members and supporters.
- Improve the functionality of the pāteke room conference facilities by installing sound proofing and conference lighting.

#### **Key performance indicators for 2021/22**

- Partnerships with at least 10 community groups are active in the Sanctuary to Sea project.
- A net breakeven before depreciation and tax.
- Non-WCC grant revenues equating to >75% of overall income.
- Membership subscriptions of \$324,700.
- Full cost per visitor (including WCC costs) TBC.
- Average WCC subsidy per visitor of no more than \$13.04.
- Average revenue per visitor of no less than \$27.28.
- Non-Council donations/funding of \$200,000.

#### **4.3 A place that engages**

Our unique opportunity is to connect our audiences with the value and benefits of a healthy, robust native environment, and to encourage conservation action within Wellington and beyond. We want all our audiences, whether they are internal or external, visitors or volunteers, to build strong and enduring connections with nature and translate that connection into conservation advocacy and action. We will continue to develop the range of experiences that we can offer to meet the needs of all our audiences. Our goal is that all visitors have opportunities to experience ZEALANDIA regardless of accessibility needs.



**A PLACE THAT ENGAGES**  
HE WĀHI HUIHUINGA

Our day and night tours will continue to be a key focus for enriching the visitor experience through providing visitors with a deeper understanding of our native flora and fauna and our cultural history and to encourage conservation action when they return home. This year we will continue the development of our products by introducing an enhanced te ao Māori perspective

into our tours and to alter the content of the tours to have greater appeal to the domestic market.

We work with a wide range of partners, Council is our principal funder and key strategic partner, and we have close partnerships with mana whenua (Taranaki Whānui ki Te Upoko o Te Ika and Ngāti Toa Rangatira), Greater Wellington Regional Council and the Department of Conservation. We have strong and enduring strategic relationships with Embassy of the United Arab Emirates, the Holdsworth Charitable Trust, Manaaki Whenua Landcare Research, Meridian, Morphum Environmental Ltd, Port Nicholson Block Settlement Trust, Predator Free Wellington, Russell McVeagh, the Tanglewood Foundation NZ, Victoria University of Wellington, Wellington Water, Wellington Zoo, the Tenths Trust, and the Woodlands and Wetlands Trust.

### **Current programmes**

- Provide formal and informal education and visitor experiences that increase people's understanding and connection with nature.
- Continue to reshape and expand our communications channels so that we are actively promoting our conservation and research programmes, visitor experiences and activities, our programmes, partnerships and positive conservation impacts.
- Continue to grow our range of programmes and offerings to reach a wider cross-section of Wellington's diverse communities including those with accessibility needs.
- Provide a diverse and engaging range of experiences for visitors, members and volunteers; researchers and academics; community and corporate groups.
- Continue to offer visitor programmes and experiences for those with accessibility needs.
- We will continue to provide high quality opportunities and services that connect visitors with nature through:
  - Highly attractive visitor experiences.
  - Premium and custom tours.
  - Annual membership.
  - Exhibitions and events.
- Continue to recognise the strategic priorities of Council as an important part of the strategic context for ZEALANDIA, and to align our strategies and priorities closely with those of the Council (see Section 2: The Strategic Partnership with Wellington City Council).
- Continue to work with key partners and grow the community involvement for the delivery of our Sanctuary to Sea Kia Mouriora te Kaiwharawhara project.
- Continue to work closely with our many research partners to develop evidence-based practice across our organisation and further afield.
- Identify keyways through which our partnership with Council can deliver greater gains for biodiversity across the region.

### **Strategic Initiatives**

- Continue to provide activities and experiences for young people and families.

- Increase engagement opportunities for those with differing accessibility needs in line with the Council's Accessible Wellington Action Plan 2019.
- Participate in research gatherings (e.g. workshops) to share our knowledge and solidify partnerships, and support emerging research leaders through supervision, mentoring and employment.
- Grow our corporate and philanthropic partnerships through key initiatives such as the Centre for People and Nature.

#### **Key performance indicators for 2021/22**

- Visitor numbers – 70,000 separate visitations with breakdown of visitor demographics.
- ZEALANDIA achieves a visitor satisfaction rating of 95% or greater.
- 9,000 education engagements.
- 15,000 members.
- Maintain > 500 volunteers and the range of avenues for people to volunteer.
- > 80% of volunteers are satisfied with their relationship with ZEALANDIA .

#### **4.4 A place for learning**

The inclusion and involvement of mana whenua is key to our integration of mātauranga and te reo Māori into our practices, processes and programmes. Our relationship with mana whenua, Taranaki Whānui ki Te Upoko o Te Ika and Ngāti Toa Rangatira as key strategic partners continue to grow and strengthen, and we will maintain and build partnerships with the many iwi who maintain kaitiakitanga for the species that have now found a home in the sanctuary. These relationships are a source of pride as we continue to integrate mātauranga Māori into our restoration, conservation, storytelling and 'beyond the fence' work. We continue to provide opportunities for staff and volunteers to grow their confidence and capability in te reo and tikanga Māori, aligned to Council's Te Tauihu Te Reo Māori policy. We will continue to develop and deliver public content and activities that bring te ao Māori into our work and programmes.



**A PLACE FOR LEARNING**  
HE WĀHI MĀTAURANGA

Our programme of research has grown significantly over the past year, with ZEALANDIA researchers publishing a number of articles while also supporting people from other organisations in generating new knowledge. This year key focus will be the Centre for People and Nature, which now has funding for a physical hub (Tanglewood House, see page 12 for further information) and is growing in terms of content and influence. The key focus of this Centre is generating the knowledge to support a nature rich future. This includes interdisciplinary research and discovery to inform policy, business, and conservation management.

We continue to deliver against our Learning Experiences Outside of the Classroom (LEOTC) contract and other education programmes enabling schools to experience ZEALANDIA's variety of ecosystems and species, empower them to explore the wildlife in their own environments and start their own environmental and conservation activities. We will continue to test, evaluate and

grow our programmes and initiatives to connect with young people, families and other community groups and inspire them towards a nature-rich future.

### **Current programmes**

- Continue to deliver activities and events aimed at increasing competency and capability in te reo and te ao Māori amongst staff and volunteers, including targeted learning and upskilling opportunities.
- Continue to develop and deliver public programmes, activities, signage and storytelling that incorporate mātauranga, te reo and te ao Māori.
- Continue to deliver visitor, staff and volunteer programmes and activities for Matariki and Māori Language Week.
- Continue our ongoing and growing iwi engagement work including consultation on our conservation and restoration strategies and key restoration activities (eg. species translocations).
- Continue to work with mana whenua to develop a cultural health indicator project.
- Continue to grow the accessibility of ZEALANDIA to mana whenua through a cohesive programme that cuts across ZEALANDIA operations.
- Deliver formal education programmes to schools under our LEOTC contract with the Ministry of Education, nature connection programmes for low decile and low engagement schools.
- Undertake and support research that will increase our understanding about the flora, fauna, and the habitats and ecological processes that threaten or sustain them, and that can inform and benefit restoration initiatives elsewhere in New Zealand.
- Create a supportive environment for staff, volunteers and researchers to ensure research and learning are encouraged and embraced.
- 

### **Strategic Initiatives**

- Continue to grow and integrate te ao Māori into ZEALANDIA projects and programme development processes.
- Develop and grow partnerships with iwi through key projects of interest to mana whenua.
- Continue research focussed on understanding how changes to Wellington's biodiversity is affecting people, and how community-led conservation can gain environmental outcomes.
- Raise funds to support and expand our formal and informal education programmes, with a focus on opportunities for those less able to access conservation experiences and learning.

### **Key performance indicators for 2021/22**

- Deliver activities and opportunities for staff and volunteers to increase their knowledge and confidence in te reo Māori and te ao Māori.

- Continue to deliver valley-based and outreach learning programmes under our Ministry of Education LEOTC contract.

#### **4.5 A place that empowers.**

ZEALANDIA does not work in isolation. We are part of the conservation ecosystem alongside Council and many other organisations and individuals in our community, all working towards a common goal of a protected, supported and nature-rich Wellington. Our goal is to be a model of a rich and biodiverse ecosystem, and a place where people can discover the value and importance of nature.



**A PLACE THAT EMPOWERS**  
**HE WĀHI WHAKAMANA**

We will continue to work with and through others to expand community knowledge and engagement in conservation and restoration, and to share our vision of a nature-rich future.

Through volunteering opportunities, public programmes, community partnerships and joint initiatives, we will provide or facilitate opportunities to learn from and participate in research projects, connect with community restoration and environmental groups, and learn new skills in restoration and sustainability.

#### **Current programmes**

- Provide learning experiences, tour products, and visitor experiences that help people increase their connection with nature and understand and value New Zealand's natural heritage.
- Provide high quality volunteering experiences that enable volunteers to increase their connections with nature and further ZEALANDIA's conservation, restoration, and engagement objectives.
- Provide activities, information and materials that enable schools and communities to learn about and actively contribute towards nature-rich communities.

#### **Strategic initiatives**

- Extend the reach of ZEALANDIA'S work and impact through partnerships, engagement activities and projects beyond the fence.
- Increase the diversity of ZEALANDIA's partners and volunteers by working with and through a wider variety of community organisations.

#### **Key performance indicators for 2021/22**

- Continue to expand the range of programmes and activities offered to learners and communities.

## 5. Performance Measurements

### 5.1 KPI Scorecard 2021/22

A place that treasures (4.2)	A place that engages (4.3)
<ul style="list-style-type: none"> <li>▪ Partnerships with at least 10 community groups are active in the Sanctuary to Sea project.</li> <li>▪ A net breakeven before depreciation and tax.</li> <li>▪ Non-WCC grant revenues equating to &gt;75% of overall income.</li> <li>▪ Membership subscriptions of \$324,700.</li> <li>▪ Full cost per visitor (including WCC costs) TBC.</li> <li>▪ Average WCC subsidy per visitor of no more than \$13.04.</li> <li>▪ Average revenue per visitor of no less than \$27.28.</li> <li>▪ Non-Council donations/funding of \$200,000.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Visitor numbers – 70,000 separate visitations with breakdown of visitor demographics.</li> <li>▪ ZEALANDIA achieves a visitor satisfaction rating of 95% or greater.</li> <li>▪ 9,000 education engagements.</li> <li>▪ 15,000 members.</li> <li>▪ Maintain &gt; 500 volunteers and the range of avenues for people to volunteer.</li> <li>▪ &gt; 80% of volunteers are satisfied with their relationship with ZEALANDIA.</li> </ul>
A place for learning (4.4)	A place that empowers (4.5)
<ul style="list-style-type: none"> <li>▪ Deliver activities and opportunities for staff and volunteers to increase their knowledge and confidence in te reo Māori and te ao Māori.</li> <li>▪ Continue to deliver valley-based and outreach learning programmes under our Ministry of Education LEOTC contract.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue to expand the range of programmes and activities offered to learners and communities</li> </ul>

## 5.2 Non-financial Performance Measures

Measure	2020/21 forecast	2021/22	2022/23	2023/24
Visitation	100,713	70,000	91,000	95,000
Members (Individuals)	17,892	15,000	15,200	15,400
Volunteers	>500	>500	>500	>500
Percentage of Satisfied Visitors	>95% <sup>1</sup>	>95%	>95%	>95%

<sup>1</sup>The measure is in line with standard sector benchmarking.

Measure	2020/21 forecast	Q1	Q2	Q3	Q4	2021/22	2022/23	2023/24
Visitation	100,713	10,093	22,701	23,068	14,138	70,000	91,000	95,000
Education visits <sup>2</sup>	7,227	1,925	3,547	1,244	2,284	9,000	9,000	9,000

<sup>2</sup> (LEOTC, tertiary, early childhood, school holiday programme, and outreach).

In the quarterly performance reports for the Council, we will continue to provide a geographical breakdown on visitors to ZEALANDIA and a summary of visitor feedback from GetSmart, Trip Advisor and Google Reviews.

## 5.3 Financial Performance Measures

Measure	2020/21 forecast	2021/22	2022/23	2023/24
Full cost per visitor (including WCC costs)	TBC by WCC	TBC by WCC	TBC by WCC	TBC by WCC
Average subsidy per visit (total WCC operating grant/all visitors)	\$12.85	\$13.04	\$10.18	\$9.90
Average revenue per visit (excludes Council & Government grants)	\$27.01	\$27.28	\$27.55	\$27.83
Non-Council donations/funding	\$235,506	\$200,000	\$200,000	\$200,000

## 5.4 Conservation Measures

Note, the new measures provided in this SOI reflect the ZEALANDIA Te Māra a Tāne conservation and restoration strategy 2018-2038. These build on and extend previous work to further conservation outcomes within ZEALANDIA and beyond.

Measure	2020/21 forecast	2021/22	2022/23	2023/24	Explanation
<b>Manawaroa. We actively restore ecosystem function to foster resilience</b>					
Number of fauna or flora species transferred into or out of the sanctuary, or 'topped up'.	1	1	1	1	This indicates active effort to enhance biodiversity outcomes inside ZEALANDIA and beyond. Transfers over the coming years are likely to include the release of Wellington barking gecko, a top up of tīeke, and propagation of Dactylanthus plant.
Percentage of the bird community that is native.	80%	80%	80%	80%	This is an indicator of the proportion of our bird community that is indigenous and is measured through annual 5 minute bird counts. The target is to maintain the level at or above 80%.
<b>Kaitiakitanga. We look after what we have alongside our many partners.</b>					
% of incursions into the mouse-free area eradicated, or under active response.	100%	100%	100%	100%	The mouse free area is critical for lizard reintroductions, and for research into the effect of mice on species. This target will ensure we maintain those values.
Mice maintained to target level.	<10	<10	<10	<10	The figure gives an abundance index based on the average abundance/100 corrected trap nights.
% pest animal incursions successfully eradicated, or under active response.	100%	100%	100%	100%	The goal is to actively and responsively control incursions if they occur. The target reflects the uncertainty involved in the outcomes of these responses, and the commitment to continue the response until eradication has occurred.

## 5.5 Conservation Activities

Activities [note, some activities are dependent on successful permits and translocation operations]	2021/22	2022/23	2023/24
<b>Continue restoration of the lower valley streams, wetland and lake</b>			
- Implement an overarching multifaceted strategic plan	Ongoing	Ongoing	Ongoing
- Research underway according to a research plan	Ongoing	Ongoing	Ongoing
- Implementation of plans	Ongoing	Ongoing	Ongoing
<b>Translocations (including top-ups)</b>			
Dactylanthus	Implement	-	Implement
Common bullies	Implement	-	-
Tieke (saddleback)	-	Plan	Implement
Kiwi pukupuku	Implement (potential translocation out)	-	-
Activities	2021/22	2022/23	2023/24
<b>Post-release monitoring for translocated species</b>			
Spotted skink monitoring	Complete	-	-
Kākahi (freshwater mussel, depending on completion of 2018 translocation)	Ongoing	-	-
<i>Bracyglottis kirkii</i> var. <i>kirkii</i>	Ongoing	Ongoing	Ongoing
Green mistletoe	Ongoing	Ongoing	Ongoing
Titipounamu (rifleman)	Ongoing	-	-
Common bullies	-	Implement	Ongoing

## **6. The Karori Sanctuary Trust Board's Approach to Governance**

### **6.1 The Trust Deed**

The Karori Sanctuary Trust (the Trust) is an incorporated society that is governed by a Trust Deed, first executed in 1995 and most recently updated in October 2016.

We operate as a not-for profit organisation, a social enterprise, seeking to do public good by operating in a way that follows sound commercial disciplines.

As set out in our Trust Deed, the objects of the Trust are as follows:

- To carry out education and research into all matters pertaining to the conservation and restoration of New Zealand's natural heritage and in particular to restore representative examples of New Zealand's natural heritage.
- To establish and maintain a secure native wildlife sanctuary in the Karori Reservoir in the City of Wellington.
- To restore the reservoir area ecosystem as closely as practicable to its presumed pre-human state but allowing for construction of specific habitats to enhance its diversity and conservation values.
- To provide facilities for recreation and tourism activities.
- To seek and foster community support and participation.
- To manage and manipulate such ecosystems as may be necessary to maintain requisite populations.

The Trust operates as ZEALANDIA, under the guidance of a Trust Board.

### **6.2 Relationship with Wellington City Council**

The Trust became a Council Controlled Organisation in October 2016 with the transfer of the ZEALANDIA Visitors Centre to the Council and the repayment of the loan on the building. The new Deed of Variation of Trust signed in October 2016 sets out the new requirement for the Trust Board to consist of a minimum of five persons and a maximum of up to seven persons. The Council can appoint a maximum of six persons following nominations from the Guardians, and the Trust's Board can appoint up to two persons following consultation with the Guardians and approval of the Council.

The Wellington City Council is a strategic partner, a trustee appointee, a principal funder and the landlord of the Trust.

The Trust will report quarterly to the Council through the Council Controlled Organisations Subcommittee on the agreed measures, which will include a Statement of Financial Performance, Statement of Financial Position and Cash Flow Statement.

The Trust's audited accounts for 2021/22 will be presented to the Council by the 30 September 2022. The Trust will continue to recognise Council as a principal funder and a strategic partner.

The principles governing the relationship between the Trust and Council are:

- Council will be provided with access to information it requests.
- A “no surprises” approach.
- Work in a collaborative and constructive manner recognising each other's viewpoints and respecting differences.
- Act towards each other honestly and always in good faith.
- Communicate with each other openly, promptly, and in a clear and timely manner.
- Recognise the accountabilities that each has to the other and to those for the benefit of whom services are provided.

### 6.3 Board Membership)

The members of the Karori Sanctuary Trust are:

Trustee	Term Expires
<b>Phillip Meyer</b> (Chairman), appointed by the Council	December 2023
<b>Pete Monk</b> , appointed by the Council	June 2023
<b>David Bibby</b> , appointed by the Council	December 2021
<b>Russell Spratt</b> , co-opted by the Board	December 2021
<b>Jo Breese</b> , appointed by the Council	June 2021
<b>Dr Libby Harrison</b> , appointed by the Council	December 2021

- The Deed of Variation of Trust signed in October 2016 outlines the roles of the Trust and the Guardians. All trustees may receive an honorarium.
- The Trust Board shall meet no less frequently than eight times a year.
- The Chief Executive attends all meetings accompanied by their management team as required.
- Under the terms of the Trust Deed, the Board is required to have an Audit and Risk Committee that includes a person who is not a member of the Trust Board who has the knowledge that will assist the work of the committee. The Committee’s Charter is reviewed annually and requires the committee to meet at least four times a year. Members of the Audit and Risk Committee for the 2021 calendar year are Pete Monk (Chair), Libby Harrison (Trustee), Iain Craig (independent member) and Phillip Meyer (ex-officio).
- The Board may choose to set-up any new committees as deemed necessary in order to maintain an appropriate level of oversight.
- Trustees will contribute knowledge and skills across a range of work areas during the 2021/22 year and may from time to time contribute to working groups established by the Chief Executive, such as the Tanglewood House steering group.

## 6.4 Board Performance

The Chair and the Board as a whole will participate in regular reviews of their performance as follows:

- The Board as a whole by the Board.
- Individual Board members by the Board, through the Chair.
- The Chair by the Board.

The method/standards used to assess the performance will be based on the standards issued by the Institute of Directors in New Zealand, adapted for the Trust. From these reviews, development needs and any other actions required to ensure best practice governance and performance standards will be determined and implemented.

The Board will undertake a review of the Chief Executive's performance in July 2021.

## 6.5 Board Skills Matrix

The Board skills matrix below outlines trustees' key skills that are considered essential in the delivery of our strategic objectives. Consideration is given to any skills gap when there is a vacancy on the Board. The matrix will be reviewed annually.

Key skill	Phillip Meyer (Chairman)	Pete Monk	David Bibby	Russell Spratt	Jo Breese	Dr Libby Harrison
Research and conservation			✓	✓	✓	✓
Financial	✓	✓		✓		
Information technology	✓	✓	✓			
Strategy development	✓	✓	✓	✓	✓	✓
Marketing	✓	✓		✓	✓	
Legal/regulatory	✓				✓	✓
Corporate governance	✓	✓	✓	✓	✓	✓
Ambassadorial	✓			✓	✓	✓
Risk management	✓	✓	✓	✓		✓
Fundraising				✓	✓	✓
Mātauranga Māori/te ao Māori				✓	✓	

## **6.6 Annual General Meeting**

The Trust holds an Annual General Meeting (AGM) each year for members to discuss the annual report and financial statements and hear from the team activities for the coming year.

The AGM for 2021 will be held on Thursday 28 October 2021.

## **7. Organisational Health, Capability and Risk Assessment**

### **7.1 Organisational Health and Capability**

Our aim is to deliver our work by attracting and retaining talented and capable staff and through strategic partnerships. Critical to our success is having experienced and motivated staff. Training and professional development for staff will continue to be a priority for 2021/22.

We will continue to work closely with Victoria University, Council (e.g. shared services initiative) and other partners to build the capability of the organisation.

### **7.2 Executive Team**

Paul Atkins,	Chief Executive
Danielle Shanahan,	Director, Centre for People and Nature
Chris Fitzgerald,	Manager Commercial Development
Anastasia Turnbull,	Manager Learning and Engagement
Matthew Valentine,	Manager Corporate Services

### **7.3 Environmental Practices**

The Trust is committed to and incorporates sustainable practices.

ZEALANDIA has been awarded the Qualmark Gold and the Toitū Envirocare carbonZero accreditation.

An across-organisation group (the Green Team) has been established to monitor ZEALANDIA's sustainability practices and suggest and implement new approaches wherever practicable.

## **8. Health and Safety**

The Trust has robust Health and Safety systems in place and a detailed Emergency Procedure Action Plan that complies with the Health and Safety at Work Act 2015.

### **Key actions taken or underway**

- Incidents and hazards are recorded on-line and this reporting allows mitigations to be applied in a timely manner.
- Incident reports are reviewed regularly and our updated procedures of sign-off that ensures the officers are satisfied with the investigations and outcomes has been implemented and is working well.

- The Chief Executive continues to be a member of the “Business Leaders Health and Safety Forum” and uses this to inform and keep abreast of good practice models.
- We continue to ensure employees and volunteers have an inclusive role in the identification and management of health and safety matters; including using the Health and Safety Committee to give a direct line of communication and ownership around health and safety matter across all areas of the organisation.
- We maintain a training regime that ensures there is a good level of coverage of personnel who can confidently deal with first responder medical and emergency situations throughout the site at all times.
- We continue to maintain an Employee Support Programme through EAP Services which provides free and confidential support to all employees.
- Our Health and Safety dashboard provides our Board an important view of key data trends year-on-year.

### **Initiatives planned**

We will continue to:

- evolve our policies and processes as WorkSafe publishes new guidelines and requirements become clearer.
- foster a collaborative and proactive approach within the organisation and with our partners.
- engage with the PCBUs of other organisations with which the Trust works, partners, or otherwise deals, or is considering dealing with, to require more robust evidence of their suitability and pertinent qualifications before working with them.
- work with agencies such as the Wellington Regional Emergency Management office, the Rural Fire Authority, Search and Rescue New Zealand, and other Wellington City Council Controlled Organisations, to develop relationships and review joint working relationships.
- engage with WorkSafe with a view to reducing our ACC levy payments by undertaking recommended programmes and assessments.
- identify and organise ongoing training to reach or exceed best practice levels in all areas.

### **8.1 Asset Management Plan**

In 2020/21 we will develop an asset management strategy that sets out our long-term approach to asset management, including key principles and how we manage our infrastructure going forward.

An audit of the fence was completed in 2019/20 and the results will enable a section of the Asset Management Plan to be updated in 2020/21.

Tanglewood House will also be added to the Asset Management Plan when the details of the building are confirmed.

We will also continue to improve our asset management systems and explore if there are ways to integrate these with the systems used by Council.

We will keep the Council updated on developing business cases for future capital programmes.

## 8.2 Risk Management

The Trust regularly reviews all known and potential risks. A robust risk management process, using standard risk methodology, is monitored by the Audit and Risk Committee and reported to the Board.

The Trust has robust fit-for-purpose systems and processes and financial delegations.

The Trust has insurance policies for Material Damage, Business Interruption, Motor Vehicle, Combined Liability (Public, Employer, Statutory, Crime, Employers Disputes, Cyber and Trustee) and Marine Hull.

For medium and high risks, control systems and management strategies are established, as appropriate. The objective is to reduce the residual risk to the point where all cost-effective mitigations have been put in place. The Audit and Risk Committee is responsible for reviewing these strategies, as required. The Trust's management is responsible for their implementation. There are four response types, depending on the risk assessment and cost effectiveness considerations. These are:

- **Avoidance:** To eliminate the conditions that allow the risk to be present at all, often by changing or stopping the activity.
- **Acceptance:** To acknowledge the risk's existence, but to take no pre-emptive action to resolve it, except for the possible development of contingency plans should the risk event come to pass.
- **Mitigation:** To minimise the probability of a risk's occurrence or the impact of the risk should it occur.
- **Deflection:** To transfer the risk (in whole or part to another organisation, individual, or entity – such as through insurance).

The process to review and update the framework for the risks register was completed in 2019/20. The new format employs a risk matrix similar to that indicated below, with likelihood and consequence tables providing a greater degree of clarity in line with current best-practice. The revised framework is now included in our quarterly reports to Council.

Probability of Risk	Impact of Risk				
	Minor	Moderate	Significant	Major	Severe
Almost Certain	Low	Medium	High	Very High	Very High
Likely	Low	Medium	High	Very High	Very High
Possible	Low	Medium	Medium	High	Very High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Medium	Medium

The ZEALANDIA risk register is updated annually in May as part of our planning cycle and is available to Council to view on request.

## **9. Additional Information**

### **9.1 Response to other specific letter of expectation matters (if applicable)**

None

### **9.2 Ratio of Shareholders' Funds to Total Assets**

Please refer to the Balance Sheet included in the Accounting policies (Appendix A).

### **9.3 Estimate of Amount Intended for Distribution**

The Karori Sanctuary Trust is a not-for-profit organisation and registered charity and does not make a distribution to the Settler.

### **9.4 Acquisition Procedures**

The Trustees have no intention of subscribing for, purchasing or otherwise acquiring shares in any other company or any organisation.

### **9.5 Activities for which the Board seeks Compensation from a Local Authority**

Total funding from Wellington City Council in 2019/20 was \$1,262,124 (including living wage and support of free admissions). The development of the Trust's three year rolling business plan anticipates as a baseline the continuation of the current level of funding.

### **9.6 Estimate of Commercial Value of Shareholders' Investment**

Not applicable.

## Appendices

### Appendix A: Accounting Policies

#### **i. Statement of compliance and basis of preparation**

##### *Statement of compliance*

The financial statements presented here are for the reporting entity, Karori Sanctuary Trust. The Trust is a charitable trust registered under the Charities Act 2005.

As the primary objective of the Trust is to develop a secure native wildlife sanctuary which benefits the community, rather than making a financial return, the Trust is a public benefit entity for the purpose of financial reporting.

These financial statements were authorised for issue by the Board of Trustees on 27 August 2020.

##### *Basis of preparation*

The financial statements are prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with Public Benefit Entities Standards Reduced Disclosure Regime (PBE Standards RDR) and authoritative notices that are applicable to entities that apply PBE standards.

The Trust applies Tier 2 PBE Standards and disclosure concessions. The Trust is eligible to report in accordance with Tier 2 PBE Standards RDR because it does not have public accountability and it is not large.

Management has applied judgement in determining whether revenue streams have been appropriately classified as exchange or non-exchange in nature.

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

##### *Measurement base*

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

The financial report is measured in New Zealand dollars and all values are rounded to the nearest dollar (\$) unless otherwise stated.

## **ii. Recognition of revenue**

Grants are recognised as revenue when the requirements under the grant agreement have been met. Any grants for which the requirements under the grant agreement have not been completed are carried as liabilities until all the conditions have been fulfilled. Revenue received from membership subscriptions is allocated proportionally over the period to which they relate. The unearned portion of subscriptions is shown under current liabilities. Prepaid visits are also treated as current liabilities.

Sales of goods and admissions comprise the amounts received and receivable for goods and services supplied to customers in the ordinary course of business. This revenue is recognised when the goods or services are provided to the customer.

Exchange revenue is defined as transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services or use of assets) to another entity in exchange. Revenue streams defined as exchange are membership subscriptions, admissions, sales of goods, certain other Statement of accounting policies grants (where there is an exchange obligation) and certain items of other revenue.

Non-exchange transactions arise where an entity receives value from another entity without giving approximately equal value in exchange. Revenue streams defined as non-exchange are the Wellington City Council grant as well as other grants and donations and items of other revenue that are not included under exchange transactions.

Interest income is accounted for as earned. In the financial statements, there is no financial recognition of support given in the form of donated labour and materials.

## **iii. Cost of goods sold**

Cost of goods sold comprises the purchase of stock items and other directly attributable costs relating to the Café, Retail, Functions and Education services.

## **iv. Property, plant and equipment and intangible assets**

Property, plant and equipment and intangible assets are measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item is recognised only when it is probable that future economic benefit or service potential associated with the item will flow to the entity.

Subsequent costs that meet the recognition criteria above are recognised in the carrying value of the item of the fixed asset or intangible asset. Such cost includes the cost of replacing part of the asset if the recognition criteria are met. When significant parts of the asset are required to be replaced at intervals, the entity recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the fixed asset as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in surplus or deficit as incurred.

Measurement subsequent to initial recognition:

Subsequent to initial recognition, Property, plant and equipment and intangible assets are measured using the cost model.

#### **v. Depreciation and amortisation**

Depreciation of Property, plant and equipment and amortisation of intangible assets is calculated on a straight-line basis so as to allocate the cost of the assets over their useful lives as follows:

Building/Infrastructure	5-100 years
Exhibitions	2-20 years
Leasehold improvements	10-25 years
Predator fence	25-50 years
Fixtures, Plant and Equipment	2-25 years
Vehicles	5-14 years
Other Assets	3-25 years
Computer Software	3 years

#### **vi. Cash and Bank**

Cash and bank includes bank balances, funds held at call with financial institutions and other short-term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **vii. Accounts and Sundry Receivables**

Accounts receivable are stated at anticipated realisable value after providing against debt where collection is doubtful.

#### **viii. Stock on Hand**

Stock on hand comprise of retail, food and beverages. They are stated at the lower of cost and net realisable value. Cost is determined on a weighted average cost basis.

#### **ix. Leased Assets**

*As Lessee:*

*Operating leases*

Operating lease payments are recognised as an expense in the periods the amounts are payable.

*Finance leases*

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, finance leases where the Trust is the lessee are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### **x. Impairment**

Property, plant and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount.

The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use. If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

#### **xi. Employee Entitlements**

Employee entitlements to salaries and wages, annual leave and other benefits are recognised when they accrue to employees.

The liability for employee entitlements is carried at the present value of the estimated future cash outflows.

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

The financial statements have been prepared so that all components are stated exclusive of GST with the exception of receivables and payables that include GST invoiced.

#### **xiii. Income Tax**

The Trust being a charitable organisation is income tax exempt under the Income Tax Act 2007.

#### **xiv. Statement of Cash Flows**

The following are the definitions of the terms used in the statement of cash flows:

(a) Operating activities include all transactions and other events that are not investing or financing activities.

(b) Investing activities are those activities relating to acquisition, holding and disposal of property, plant and equipment and of investments.

(c) Financing activities are those activities that result in changes in the size and composition of the capital structure. This includes both equity and debt not falling within the definition of cash.

(d) Cash is considered to be cash on hand and current accounts in banks, net of bank overdrafts.

#### **xv. Changes in accounting policies**

There have been no changes in accounting policies in the year.

Comparative figures have been reclassified where applicable to conform with current year classifications.

**Appendix B: ZEALANDIA Budget for 2021/22**

As in past years, ZEALANDIA will continue to drive revenue and contain costs in 2021/22 and will aim to complete the year with a breakeven position before depreciation and tax.



## ZEALANDIA - KARORI SANCTUARY TRUST

Accurate forecasting in Y2 and Y3 is not possible under the current levels of economic uncertainty, but we will manage the business to at least a break-even position.

Forecast 30-Jun-21	STATEMENT OF COMPREHENSIVE INCOME	Qtr to 30-Sep-21	Qtr to 31-Dec-21	Qtr to 31-Mar-22	Qtr to 30-Jun-22	FYE 30-Jun-22	FYE 30-Jun-23	FYE 30-Jun-24
	<b>Trading Revenue</b>							
584,370	Admissions	78,750	157,500	157,500	131,250	525,000	683,000	697,000
478,770	Membership Subscriptions	83,000	124,500	124,500	83,000	415,000	423,000	431,000
	Other Operating Revenue							
	Sales of Goods							
1,844,121	Other trading revenue	259,500	519,000	519,000	432,500	1,730,000	2,249,000	2,294,000
	<b>Other Operating Revenue</b>							
899,193	Shareholder grants	230,193	230,193	230,193	230,193	920,774	942,872	965,501
194,546	Living wage fund from WCC	49,804	49,804	49,804	49,804	199,215	203,996	208,892
393,216	WCC Funding for Tanglewood House				393,216	393,216		
1,468,867	Sponsorships, grants and donations	242,339	161,559	161,559	242,339	807,795	824,000	840,000
	Other operating income							
	<b>Non-operating Revenue</b>							
	Sub-lease and other non-operating income							
43,103	Interest income							
<b>5,906,186</b>	<b>Total Revenue</b>	<b>943,586</b>	<b>1,242,556</b>	<b>1,242,556</b>	<b>1,562,302</b>	<b>4,991,000</b>	<b>5,325,868</b>	<b>5,436,393</b>
	<b>Operating Expenses (overheads)</b>							
3,771,778	Salaries and wages	877,500	877,500	877,500	877,500	3,510,000	3,688,868	3,766,393
487,037	Cost of goods sold	67,500	135,000	135,000	112,500	450,000	585,000	597,000
777,805	Other operating expenses	120,000	150,000	180,000	150,000	600,000	612,000	624,000
131,210	Trustee expenses	32,750	32,750	32,750	32,750	131,000	134,000	137,000
472,922	Administration costs	75,000	90,000	75,000	60,000	300,000	306,000	312,000
<b>5,640,752</b>	<b>Total Operating Expenditure</b>	<b>1,172,750</b>	<b>1,285,250</b>	<b>1,300,250</b>	<b>1,232,750</b>	<b>4,991,000</b>	<b>5,325,868</b>	<b>5,436,393</b>
<b>265,434</b>	<b>Net Surplus/(Deficit) before Depreciation and Tax</b>	<b>(229,164)</b>	<b>(42,694)</b>	<b>(57,694)</b>	<b>329,552</b>	<b>(0)</b>	<b>0</b>	<b>0</b>
	<b>Other Revenue</b>							
	Exceptional Items							
	<b>Other Expenses</b>							
	Interest expense							
	Loss on Visitor Centre transfer to WCC							
359,250	Depreciation	100,000	100,000	100,000	100,000	400,000	500,000	500,000
<b>(93,816)</b>	<b>Net Surplus/(Deficit)</b>	<b>(329,164)</b>	<b>(142,694)</b>	<b>(157,694)</b>	<b>229,552</b>	<b>(400,000)</b>	<b>(500,000)</b>	<b>(500,000)</b>

## ZEALANDIA - KARORI SANCTUARY TRUST

Accurate forecasting in Y2 and Y3 is not possible under the current levels of economic uncertainty, but we will manage the business to at least a break-even position.

Forecast 30-Jun-21	STATEMENT OF FINANCIAL POSITION	As at 30-Sep-21	As at 31-Dec-21	As at 31-Mar-22	As at 30-Jun-22	As at 30-Jun-22	As at 30-Jun-23	As at 30-Jun-24
	<b>Equity</b>							
6,074,480	Trust Funds	5,980,664	5,651,500	5,508,806	5,351,112	5,980,664	5,580,664	5,080,664
(93,816)	Current year earnings	(329,164)	(142,694)	(157,694)	229,552	(400,000)	(500,000)	(500,000)
5,980,664	<b>Total Shareholder/Trust Funds</b>	5,651,500	5,508,806	5,351,112	5,580,664	5,580,664	5,080,664	4,580,665
	<b>Current Assets</b>							
3,638,475	Cash and cash equivalents	2,824,311	2,171,617	1,553,923	1,208,475	1,208,475	1,133,475	1,093,476
45,000	Accounts receivable	45,000	45,000	45,000	45,000	45,000	45,000	45,000
15,000	Prepayments	15,000	15,000	15,000	15,000	15,000	15,000	15,000
60,000	Inventory	60,000	60,000	60,000	60,000	60,000	60,000	60,000
	Other current assets							
3,758,475	<b>Total Current Assets</b>	2,944,311	2,291,617	1,673,923	1,328,475	1,328,475	1,253,475	1,213,476
	<b>Investments</b>							
	Term deposits							
	Other investments							
	<b>Total Investments</b>							
	<b>Non-current Assets</b>							
3,147,189	Fixed assets	3,597,189	4,047,189	4,497,189	4,947,189	4,947,189	4,497,189	4,047,189
	Intangible assets							
	Other non-current assets							
3,147,189	<b>Total Non-current Assets</b>	3,597,189	4,047,189	4,497,189	4,947,189	4,947,189	4,497,189	4,047,189
6,905,664	<b>Total Assets</b>	6,541,500	6,338,806	6,171,112	6,275,664	6,275,664	5,750,664	5,260,665
	<b>Current Liabilities</b>							
180,000	Accounts payable	120,000	200,000	150,000	150,000	150,000	150,000	150,000
395,000	Income in advance	500,000	280,000	410,000	230,000	230,000	230,000	240,000
150,000	Employee entitlements	150,000	150,000	130,000	135,000	135,000	140,000	140,000
200,000	Provisions and accruals	120,000	200,000	130,000	180,000	180,000	150,000	150,000
	Other current liabilities							
925,000	<b>Total Current Liabilities</b>	890,000	830,000	820,000	695,000	695,000	670,000	680,000
	<b>Non-current Liabilities</b>							
	Shareholder advances							
	Other non-current liabilities							
	<b>Total Non-current Liabilities</b>							
925,000	<b>Total Liabilities</b>	890,000	830,000	820,000	695,000	695,000	670,000	680,000
5,980,664	<b>Net Assets</b>	5,651,500	5,508,806	5,351,112	5,580,664	5,580,664	5,080,664	4,580,665

0

## ZEALANDIA - KARORI SANCTUARY TRUST

Accurate forecasting in Y2 and Y3 is not possible under the current levels of economic uncertainty, but we will manage the business to at least a break-even position.

Forecast 30-Jun-21	STATEMENT OF CASH FLOWS	Qtr to 30-Sep-21	Qtr to 31-Dec-21	Qtr to 31-Mar-22	Qtr to 30-Jun-22	Total YE 30-Jun-22	Total YE 30-Jun-23	Total YE 30-Jun-24
	<b>Cash Flows From Operating Activities</b>							
	<i>Inflows</i>							
2,901,069	Trading Receipts	246,253	860,997	651,003	746,747	2,505,000	3,355,000	3,432,000
899,193	Shareholder grants	460,387		460,387		920,774	942,872	965,501
194,546	Living wage fund	99,608		99,608		199,215	203,996	208,892
393,216	WCC Funding for Centre for Tanglewood House				393,216	393,216		
1,468,867	Sponsorships and donations Other Income	242,339	161,559	161,559	242,339	807,795	824,000	840,000
	<i>Outflows</i>							
3,772,224	Payments to Employees	877,500	877,500	897,500	872,500	3,525,000	3,683,868	3,766,393
1,691,974	Payments to Suppliers	435,250	247,750	542,750	305,250	1,531,000	1,667,000	1,670,000
	Net GST Cashflow							
	Other Operating Costs							
392,693	<b>Net Cash Flows From (Used In) Operating Activities</b>	(264,164)	(102,694)	(67,694)	204,552	(230,000)	(25,000)	10,000
	<b>Cash Flows From (Used In) Investing Activities</b>							
	<i>Inflows</i>							
	Sale of fixed assets							
	Sale of investment assets							
	Exceptional Items							
2,000,000	Other - Term Deposit cash-out							
	<i>Outflows</i>							
595,978	Purchase of fixed assets	550,000	550,000	550,000	550,000	2,200,000	50,000	50,000
	Purchase of investments							
	Other - Term Deposit cash-in							
1,404,022	<b>Total Investing Cash Flow</b>	(550,000)	(550,000)	(550,000)	(550,000)	(2,200,000)	(50,000)	(50,000)
	<b>Cash Flows From (Used In) Financing Activities</b>							
	<i>Inflows</i>							
	Drawdown of loans							
43,103	Investment income							
	Other							
	<i>Outflows</i>							
	Repayment of loans							
	Interest paid							
	Other							
43,103	<b>Total Financing Cash Flow</b>							
1,839,818	<b>Net Increase/(Decrease) in Cash Held</b>	(814,164)	(652,694)	(617,694)	(345,448)	(2,430,000)	(75,000)	(40,000)
1,798,657	<b>Opening Cash Equivalents</b>	3,638,475	2,824,311	2,171,617	1,553,923	3,638,475	1,208,475	1,133,475
	Adjustments (rounding)							
3,638,475	<b>Closing Cash Equivalents</b>	2,824,311	2,171,617	1,553,923	1,208,475	1,208,475	1,133,475	1,093,476



· WELLINGTON ·  
**CABLE CAR**  
NEW ZEALAND



# Wellington Cable Car Limited Statement of Intent FY2021/22

Presented to  
Wellington City Council  
in line with the Local Government Act (2002)

**Contents**

**EXECUTIVE SUMMARY..... 3**

**1. COVID-19 IMPACT, ACTIONS & INTENT ..... 4**

**2. FY 2021-22 PERFORMANCE MEASURES..... 8**

**3. ABOUT THE WELLINGTON CABLE CAR..... 12**

**4. SALES & MARKETING ..... 17**

**5. NATURE AND SCOPE OF ACTIVITIES..... 19**

**6. HEALTH, SAFETY & WELLBEING ..... 22**

**7. APPENDIX ONE – WCCL RISK REGISTER (High Risks) ..... 24**

**8. APPENDIX TWO – FINANCIAL INFORMATION..... 27**

This Statement of Intent (SOI) is presented to the Wellington City Council (Council) in line with the Local Government Act 2002. It reflects the special interest that the Council has in Wellington Cable Car Limited (WCCL) as a Council Controlled Organisation (CCO) and the Cable Car as an iconic city attraction.

This Statement of Intent includes the objectives, governance structure, activities, and performance targets of WCCL. It responds to the Letter of Expectation and aims to ensure ongoing alignment with the Council’s plans, policies, and strategies.

It is also influenced by the:

- operating environment
- age and condition of our infrastructure and assets
- users and community expectations

Performance targets are included for the next three years, with a detailed focus on the period from 1 July 2021 to 30 June 2022.

## EXECUTIVE SUMMARY

For many years, Wellington Cable Car Limited (WCCL) has been a profitable Council Controlled Organisation (CCO), with the autonomy not to require funding assistance from Wellington City Council (WCC) and the ability to fund its ongoing maintenance, CAPEX, and asset renewals.

In FY 2018/19 (considered a baseline year), WCCL hosted 1.17M trips. In FY 2019/20, that number decreased to 862k and expected to drop further FY 2020/21 to 517k. This equates to a 55% drop in visitation from 18/19 to 20/21. The end of year financial result across the same three years shows similar trends. In FY 2018/19 WCCL posted a pre-tax profit of \$930k, and this changed significantly in FY 2019/20 where WCCL posted a pre-tax deficit and current forecasts suggesting that the FY 2020/21 deficit will increase to (\$1.46M).

The Cable Car is destined to remain in survival mode until international borders re-open and high yielding visitors return in greater volumes. Businesses across Aotearoa are facing these challenges, including our CCO whānau. However, given that the Cable Car is fully exposed to fare revenue and owning and managing all its aging assets, it means that WCCL is acutely exposed.

The Cable Car Board and management appreciated the support by Council through the inclusion of the COVID-19 response budget to assist CCO's in its 2020/21 Annual Plan. Given the forecasts losses in 2022, advocates the carrying forward of any remaining budget to assist, should it be required in 2021/22.

At the time of writing, a free-flowing trans-Tasman bubble with Australia is not expected before 2022, with other air routes following depending on vaccination schedules, demand. The current assumption is that even when international travel resumes, Cruise Ships will not return to Wellington at the frequency or volume once seen. This continues to represent a significant risk for the Cable Car as it aims to fill the void.

In response to the current environment, WCCL has reviewed its business model, reorganised itself in a leaner, more innovative & efficient team. These initiatives have significantly reduced operational costs, slowing the erosion of cash reserves.

Whilst we have used these reserves for more than 12 months, it has become clear that without international visitation, the Cable Car will continue to deplete its reserves for the next two years, including funds set aside for asset replacement. The support provided by WCC in FY 2020/21 and inclusion of the Cable Car tunnel strengthening in the Council's 2021-31 LTP is critical to managing WCCL's future capital funding requirements.

## I. COVID-19 IMPACT, ACTIONS & INTENT

From May 2020, as NZ came out of Alert Level 4, and with the gravity of the situation facing the Cable Car, a comprehensive review of its entire operation started with the aim to survive the pandemic, become more agile, reduce costs, and right sized itself in preparation for future operations.

The process that continues has transformed this business and continues to evolve as our operating environment changes. Below, some of the significant actions (both cost-saving and revenue-generating) undertaken are highlighted, and where appropriate, more details are referenced further in the SOI.

### I.I. MITIGATING ACTIONS

**Reviewing Service Levels** – In pre-COVID-19 times, the Cable Car had operated till 10pm Monday to Saturday (Sunday & Public Holidays 9pm). Analysis indicated that the service from 8pm was poorly utilised and seldomly profitable; however, pre COVID-19, it was acceptable to maintain longer hours as a community service and absorb this cost. Hours of operation have been reduced to match visitation demand and shortened to 8pm Monday to Saturday, with a 7pm closing on Sundays & Public Holidays.

**Reducing costs** – Commercial contracts have been reviewed and renegotiated with suppliers to meet current operational needs. Partnerships with other CCOs continue to be explored for mutual benefit, such as working with Experience Wellington to share underutilised commercial office space for mutual benefit.

Significant insurance premium increases have annulled various cost savings initiatives. WCCLs premium increase by \$142k in FY 2020/21 representing a 34% increase in a single year.

Given the fixed cost nature of the business, there are limited opportunities to rationalise costs further without discussing a significant reduction in operating hours, increasing risk exposure, or hibernating the business for periods.

**Structure review** – WCCL was structured and staffed to meet <1.1M passengers per year. In 2020, the organisation went through a review and subsequently re-structure to ensure the appropriate functions were in place to support the survival in a COVID-19 world with the correct number of staff. WCCL went from a headcount of 24 to 19, a 20% reduction in staff numbers (a combination of FT, PT, Fixed term, and Casual roles).

**CAPEX & Maintenance** – All CAPEX and maintenance items were scrutinised, and all non-critical spend has been and continues to be deferred to future years. Items that remain fall into three broad categories.

- Maintaining critical assets for a safe and reliable operation
- H&S Critical
- Revenue Generating initiatives

Approximately \$3M of spending has been deferred thus far, including seismic strengthening of tunnels and key investigative work on various other assets. Further information on WCCL Assets can be found in section five.

**Government Assistance & relief funding** – WCCL applied and received two out of the three COVID-19 subsidies offered by the central government. We remain vigilant for any available funding and apply where appropriate.

**Website and eCommerce** – In September 2020, WCCL partnered with a local development team and launched a new website focused on eCommerce. This has enabled us to drive more online promotions and discounts for local commuters.

**Marketing initiatives** – New marketing initiatives, messaging, and comms have been developed to appeal to and attract local and domestic customers. Product combos, specialty offering and collaborations and with other CCOs are being released to attract new customers. Further information on Marketing is contained in section four.

**Product development & New channels** – As part of the re-structure, a Business Development role was established and focuses on opening new channels and identifying new products. Thus far, a new tour product was developed, tested, and now on offer to school groups visiting the Cable Car and several Experience Wellington venues.

**Pricing** – To date we have not materially adjusted pricing. There is research to suggest that there is limited price elasticity with the local commuter market. With rising operational costs, price increases will need to be considered to ensure that additional burden is not going to be placed on the operation.

## 1.2. CABLE CAR FINANCIAL AND COMMERCIAL LENS

From a period of sustained profits prior to the impact of COVID-19, the Cable Car, since February 2020, has incurred significant reductions in passenger numbers, primarily because of a decline in international visits. Despite cost-saving & efficiency initiatives, this has and will continue to have a significant impact on the Company’s profitability, to a point where forecasts show significant losses for the next two years at least.

	2018/19 Actual	2019/20 Actual	2020/21 Forecast	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast
Passenger numbers	1,170,392	862,487	516,957	602,490	843,486	1,096,532
Total expenditure	\$ (4,690)	\$ (3,964)	\$ (3,179)	\$ (3,219)	\$ (3,273)	\$ (3,537)
Total income	\$ 5,304	\$ 3,049	\$ 1,719	\$ 1,839	\$ 2,587	\$ 3,400
Profit/(Loss) Before DPRN & Tax	\$ 614	\$ (915)	\$ (1,752)	\$ (1,680)	\$ (986)	\$ (437)
Depreciation (DPRN)	\$ 316	\$ (294)	\$ (293)	\$ (300)	\$ (300)	\$ (300)
Profit/(Loss) before tax	\$ 930	\$ (621)	\$ (1,459)	\$ (1,380)	\$ (686)	\$ (137)
Closing Cash Position	\$ 5,007	\$ 4,097	\$ 2,688	\$ 1,603	\$ 1,239	\$ 1,413

**NOTES:**

1 – 2019/20 Includes COVID-19 subsidy revenue

2 –2020/21 revenue forecast is prior to accounting for any COVID-19 response funding support that may be provided as part of WCC’s COVID-19 support budget.

Should international tourism not return in the next 18 months, the Cable Car will continue to post deficits eroding its cash reserves and constrain its ability to fund ongoing maintenance and future asset renewal programmes.

The WCCL board have considered several different scenarios, however it is noted that these would have potentially significant impacts on the community and the vibrancy of the City.

These options include

- 1) Operating the Cable Car during peak commuter service only until demand increases to profitable levels
- 2) Rolling stops during the day to achieve worker break requirements as an alternative to additional staff to cover rest and meal breaks
- 3) Hibernate the service through winter or until international borders re-open and tourists

return

- 4) Reduce the number of assets insured (e.g., not insure the intermittent stations) to reduce increasing premiums

It is appreciated that Council and the Wellington public may consider some or all these untenable. Accordingly, this Statement of Intent is predicated on continuing to operate the Cable Car as outlined in the SOI and continue to seek efficiencies, driving new business and increasing utilisation.

The Board is happy to maintain the course that has been charted and given the changing environment, will closely monitor progress. The Cable Car is appreciative of the support from Council through 2020/21 from the \$5M set aside in the Council budget for CCO's, this has been a good initiative and depending on how the drawdown of this occurs across the year if there are any unallocated funds we would recommend retaining to provide similar support in 21/22 should trading conditions not improve.

### **I.3. FUNDING FOR ASSET RENEWAL & MAINTENANCE**

Given the current financial environment and an aging asset base, WCCL continues to explore options to fund asset renewal, deferred maintenance, and seismic strengthening through various means.

As part of the LTP process, WCCL updated its Asset Management Plan (AMP) and applied for \$4.5M over six years for Seismic Strengthening and Assessments of the Cable Car Tunnels, Bridges and Lambton Terminal. Concurrently through the Regional Land Transport Programme (RLTP), \$2.4M over the next three years, was applied to invest in the same body of work. The total costs for this work are \$6.9m over six years (\$4.5M from WCC via the LTP and \$2.4M from Waka Kotahi RLTP).

The Board supports the initiative to include the provision of funding for the strengthening of Cable Car tunnels in the Council's 2021-2031, as the sustained operating losses forecast from 2020-2023 mean the Cable Car will no longer be building cash reserves for capital replacement and is unlikely to be able to fund these works as initially envisaged.

#### I.4. OUR INTENT FOR FY 2021/22

WCCLs vision for 2021/22 remains to *host uniquely Wellington experiences that locals are proud of and visitors remember & share*. Our focus is to ensure that the Wellington Cable car provides safe, reliable, and efficient service to commuters and visitors alike.

Having made significant losses in FY 2019/20 & 2020/21, all non-essential CAPEX and maintenance work remains deferred due to lack of funding. We acknowledge the councils support in maintain some critical works in the LTP programme and await the decision.

Given our broad and varied asset base, WCCL aims to increase its understanding of our asset base by continuing exploratory work on bridges, terminals, stations, and track where possible. Having a deep understanding of all assets will allow WCCL to make educated decisions on prioritising maintenance work.

WCCL will continue to ensure that financial discipline is maintained to minimise the draw on cash reserves to ensure financial sustainability is returned as soon as possible.

We will continue developing and refining new products, especially those that open new revenue streams and attract new and emergent markets. We will continue to develop collaborations with our CCO whānau for mutual benefit.



Any price increase was deferred for the summer period; however, it will need to be considered soon. Casual Fares' last price adjustment was July 2018, with adjustments to Family and Multi-Trip in February 2020. In 2021 a price adjustment will be required to keep in step with rising operational, insurance and maintenance costs.

Finally, WCCL is committed to looking after its staff, who have continued to perform admirably in the face of extremely challenging and uncertain times. Without them, the operation is nothing, and it is because of them, the Cable Car looks forward to its 120<sup>th</sup> birthday in 2022.

## 2. FY 2021-22 PERFORMANCE MEASURES

WCCL monitors our performance over the following seven categories

1. Health & Safety
2. Environmental
3. Quality
4. Reliability / Timeliness
5. Visitation
6. Revenue
7. Financial independence

We have developed a performance framework and performance measure to track our performance over these critical areas.

### 2.1. HEALTH & SAFETY

Performance Indicator	How will it be measured	Target/Result
Cable Cars, track, tunnels, bridges, buildings, and equipment are maintained to the required standard.	Required inspections and tests will be satisfactorily completed. Recommendations will be actioned.	Rail safety licence maintained.
Wellington Cable Car has a robust Asset Management Plan (AMP).	The Asset Management Plan will be updated in 2021/22 and approved by the Board.	Asset Management Plan will be approved and implemented.
Health and Safety is actively managed and systematically improved.	Risk register reviewed at each H&S meeting, with mitigation and minimisation options discussed and, where possible, implemented.	Improved infrastructure, equipment, tools, processes, and training.

### 2.2. ENVIRONMENTAL

Performance Indicator	How will it be measured	Target/Result
Cable Car Sustainability	Develop an Emissions Reduction plan.	The Emissions Reduction plan is approved and implemented.

### 2.3. QUALITY

Performance Indicator	How will it be measured	Target/Result
Cable Car User Satisfaction	User Satisfaction Survey administered and analysed by independent research specialist.	Maintain Net Promoter Score equal to or better than CXI Benchmark.
	Trip Advisor and Google ranking	Maintain a rating of 4.2 or higher for both platforms
The service level meets established tourism standards.	Annual Qualmark assessment.	Qualmark GOLD standard reached and maintained.

## 2.4. RELIABILITY / TIMELINESS

Performance Indicator	How will it be measured	Target/Result
Cable Car Service Reliability	Percentage Reliability	Greater than 99.0%

## 2.5. VISITATION

Estimated Cable Car Passenger Trips					
	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Total
2021/22 Trips	114,469	172,881	183,809	131,331	602,490

## 2.6. REVENUE

Estimated Cable Car Passenger Revenue					
	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Total
2021/22 Revenue	\$364,269	\$545,306	\$521,061	\$407,968	\$1,838,604

## 2.7. FINANCIAL DISCIPLINE

Performance Indicator	Measure	Target/Result
Board delegations are adhered to	Board and leadership team approvals of financial and contractual commitments and expenditure	All approvals of financial and contractual commitments and expenditure are following the delegations' policy

## 2.8. COUNCILS EXPECTATIONS

Wellington Cable Car will continue to remain aligned with the Council’s plans, policies, and strategies. Below is a list of specific items raised in the letter of expectation and Wellington Cable Car’s response to each of these:

<b>Council’ s Expectations</b>	<b>Wellington Cable Car’ s Response</b>
<b>Te Atakura First to Zero Policy</b>	<p>The Cable Car is fully electric with a carrying capacity of 100 pax on a motor about the same size as a Ute. WCCL prides itself on being one of the most efficient modes of transport in Wellington.</p> <p>In 2020, we commissioned and received a report that included several recommendations for improving electricity use and CO<sub>2</sub> emissions. Several recommendations have already been implemented, and we are continuously looking for opportunities to improve our performance.</p>
<b>Support Council’s Te Taihū Te Reo Māori Policy</b>	Wellington Cable Car publishes an information brochure in Te Reo Māori and has a Māori language option on the Cable Car website.
<b>Support Te Māpahi Maurea Naming Policy</b>	As Wellington Cable Car facilities are progressively upgraded, we will seek ways to incorporate Te Reo into wayfinding and other signage where appropriate.
<b>Accessible Wellington</b>	In 2018, Wellington Cable Car achieved the first Platinum Accessibility Rating of any organisation in Wellington. We remain focussed on maintaining and, where possible, working with interested groups to improve the experience and accessibility for all visitors.
<b>An innovative, inclusive quirky city</b>	<p>Wellington Cable Car supports local artists wherever possible and will continue to look for ways to use local artwork to enhance the Cable Car visitor experience.</p> <p>We will continue to work with artists to provide them with a platform to show their arts and support other initiatives such as, <i>“What if the city was a Theatre?”</i></p>
<b>An accessible capital city</b>	<p>Wellington Cable Car supports the Council’s commitment to the Living Wage. All Wellington Cable Car employees are paid at or above the Living Wage.</p> <p>We will continue to find opportunities to improve signage and wayfinding at both the Lambton Quay and Kelburn terminal areas</p>

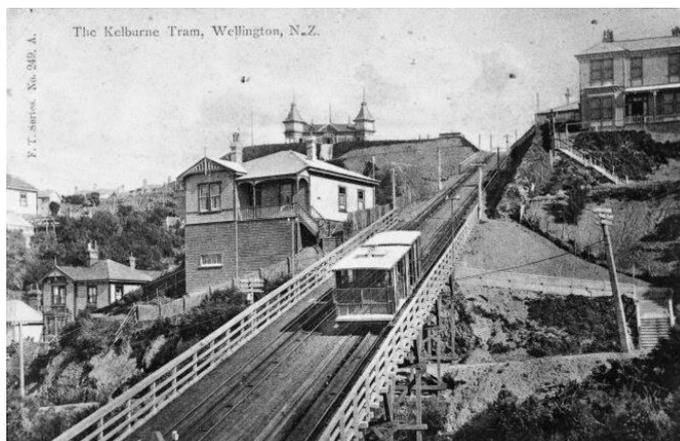
<b>Council' s Expectations</b>	<b>Wellington Cable Car' s Response</b>
<b>Kelburn precinct</b>	<p>In 2020 the Cable Car reinitiated a korero which involves all stakeholders around the Kelburn precinct, whether they be CCOs or local businesses.</p> <p>This collaborative approach was focused on driving visitation and improving the visitor experience to the precinct. In 2021/22, the Cable Car will continue to lead in that space and facilitate further discussion for mutual benefit.</p>
<b>Health and Safety at Work Act 2015.</b>	<p>Wellington Cable Car is acutely aware of its obligations under the Health and Safety at Work Act 2015. We are always looking for opportunities to improve worker safety and have recently finalised a new Safety Management System. We have regular health and safety meetings to discuss opportunities to assess, eliminate and reduce risks.</p>
<b>Provide an update on significant upgrade and renewal projects over the next three years</b>	<p>Details on the age and condition of assets are included in section 5. Next year we plan to complete track maintenance work, detailed bridge inspections and planning for seismic improvements of the tunnels.</p>
<b>Provide an update on the proposed Car replacement</b>	<p>2021/22 will see the replacement and refurbishment of the 4<sup>th</sup> and 5<sup>th</sup> bogies, respectively. After the final refurbishment, and in consultation with manufactures and technical experts, we will be able to make an informed decision about the condition and the remaining life. At this stage, it is not believed that replacement will occur in this LTP cycle.</p>
<b>Provide an update on Asset Management Planning.</b>	<p>We now have comprehensive and detailed seismic performance information on our tunnels, tracks, and sleepers.</p> <p>Further investigation needs to be conducted on bridges, terminals, and stations, which will be used to update our Asset Management Plan in 2021/22.</p>

### 3. ABOUT THE WELLINGTON CABLE CAR

#### 3.1. WCCL HISTORY

The Wellington Cable Car is one of the City's best-known tourist attractions. It is a funicular railway with a track length of 609 meters which climbs 120 metres from the Lambton Terminal at the end of Cable Car Lane through to the Kelburn Terminal on Upland Road. The route includes three tunnels and three bridges. The Wellington Cable Car opened in February 1902, and the Cable Car Route is now a Heritage Area.

<sup>1</sup>There have been several equipment upgrades and improvements over time. The most significant of these was the almost complete replacement in 1978/79. This included replacing the original wooden Cars with steel-framed Cars, replacing the drive system, replacing the original double tracks with a single track and a passing loop. The original wooden viaducts were also replaced in the 1930s with the current hot riveted steel rail beams supported by concrete pillars. More recently, the Kelburn terminal was replaced in 2013, and the drive and control systems were replaced in 2016.



<sup>2</sup>The Cable Car was developed initially to provide convenient public transport between the village suburb of Kelburn and the city centre. The Cable Car continues to provide a public transport function; however, it has been adopted as an iconic symbol of Wellington, and in pre-COVID-19 times, was the second most visited tourist attraction in the City, welcoming 1.1 million passengers per year.

The Cable Car is well maintained, but as a high use public transport asset, it now requires more comprehensive maintenance and inspections and forward-looking planning and asset management to ensure that it can continue to provide reliable and safe travel in the future.

In recent times, the Cable Car has been solely by passenger revenue and does not receive any other central or local government funding to subsidise it.

<sup>1</sup> <https://tiaki.natlib.govt.nz/#details=ecatalogue.208556>

<sup>2</sup> <https://tiaki.natlib.govt.nz/#details=ecatalogue.459563>

### 3.2. SHARED PURPOSE

In 2020, with a relatively new board of directors, the appointment of a new Chief Executive and having to re-evaluate its business model due to the COVID-19 pandemic, the Cable Car developed its Shared Purpose and Values to help guide it through its next phase of operation.



#### Our Shared Purpose ..

Host uniquely Wellington experiences that locals are proud of and visitors remember & share

### 3.3. VALUES

#### Our Values ..



##### Kaitiakitanga

Custodians of a Wellington taonga & our environment

##### Safe Workplace

Safe Site & Safe Conversations

##### Guest Centred

The guest experience makes our business

##### Pride

We strive to take pride in everything we do

##### Team

The Team works together to deliver consistently great Wellington experiences

##### Adaptability

We embrace new ideas to sustain & improve our business

### 3.4. APPROACHES TO GOVERNANCE

WCCL is a Council Controlled Organisation (CCO) incorporated in 1991 to manage the Wellington Cable Car and the Overhead Trolley Bus network. The Company's constitution requires that the Board has a minimum of two Directors. The Directors are currently members of the WCC executive appointed by Wellington City Council delegated to its Chief Executive.

The Board meets regularly, and formal Board meetings are held quarterly, with additional meetings scheduled as required. The Board are responsible for guiding the strategic direction and approving the Statement of Intent. The Board monitors the organisations performance and the performance of the Chief Executive. They also monitor the policies and practices of Wellington Cable Car to ensure that they are aligned with the Council and other stakeholders' expectations.

### 3.5. MANAGEMENT & STRUCTURE

During 2020/21, WCCL undertook a full review of its size and structure to ensure that the organisation fit for efficient operations in a post COVID world.

Reporting to the Chief Executive, the Asset & Engineering Manager, Operations Team Leader, Company Accountant and Sales & Marketing Executive form a small but agile group with complementary skills sets to continue to ensure the Cable Car operates safely, efficiently, and effectively.

The Ops TL looks after a team of skilled and engaged Drivers who ensure the safe and timely operation of the Cable Car.

### 3.6. PEOPLE

We recognise that our people are at the core of our business. We are committed to creating a positive environment that allows our people to thrive personally and professionally, enabling them to bring their whole selves to the workplace.

Key initiatives which have started in 2020/21 and will continue into 2021/22 include:

- Ensuring staff wellbeing is monitored given the current and ongoing challenges
- Using our Shared Purpose to guide business decision making
- Embedding our values into Day-to-Day operations:
- Continued focus on Personal & Professional development
- Focus on career development and progression
- Collaborative approach to problem-solving, including the development of SOPs to support training

#### 3.6.1 HARASSMENT

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

### 3.7. ENVIRONMENT

The Cable Car is electric and is a very energy efficient mode of transport because it is a funicular the Cars are virtually weightless. The motor to drive the Cable Car is less than 200kW (smaller than a Ford Ranger) with a carrying capacity of 200 pax (100 in each car).

The Cable Car also has regenerative braking, so the energy to slow and stop the Cars under normal operation is fed back into the local electricity network. Because of this, we are described as a distributed generator.

In 2020 WCCL commissioned an Energy Emissions Profile and a type 1 Energy Audit. We have implemented several recommendations and continuously looking for opportunities to improve our performance.



We continue to provide our emissions data to WCC as part of its emission inventory process.

WCCL remains focused on reducing energy consumption and minimising our footprint wherever possible. Our goal is to work with Councils Climate Change Response Team to develop an emissions reduction plan.

### **3.8. OPERATIONAL HOURS**

In response to COVID-19 and with the aim of looking at how to operate more efficiently and effectively, hours of service were reviewed.

Historically the Cable Car had operated till 10pm Monday to Saturday (Sunday & Public Holidays 9pm). Analysis indicated that the service from 8pm was seldomly profitable.

WCCL moved to a Summer / Winter timetable, with the changes aligned to daylight savings.

Hours of operation were reduced to match visitation demand and shortened to 8pm Monday to Saturday, with a 7pm closing on Sundays & Public Holidays.

We continue to reflect on usage needs and adjust timings to suit seasonality and forecast demand.



### **3.9. OPERATIONAL EFFICIENCIES**

WCCL strives for continuous improvement in its operational management. Systems and Processes are continuously reviewed with a focus on ensuring we operate in the most effective manner. Where possible, we are using applications to automate repetitive tasks to minimize processing time and removing human errors.

### **3.10. DATA SECURITY & IT**

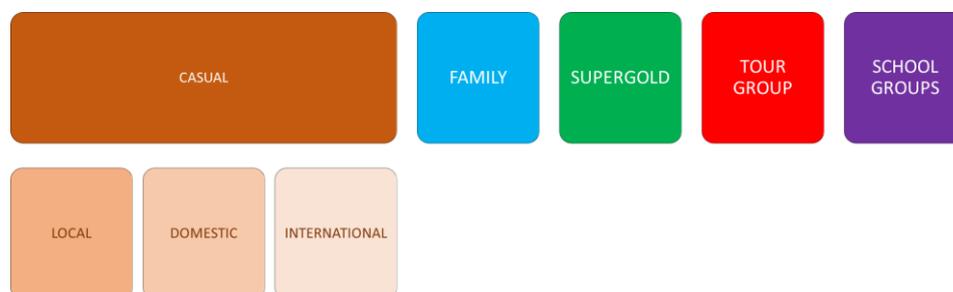
During 2020/21, WCCL migrated all its data systems and storage to a cloud-based system, enabling the organisation to work remotely much more quickly and efficiently should the need arise. This migration also ensures that our security systems were reviewed and 2FA introduced to ensure we meet the industry standard for data security.



## 4. SALES & MARKETING

### 4.1. MARKETING STRATEGY

WCCL has taken time to review and reflect on its operational model, customers, products, and services. Through this, 6 main Market origin categories were identified.



In 2020/21, WCCL developed a new Strategic Marketing plan and established key focus areas.

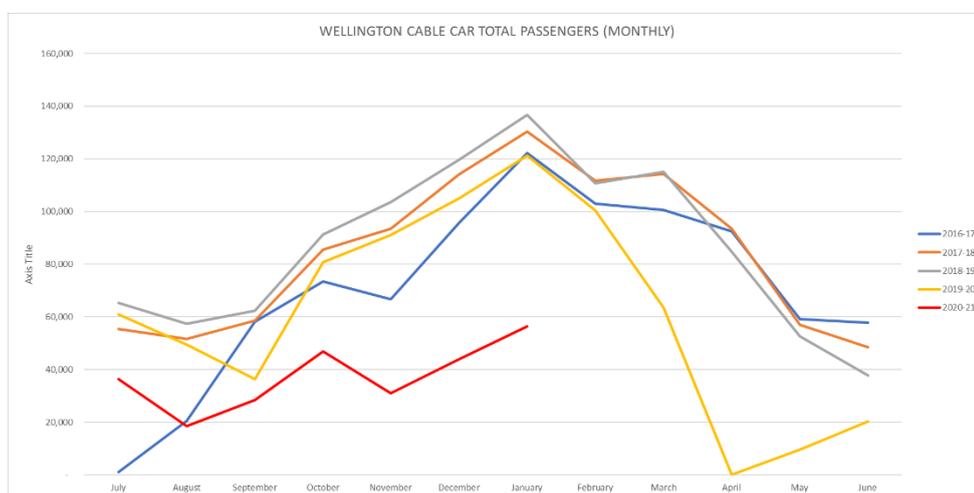
These included

- Campaigns targeting
  - Friends and Family visit Wellingtonias
  - Domestic tourist aligned with city and partner events
- Develop greater penetration in the School / Education market
- Partnership with CCOs to appeal to new audiences with a specific family focus
- Maintain connection with wholesalers / ITOs to capitalise when border re-open
- Continue to be a leader in the revitalisation of the Kelburn precinct at the top of the Cable Car

### 4.2. MARKET CONDITIONS

For several years, the Cable Car enjoyed substantial year on year growth thanks to growth in international tourism and cruise ship berth during the summer months.

As a result of the COVID-19 pandemic, visitation has been hit incredibly hard, with an <55% loss in passengers when compared to FY 2018/19.



The loss of high yielding international visitation coupled with flexible working patterns where fewer people are coming into the CBD daily and the increase in operational costs are increasing proves to be a challenging time for the Cable Car. Like many other businesses in Wellington, the Cable Car has refocused its offering to a predominantly domestic market, choosing to target a family-friendly offering and collaboration with other CCOs and businesses around Kelburn such as Space Pace, Cable Car Museum, Zealandia, and the Botanic Gardens.

The Cable Car is more reliant than ever on events in Wellington to attract customers, especially domestic tourists. WOW, Music Concerts, Festivals, and sporting fixtures will help bring Kiwis into the CDB and ride the Cable Car.

With new strains emerging, uncertainty around travel bubbles (a likely hood the pacific will open before Australia causing a negative impact on domestic tourism in NZ) and uncertainty around vaccination programs, the Cable Car is planning on another year with only domestic visitation. In the longer term, there is consideration being given to the possibility that we may never see the volume of cruise ships arriving in Wellington, which highlights the importance of efficient operation and appropriate market appeal.

### **4.3. PRICING**

Our aim with pricing is to maximise profit and passenger numbers. It is always a balance to set prices that represent value for all customers; typically, tourists have different expectations than local commuters. The last price adjustment for Casual Fares was July 2018, and Family and Multi-Trip passes had a price adjustment in February 2020. In 2021 a price adjustment will need to be made to keep in step with rising operational and employment costs.

#### **6.3.1 SuperGold**

When the SuperGold scheme was introduced, WCCL received 75% of the adult passenger fare which quickly reduced to 65%. Since 2016 the funding has been capped and in 2021 remains at \$91k. The current reimbursement rate (2020/21) is \$2.26 (ex GST) per trip, and at the time of writing, it is expected funding to be reached in March 2021.

We will seek to secure increased funding for the SuperGold Scheme to reflect the increased demand and improve the financial position of the Company.

### **4.4. CUSTOMER EXPERIENCE**

We are continuously investigating options to enhance the visitor experience. Options actively being considered include.

- Improved signage on Lambton Quay to guide people down Cable Car lane
- Curating the Customer Journey from Lambton Quay, though Cable Car lane, Lambton Terminal to Kelburn
- Wayfinding and directional signage at both Terminals, including deployment of further digital screens
- Upgrade of the Lambton Terminal
- Replacement and upgrade of the display lights in the upper two tunnels.

Over time, other work will also be required to upgrade, replace and improve retaining walls near the track, fencing and security.

### **4.5. EVENTS**

Events continue to be a great way to attract customers to the cable car and make the precinct more vibrant. We have developed a full calendar for the coming year, which includes participating in WCC initiatives such as “What if the City was a theatre?”. We have hosted our own such as Fairy Trina kids’ events, Halloween and continue to work with other community groups such as China Cultural center Wellington for mid-autumn, Speed Dating and utilising the event as a venue.

## 5. NATURE AND SCOPE OF ACTIVITIES

As Kaitiaki of this Taonga, all our activities support our shared purpose to operate, maintain, promote, and improve the iconic Wellington Cable Car for future generations.

### 5.1. LEGISLATIVE REQUIREMENTS

Legal requirements continue to evolve and become more robust. Examples of this are the Health and Safety in Employment Act, 2005, the Local Government Act, Building Act, Railways Act, Passenger Ropeways Regulations, and others. We will continue to improve our infrastructure, systems, and processes to meet these evolving legislative requirements.

### 5.2. ASSETS

The Cable Car owns and maintains a range of infrastructure assets, with a broad range of complexity, age, and condition. Most of the simple maintenance is completed in house with overflow work being outsourced out. More complex and require specialist skills to inspect, test, access and maintain. We partner with a range of technical specialists where specialised skills and/or tools/instruments are required.

Our oldest assets are our three tunnels. Construction of these began in 1898 and over the last few years, investigations into the seismic performance of the tunnels have been undertaken to give us an excellent understanding of the condition and the risks.

The three steel bridges were constructed in the 1930s, to replace the original wooden bridges. We have a good understanding of the maintenance requirements of Salamanca Bridge, with some more investigation to be complete at Rawhiti and Talavera. Further seismic assessments need to be carried out at all three bridges.

The existing track was installed in 1979. Pre-used rail was used, with a mix of new treated pine and hardwood sleepers. The rail is generally in good condition and is expected to be serviceable for another 40-50 years.

The steel-framed Cars date back to 1979. They are in very good condition but are showing signs of their age. The motor, drive and control system were replaced in 2016 and remains compliant with current European Standards. This equipment and these systems are regularly maintained following the manufacturer's recommendations.

The complexity and range of assets means that it is extremely expensive to maintain. The Cable Car has applied for Waka Kotahi and LTP funding to assist with the investigative costs to better understand works required to ensure the Cable Car runs safely and reliability for future generations.

#### 9.2.1 TUNNELS

We have been working with WSP to assess the Seismic performance of the Cable Car tunnels. The tunnels were constructed back in 1902 and are an essential heritage feature of the Cable Car.

While there are no immediate safety concerns, several options to improve seismic resilience have been identified. Resource Consent was issued for remediation work on the Upper Portal of the middle tunnel, which allows the following steps to be undertaken when finances allow.



These improvements will be undertaken over time to improve the seismic resilience of the tunnels steadily.

### **9.2.2 BRIDGES**

In 2019/20, we responded to a recommendation to treat areas of rust on the longest bridge at Salamanca station. This work evolved into a complete repaint. The work also prompted investigation into the condition of the roller bearings and the fixing of these to the concrete piers. Approximately one-third of the fixings were replaced, and the roller bearings were refilled with oil.

We will washdown and inspect the other two bridges (at Rawhiti and Everton Terrace) in 2020. This will allow us to assess the condition and plan any painting and repair work that may be needed in future years.

We also plan to begin work to update the seismic assessment of the bridges in 2020/21.

### **9.2.3 TRACK**



The track was installed in 1979, using second-hand rail supported by a mix of treated pine and hardwood sleepers. The sleepers are now over 40 years old, and the ones in exposed areas are due for replacement. This work will be prioritised and scheduled to be completed during our usual annual shutdown.

During the 2020 shutdown, ten sleepers were replaced with new composite sleepers.

Given the uniqueness of the rail, we have had to look internationally to be able to source replacement sections. Work on the track will be ongoing and will be scheduled to take place during our annual shutdowns.

#### **9.2.4 CARS/BOGIES**

Following advice from the original equipment manufacturer, we completed a comprehensive maintenance and inspection on the Cars in 2019. This work was done in partnership with Doppelmayer/Garaventa Group and local engineers from ACME Engineering. Similar work will also be completed in 2020 on the two lower bogies.

We have four bogies in use (two in each car) and one spare. The bogies (chassis under the Cars) are progressively being reconditioned by specialist engineers at ACME engineering, based on technical advice from Garaventa in Switzerland. When this work is completed, we will have a better



understanding of the condition and remaining service life of all the bogies. During this process, all safety systems are tested to the appropriate standards to ensure that they continue to meet their original performance requirements.

This will allow us to make an evidence-based decision about the condition and the expected remaining operating life of the Cars and therefore plan for replacement of the rolling stock.

#### **9.2.5 TERMINALS & STATIONS**

We have recently completed a high-level seismic assessment of our Lambton Terminal and will continue to plan for more detailed assessments and improvements (where necessary) to all our infrastructure.

The intermediate stations are serviceable, but the stations at Talavera and Salamanca may require improvements to meet current safety standards.

## **6. HEALTH, SAFETY & WELLBEING**

WCCL is committed to developing and maintaining an enduring and resilient approach to Health, Safety and Wellbeing that embeds a culture of zero harm within the Company, adhere to legislative requirements and ensures that staff, contractors, and the public are not exposed to unnecessary risk or harm in their dealings with WCCL.

This is reflected in the following policy statement.

*We are committed to creating a work environment that supports and grows our people and enables them to go home healthy and safe every day.*

We must build a workplace environment that encourages and supports our people to take responsibility for their Health, Safety and Wellbeing as well as supporting others that they are working and engaging with (including passengers and contractors).

The following approaches and organisational procedures are in place or are being developed to ensure that WCCL meets its obligations to the Council and the Wellington public as required by the Health and Safety at Work Act 2015, the Railways Act 2005, Local Government Act 2002, and other pertinent legislation:

### **6.1. RISK MANAGEMENT**

The Company's Risk Management Policy is to actively manage risk by assessing risks on at least an annual basis, using the methodologies and practices laid down in AS/NZS ISO 31000:2009 (Risk Management). These risks are identified and actively managed under the following categories:

In each category, the effect of a risk on the business has been considered, and the level of risk assessed, considering any controls that have been put in place. Risk mitigation actions and controls are determined such that the level of risk is As Low as Reasonably Practicable (ALARP) using the principles of eliminate, substitute, isolate or engineering controls.

WCCL has no risks that have an Extreme assessment.

WCCL regularly reviews and updates its WCCL Risk Register, and the latest version containing all the high risks is included in Appendix One.

At a governance level, Health & Safety reporting is a standing item at all Board meetings, ensuring that Directors remain across of current statistics and any developments arising.

As a result, WCCL has in place appropriate Health and Safety policies, practices, and procedures to meet its responsibilities covering hazard identification and management, emergency planning, accident reporting, investigation management, contractor management and safe work procedures (incorporating appropriate Safe Systems of Work).

## **6.2. INSURANCE PROGRAMME**

The placement was made with Lloyds through an introduction by WCC on the best terms that could be achieved, but not for complete replacement. WCCL has continued this approach in the subsequent years based on advice from its insurance broker AON and does not expect this to change in the period relating to this statement of intent.

The amount of cover necessary has been calculated on the basis of Probable Maximum Loss, as advised by the structure and earthquake engineering consultant.

In FY 2019/20, WCCL insurance cost were \$415k compare to \$557k in FY 2020/21. A \$142k or 34% increase in a single year negates most of the operational savings made through various initiatives.

At the time of writing, WCCL has not completed its insurance renewal regarding the 2021/22 year; however, we are preparing for another significant premium increase.

## 7. APPENDIX ONE – WCCL RISK REGISTER (High Risks)

### 7.1. RISK MATRIX

# WELLINGTON CABLE CAR RISK MATRIX



Impact				Frequency / Likelihood	
People		Business	Environment		
1	<b>Insignificant</b> Minor bumps, bruises or abrasions possible.	<b>Insignificant</b> Minor impact on business operations \$100 > COST < \$1,000	<b>Insignificant</b> Negligible environmental impact	1	<b>Rare</b> Not observed in 10 years and very unlikely
2	<b>Minor</b> First Aid or minor medical treatment is required.	<b>Minor</b> Minor impact, minimal reputational damage \$1,000 > COST < \$10,000	<b>Minor</b> Minor environmental impact able to be resolved without external assistance	2	<b>Unlikely</b> Occurred maybe once in last 10 years but still unlikely
3	<b>Significant</b> Incident requiring treatment by a qualified practitioner	<b>Significant</b> Significant reputational damage, possibility of closing Operation for short period of time \$10,000 > COST < \$100,000	<b>Significant</b> Significant environmental impact requiring outside assistance to resolve	3	<b>Possible</b> Occurred once in the last 5 years and occurrence is always possible
4	<b>Serious</b> Life or limb threatening injuries	<b>Serious</b> Serious reputational damage, possibility of closing Operation for extended period of time \$100,000 > COST < \$250,000	<b>Serious</b> Serious environmental impact requiring outside assistance to resolve, long term effects on environment.	4	<b>Strong Possibility</b> Occurred once in the last year and occurrence is probable
5	<b>Severe</b> Fatalities are possible.	<b>Severe</b> Severe reputational damage, possibility of closing Operation for indefinitely \$250,000 > COST	<b>Severe</b> Widespread contamination/damage, serious long term threat to environment. Requires significant outside agency assistance to resolve.	5	<b>Almost Certain</b> Monthly occurrence is probable

### 7.2. HEAT MAP

## WELLINGTON CABLE CAR RISK MATRIX - HEAT MAP



<b>Impact</b>	Severe	5	5	7.5	10	12.5	15	17.5	20	22.5	25
	Serious	4.5	4.5	6.75	9	11.25	13.5	15.75	18	20.25	22.5
		4	4	6	8	10	12	14	16	18	20
	Significant	3.5	3.5	5.25	7	8.75	10.5	12.25	14	15.75	17.5
		3	3	4.5	6	7.5	9	10.5	12	13.5	15
	Minor	2.5	2.5	3.75	5	6.25	7.5	8.75	10	11.25	12.5
		2	2	3	4	5	6	7	8	9	10
	Insignificant	1.5	1.5	2.25	3	3.75	4.5	5.25	6	6.75	7.5
		1	1	1.5	2	2.5	3	3.5	4	4.5	5
			1	1.5	2	2.5	3	3.5	4	4.5	5
		Rare		Unlikely		Possible		Strong Possibility		Almost Certain	
<b>Frequency / Likelihood</b>											

## 7.3. HIGH RISKS

### Business & Strategic Risks

Risk/Hazard Identified	Pre-controls			Mitigation/Controls	Post Controls		
	Impact	Frequency / Likelihood	Rating		Impact	Frequency / Likelihood	Rating
Cruise Ships dont return to Wellington	5	3	15	Ensure alternate market segments are identified and part of Strategic Marketing plan Differential pricing for Internation Casual passangers Work with Wholesale / Trade to ensure we have reach into international channels Maintain relationship with WCC	4	3	12
Closed International Borders	5	3	15	Maintain close relationships with Local Stakeholders i.e.: Students (Halls of Residence, VUWSA), Kelburn residents Ensure domestic tourism is part of Marketing efforts to mitigate risks of lack of international tourism. Maintain relationship with WCC	4	3	12
Operational risk	3	5	15	Clearly defined SOPs for known events and how to address them Regular staff training and competency checks Constant reviews to ensure learning are captured and new events incorporated into training	2	4	8

### Maintenance Risks

Risk/Hazard Identified	Pre-controls			Mitigation/Controls	Post Controls		
	Impact	Frequency / Likelihood	Rating		Impact	Frequency / Likelihood	Rating
Damage to the cable car by the general public after business hours	3.5	3.5	12.25	Security cameras at Kelburn and Lambton, and inside the Cars. Intruder alarm at Lambton and Kelburn Terminal which is monitored and patrols are sent if the alarm is triggered. Sprinkler system at the Kelburn Terminal to discourage trespassers. Some sections of the track are fenced to minimise access, together with signage to discourage trespassers. Smoke detectors at Lambton Terminal and in the winding room. Sprinkler system at the Lambton Terminal.	2.5	2.5	6.25
Untidy workplace and wet floor areas (leading to a risk of slip, trip or fall)	3	4	12	Tidy workspace - cables managed, floor clear of objects and oil & water spills cleaned up	3	2	6
Moving Rope	4	3	12	Workers given H&S induction training via ZHA Workers do not cross track when Haul Rope is moving Drivers notified before work commences on track (Start time & Location) & high vist placed at Lambton Quay terminal Track workers must carry radio and maintain comms with Drivers Drivers instructed not to start until clearance is given by track worker	3	2	6
Pitt work *Slips trips and falls *Fractures *Head injury	4	3	12	Restricted access (trained staff only) Chicken mesh used on deck surrounding pit to provide non-slip surface Floor is sloped and free draining Oil spills are cleaned up immediately Appropriate PPE is available and used	3	2	6
Extreme Weather Events (water/wind)	3	4	12	Gutters and drains kept clear. Wind speed monitored. Drivers monitor weather and report any damage or extreme weather.	3	2	6
Fire (anywhere on Cable Car premissis)	4	3	12	Fire hoses at all intermediate stations. Fire extinguishers in both Cable Cars, control room, winding room and ticket box. Lambton and Kelburn Terminals has fire alarm call points and siren connected to fire service and monitoring NZ. Employees are trained in evacuation procedures. Drivers are trained to use firefighting equipment. All fire fighting equipment is inspected regularly and well maintained. Fire alarm and sprinkler system are checked regularly as part of Building Warrant of Fitness process. Fire sprinkler system in Lambton Terminal. Smoke detectors connected to fire alarm system in the Kelburn Terminal and winding room. Exit signs and emergency lighting provided in Lambton and Kelburn Terminals. Passenger entry and exist gates all open on activation of fire alarm (this is tested regularly as part of BWOF tests). Secondary fire egress in the Lambton Terminal, for use if main egress is unsafe.	3	2	6
Hazardous Substance Use and Storage *Liquid *Gas	4	3	12	Hazardous Substance Register (and listed on Zero Harm) Follow MSDS recommendations Correct Storage (separation and safety storage cabinets in winding room and garage) Spill kits available Eye wash stations in winding room and dungeon and running water available at intermediate stations and Terminals Appropriate PPE is available and used	2	2	4

**Drivers & Ticket Booth**

Risk/Hazard Identified	Pre-controls			Mitigation/Controls	Post Controls		
	Impact	Frequency / Likelihood	Rating		Impact	Frequency / Likelihood	Rating
Emergency Situations - Extreme Weather Events (water/wind) - Fire (Station) - Fire (Car)	5	3	15	Fire warden to clear zones Evacuation training to all staff Fire Extinguisher training Wind speed monitor programmed to decrease car speed to creep and stop at the next station if activated above 117kph winds	5	1	5
Earthquake	5	3	15	Earthquake sensor in control room Earthquake SOP Staff Training	4	1	4
Slipping & Tripping Stairs Uneven surfaces Wet floors	3.5	4	14	Sturdy footwear No rushing / running Mopping up wet floors "Slippery When Wet" signs available at both Terminals Non-slip coatings on station platforms	3	2	6
Medical Event	4	3	12	All staff trained in first aid. First aid kits in Cars, Driver's room, Control room and Winding room. Portable kit in the Control Room for when working on the Track. These are checked monthly. Defibrillator in each car and ticket kiosk. Contact numbers of emergency services and local medical assistance posted on the safety notice board in Drivers' Room and Ticket Booth. A radio system operates between the two cars, Ticket Booth, Control Room, and Winding Room.	3	3	9
Confrontational Situations Public confrontation - physical & verbal threats or abuse.	3	4	12	De escalation training United company stance that we do not tolerate abuse in the workplace Support to front line staff by ability to call on supervisors/managers for back up in confrontational situations	3	2	6
Cable Car breakdown mid track	3	4	12	All employees attend evacuation practices conducted annually Torches and ladder carried on each car to assist with evacuations Preventative maintenance of Cable Car to lessen likelihood of breakdowns.	3	2	6
General Public: On station platforms	4	3	12	Signs and markings on platforms to indicate risk to passengers Fences in locations away from stations where there is high risk (e.g. Clifton car park) Emergency stop buttons at all stations and in the ticket booth. Drivers trained to be observant, look out for potential issues. Cable Car reduces speed as it approaches stations	4	1	4

## 8. APPENDIX TWO – FINANCIAL INFORMATION

### Wellington Cable Car Limited - Business Plan

Statement of Comprehensive Income for the years ending 30 June 2022, 2023 and 2024

	2022 - Qtr 1 \$000	2022 - Qtr 2 \$000	2022 - Qtr 3 \$000	2022 - Qtr 4 \$000	2022 - Total \$000	2023 \$000	2024 \$000
Cable Car Income	364	545	521	408	1,839	2,587	3,400
Cable Car Operations	88	93	89	84	353	371	391
Cable Car Maintenance	118	109	45	23	296	172	249
Cable Car Wages	298	300	304	298	1,201	1,283	1,371
Depreciation	75	75	75	75	300	300	300
Cable Car Expenses Subtotal	579	578	513	480	2,150	2,126	2,311
<b>Cable Car Operating Surplus / (Loss)</b>	<b>(215)</b>	<b>(32)</b>	<b>8</b>	<b>(72)</b>	<b>(312)</b>	<b>460</b>	<b>1,089</b>
<b>EXTERNAL ACTIVITIES</b>							
Sundry External Income	0	0	0	0	0	0	0
<b>External Activities Operating Surplus / (Loss)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Administration Expenses	265	266	270	267	1,069	1,147	1,226
<b>External Activities Division Surplus/ (Loss)</b>	<b>(480)</b>	<b>(298)</b>	<b>(263)</b>	<b>(339)</b>	<b>(1,380)</b>	<b>(686)</b>	<b>(137)</b>
<b>WELLINGTON CABLE CAR - TOTAL SURPLUS/ (LOSS) BEFORE TAX</b>	<b>(480)</b>	<b>(298)</b>	<b>(263)</b>	<b>(339)</b>	<b>(1,380)</b>	<b>(686)</b>	<b>(137)</b>
Income Tax Expense/Benefit					0	0	0
<b>WELLINGTON CABLE CAR - TOTAL SURPLUS/ (LOSS) AFTER TAX</b>	<b>(480)</b>	<b>(298)</b>	<b>(263)</b>	<b>(339)</b>	<b>(1,380)</b>	<b>(686)</b>	<b>(137)</b>
<b>The Total Surplus / (Loss) After Tax Consists of:</b>							
Total Income	364	545	521	408	1,839	2,587	3,400
Total Expenditure	845	843	784	747	3,219	3,273	3,537
	<b>(480)</b>	<b>(298)</b>	<b>(263)</b>	<b>(339)</b>	<b>(1,380)</b>	<b>(686)</b>	<b>(137)</b>

**Wellington Cable Car Limited - Business Plan**

**Statement of Movements in Equity for the years ending 30 June 2022, 2023 and 2024**

	Notes	2022 \$000	2023 \$000	2024 \$000
Opening Equity - 1 July		9,117	7,736	7,050
Net Surplus/(loss) for the period		(1,380)	(686)	(137)
Total Recognised Revenues and Expenses		<u>(1,380)</u>	<u>(686)</u>	<u>(137)</u>
Distribution to Owners		-	-	-
Closing Balance 30 June		<u>7,736</u>	<u>7,050</u>	<u>6,913</u>

**Represented by:**

		2022 \$000	2023 \$000	2024 \$000
<b>CURRENT ASSETS</b>				
Bank	1	1,603	1,239	1,413
Inventory		294	294	294
Accounts Receivable		29	31	47
		<u>1,926</u>	<u>1,564</u>	<u>1,754</u>
<b>FIXED ASSETS</b>				
	2	<u>7,010</u>	<u>6,710</u>	<u>6,410</u>
<b>TOTAL ASSETS</b>		<u>8,936</u>	<u>8,274</u>	<u>8,164</u>
<b>CURRENT LIABILITIES</b>				
Accounts Payable/Accruals		296	311	327
Employee benefit liabilities and provisions		200	210	221
Taxes payable		-	-	-
		<u>496</u>	<u>521</u>	<u>548</u>

**Wellington Cable Car Limited - Business Plan**

**Statement of Financial Position for the years ending 30 June 2022, 2023 and 2024**

	Notes			
<b>NON CURRENT LIABILITIES</b>				
Deferred Tax Liability		<u>704</u>	<u>704</u>	<u>704</u>
		704	704	704
<b>NET ASSETS</b>		<u>7,736</u>	<u>7,050</u>	<u>6,913</u>
<b>SHAREHOLDERS' FUNDS</b>				
Represented by:				
Retained Earnings	3	<u>7,736</u>	<u>7,050</u>	<u>6,913</u>
		<u>7,736</u>	<u>7,050</u>	<u>6,913</u>

**Notes and Assumptions:**

- 1 Bank balance has been taken as the balancing figure and includes any short term deposits and the Cable Car self
- 2 The 2022 balance sheet is the forecast position as at the time of completing this Statement of
- 3 No distribution to owners based on the Company accumulating funds for further capital replacements required however will be assessed on an annual basis.

**Wellington Cable Car Limited**  
**Statement of Cash Flows**  
**For the years ended 30 June 2022, 2023, 2024**

	Year Ended 30 June 2022	Year Ended 30 June 2023	Year Ended 30 June 2024
<b>Cash flows from operating activities</b>			
<u>Cash was received from:</u>			
Operating receipts	1,839	2,587	3,400
Interest received	-	-	-
<u>Cash was disbursed to:</u>			
Payments to suppliers and employees	(2,923)	(2,950)	(3,226)
Net cash inflow / (outflow) from operating activities	<u>(1,085)</u>	<u>(363)</u>	<u>174</u>
<b>Cash flows from investing activities</b>			
<u>Cash was received from:</u>			
Investments	-	-	-
Sale of Fixed Assets	-	-	-
<u>Cash was applied to:</u>			
Purchase of fixed assets	-	-	-
Net cash inflow / (outflow) from investing activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash flows from financing activities</b>			
<u>Cash was received from:</u>			
Term Loan	-	-	-
<u>Cash was applied to:</u>			
Payment of Dividend	-	-	-
Term Loan	-	-	-
Payment of Tax	-	-	-
Subvention Payment	-	-	-
Net cash inflow/(outflow) from financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase/(decrease) in Cash held	<u>(1,085)</u>	<u>(363)</u>	<u>174</u>
Opening Cash Balance	2,688	1,603	1,239
Closing Cash Balance	<u>1,603</u>	<u>1,239</u>	<u>1,413</u>
Closing cash balance per GL	1,603	1,239	1,413

# Wellington Cable Car Limited Statement of Intent FY2021/22

Presented to  
Wellington City Council  
in line with the Local Government Act (2002)





experience  
**Wellington**  
wellington museums trust



**EXPERIENCE WELLINGTON**  
**2021-22 STATEMENT OF INTENT**  
Presented to Wellington City Council pursuant to  
Section 64 of the Local Government Act 2002

## CONTENTS | Ngā wāhanga o roto

CONTENTS   Ngā wāhanga o roto .....	2
INTRODUCTION He Whakatakinga .....	3
OUR INTENT IN 2021-22 Tā Mātou Whāinga ki 2021-22 .....	4
COUNCIL'S EXPECTATIONS   He Kawatau o Te Kaunihera .....	9
OPERATING ENVIRONMENT UPDATE   Te Taiao Laianei .....	14
PERFORMANCE MEASUREMENT   Paearu Mahi .....	15
BOARD'S APPROACH TO GOVERNANCE   Ta Poari Rapunga Whakaaro .....	20
COUNCIL RELATIONSHIP PRINCIPLES   He Mātāpono .....	21
MANAGEMENT, ORGANISATIONAL HEALTH, CAPABILITY AND RISK ASSESSMENT   Te Ora o Wheako Pōneke .....	22
APPENDIX 1: FORECAST FINANCIAL STATEMENTS Āpitihanga 1: He Matapae Mō Ngā Tauāki Pūtea .....	24
APPENDIX 2: ACCOUNTING POLICIES   Āpitihanga 2: Nga Ture Kaute .....	28
APPENDIX 3: COUNCIL LETTER OF EXPECTATION   Āpitihanga 3: He Pānui o Kawatau o Te Kaunihera .....	33
EXPERIENCE WELLINGTON DIRECTORY   Te papatohu o Wheako Pōneke .....	36

This Statement of Intent (SOI) reflects the relationship and interest that the Wellington City Council (Council) has in Experience Wellington as a Council Controlled Organisation and our contribution to Council's vision for the future of Wellington. It responds to Council's Letter of Expectations (LOE) of 22 December 2020 (pages [32-34](#)). On pages [8-12](#) we outline our specific response to the LOE and how each expectation directly relates to one of our four strategic pou. Council owns the heritage buildings that house five of our visitor experiences and will provide around 72% (\$10.249m) of our 2021-22 budgeted revenue, with the other 28% (\$3.996m) coming from cultural grants, fundraising and trading revenues.

To achieve the best results for Wellington we will continue to work with Council and other Council Controlled Organisations (CCOs), other visitor experiences, tertiary education partners and relevant national organisations.

We have a contract with **Creative New Zealand** that supports the delivery of the Capital E National Theatre for Children and the biennial Capital E National Arts Festival for Children. The learning experiences we offer are supported through **Ministry of Education Learning Experiences Outside the Classroom (LEOTC)** contracts. We also regularly receive support from the **City Gallery Wellington Foundation** for City Gallery's programme. The **Carter Observatory Trust** supports our fundraising activities for Space Place.

## INTRODUCTION | He Whakatakinga

On behalf of the Board of Trustees I am pleased to present Experience Wellington's Statement of Intent which outlines our strategic direction and operating intentions for the 2021-22 financial year and Forecast Financial Statements for the three years to 30 June 2024. As incoming Board Chair, I am excited about the opportunities for our experiences - Capital E, Space Place, City Gallery Wellington, Nairn Street Cottage, Wellington Museum and the Cable Car Museum to enrich lives and deliver a programme that boosts Wellington's economic, cultural and social success.

When COVID-19 first hit our shores we met the challenges of the pandemic: delivering for audiences in new and different ways. Many of the innovations we adopted, including an increased digital presence, are woven throughout our revised Strategic Plan which sets our direction for the next three years. The four strategic pou of the plan: Wheako Pōneke (enriching lives through our experiences); Ma te huruhuru te manu ka rere (embracing Te Ao Māori); Tukua kia rere (our organisation flourishes) and Mahi Tahī (working together as one team), underpin the vibrant programme of projects, events and activations we will host in 2021-22.

With international tourists unlikely to return in the short to medium term, our focus is on strengthening Wellington: sparking curiosity and connecting communities, people and ideas. This includes the extraordinary upcoming exhibition Hilma af Klint: The Secret Paintings opening in December 2021. At a time when borders are closed, we will bring an international show which has sold out in New York and London to Wellington: its only stop in Aotearoa. Hilma will be a driver of domestic tourism and bolster the capital's reputation as a leader in arts experiences.

We also have an exciting line-up supporting the work of local arts practitioners and businesses: helping Wellington's creative community to thrive. This includes initiatives like Creative Collider, a Capital-E led partnership programme which works with art practitioners to build skills and confidence in developing youth-focused content.

Museums Wellington is building upon a vibrant programme that will engage, entertain and educate audiences including 'Wellington on a Good Day' a new exhibition that celebrates what it means to be a Wellingtonian through a creative lens. Another exciting collaboration is our first home-grown planetarium show, The Navigators which will launch at Space Place. Talented local experts, master navigators, artists, film-makers and musicians, have been brought together by Experience Wellington to tell the story of navigation to Aotearoa in a family-friendly immersive show.

In partnership with Wellington City Council, we will continue planning for strengthening The Bond Store. This project presents a unique opportunity to enhance the museum experience by celebrating and amplifying the voices and stories of our diverse communities.

We will further develop our Māori strategy and capability to ensure our experiences more deeply connect audiences with Te Ao Māori. Environmental sustainability will be an ongoing focus through events such as the Great Big Waterfront Clean-Up, coupled with content that sparks public interest in preserving our planet and awareness of climate change.

While we are excited about our future and the opportunities to showcase Wellington's unique creative talent, there are challenges in the coming year. Our trading revenue will take longer to normalise due to the continued absence of international visitors. There is also a downturn in larger venue hire bookings and decrease in overall fundraising revenue. Core costs for insurance, cleaning and operating continue to grow. We will therefore continue to refine our operating model and improve systems & processes to streamline our business - targeting a return to a break-even position without Council CCO Resilience Fund support in 2022-23.

Working together to deliver extraordinary experiences that strengthen Wellington remains our focus, and we will do so smartly and prudently. We thank Wellington City Council for their on-going support and will prioritise collaborations with Council, our CCO whānau, and the city's creative ecosystem that use Experience Wellington's resources to nurture the social, cultural, environmental and economic wellbeing of Wellingtonians - more important than ever in our current environment\*.

**Jane Wrightson**  
**Chair, Experience Wellington**

*[\\*see operating environment for more details](#)*

## OUR INTENT IN 2021-22 | Tā Mātou Whāinga ki 2021-22

### OUR FOCUS:

Our [Strategic Plan](#) was revised in the wake of Covid-19 to include:

- A three-year, rather than a 10-year plan to facilitate flexibility in a COVID-19-affected operating environment.
- Alignment with Council's 'Three Strategies' project, with our Chief Executive being a member of this steering group.
- A focus on measurable changes to ways of working.
- Emphasis on a whole-of-organisation, whole-of-customer-journey approach.
- Clear through-lines from the strategic plan to the work of all our teams.
- Reinforcing a positive and mutually supportive culture.

Our mahi is aligned to Council's vision, 2040 Smart Capital, the Four Wellbeings, and the Three Strategies Project.

### WE ARE LOOKING FORWARD TO:

- Continued conversations and collaboration with Council, our CCO whānau, and the city's creative ecosystem: leveraging positive relationships, and providing innovative ways to attract visitors to our city.
- Resolving issues around the strengthening and redevelopment of Wellington Museum Te Waka Huia o Ngā Taonga Tuku Iho.
- Working with Council's Te Ngākau Civic Square Planning Team to return Capital E Nōku Te Ao to Te Ngākau Civic Square, potentially as part of the Te Matapihi Central Library Project, alongside City Gallery Wellington Te Whare Toi.
- Attracting art lovers to Wellington for our third high profile international art exhibition at City Gallery Wellington Te Whare Toi from December 2021.
- Working closely with WellingtonNZ to revitalise the city we love.
- Building our cultural competency including the use of Te Reo and Tikanga Māori.
- Implementing customer relationship management (CRM) systems to streamline our engagement with supporters and funders.
- Continuing to review and streamline our business processes to achieve the best possible financial outcome.
- Accessing third party funding to leverage and fund Council's assets for the benefit of all Wellingtonians.

Please refer to the section on Council's Expectations on [pages 9-12](#) for more information on our plans.



## Our key programmes in 2021-22

### HILMA AF KLINT: THE SECRET PAINTINGS

This is the third in a series of high value exhibitions that bring the best of international art to New Zealand audiences. Exhibitions of this kind serve to affirm Wellington's status as the creative capital, add to the quality of life for the city's residents, and make a valuable economic contribution. The discovery of visionary Swedish artist Hilma af Klint (1862-1944) has turned art history on its head by establishing a new, and female, pioneer of twentieth-century abstract art. Unprecedented in scale and ambition, and hidden from view for decades, these paintings embody art's potential to inspire, transport and confront viewers. Hosting this exhibition is a coup for Wellington and will provide visitors from across the country with a once-in-a-lifetime opportunity to see af Klint's work here.

### THE NAVIGATORS

Space Place's first full production planetarium show will launch during Matariki 2021. Having won support from the government's TUIA 250 Encounters fund, Space Place presents Moko's journey as she learns how to navigate the mighty Pacific Oceans. We have brought together a Wellington collective of film makers, writers, actors, animators and musicians to bring the story of Moko to life. We travel from today, where Moko is floating in the sea learning the names of the stars of Aotearoa into the vast oceans of the Pacific aboard a waka houroa. Before our eyes she travels to the time of Lieutenant James Cook and is aboard the Endeavour, seeing a sextant in use. Through stop motion filming and the latest in digital technology Moko's story is one of wonder and beauty, as she moves through centuries to tell us how Aotearoa was sought and found by her tipuna and pakeha explorers.

### LEAVING HOME

In the hopes that sufficient funding is secured to strengthen the Wellington Museum, we will continue to actively engage with our communities as the construction work is carried out. Though the building itself will be closed, the engagement and offerings of the Museum will remain open. *Leaving Home* will be a time of community outreach for Wellington Museum, to have a presence in, and impact on, the cultural life of the city representing our city's diverse voices and perspectives.

### MATURAU (WORKING TITLE)

Opening free in April 2022, *Maturau* (working title), curated by Wellington-based Māori artist, educator, curator, and writer Shannon Te Ao, will bring together new and existing artworks that examine what it means to be an artist working within Te Ao Māori at a time of COVID-19. A time when the world, and world views are shrinking and changing exponentially. *Maturau* asks what role Māori art and artists can play in our new reality.



### CREATIVE COLLIDER

At Experience Wellington we recognise how developing programmes for children and young people requires specialist skills and expertise. Often, this audience can be overlooked, or the appropriate skills under-valued. Creative Collider is our response to this. Bringing together Wellington's creative sector with experts, mentors and tamariki we will host a residency to help artists and performers to shape their ideas for new work for children, leveraging the expertise of Capital E. Some emerging concepts will be seed-funded for testing further. Down the track some may be fully commissioned into our National Arts Festival for Children or beyond. Together we will collaborate, develop and test new and exciting works for children, and provide artists with creative opportunities to develop and showcase their mahi, with children and young people being part of the conversation.

### WELLINGTON ON A GOOD DAY (WORKING TITLE)

Driven by the opportunity of the return of significant objects on loan, Experience Wellington will refresh the exhibitions on the ground floor of Wellington Museum. A humorous and wide-ranging look at Wellington through the saying, 'You can't beat Wellington on a good day', it takes the opportunity to showcase the creative community of Wellington, whether in the arts or the wider community.

### NATIONAL THEATRE FOR CHILDREN

Every year, the National Theatre for Children introduces tens of thousands of tamariki and rangatahi to their first experiences of performing arts, in way that speaks to them and their place in the world. In 2021-22, the company will be touring a favourite show: *Seasons*. This new iteration of a much-loved show will bring together an innovative approach to digital puppetry and soundscapes to bring the experience to life for a new generation of youngsters. For older children, *Story Studio Live*, a work that has been developed with young people to place children's voices at its heart will visit schools across the country. The show will explore through young people's eyes the way we and our planet interconnect, and how delicate that relationship truly is.



**OUR PERFORMANCE** is measured by our Key Result Indicators (KRI).

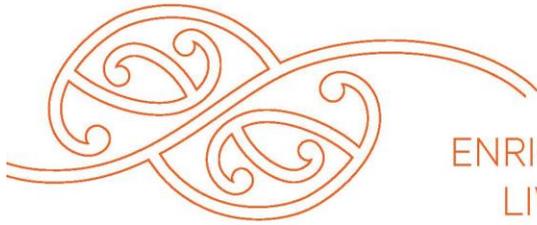
In 2021-22 we expect to:

- **Raise \$3.996m (28%) of our operating costs from trading initiatives and fundraising.**
- **Receive a 90% approval rating from our visitors for the quality of their experience at our institutions.**
- **Expand our reach via our websites and social media channels to engage with over 200,000 visitors.**
- **Attract over 480,000 on-site visitors, of which, around 38,000 will be children and young people visiting for a learning experience.**

**OUR FINANCIAL PERFORMANCE** Due to the impacts from COVID-19 and the expectation that international visitors will be significantly restricted for 2021-22, we are forecasting a break-even budget on the basis that \$0.917m is received from the Council's CCO Covid-19 Resilience Fund. The 2021-22 Budget is based on the following assumptions:

- Experience Wellington will receive \$10.561m from Council (\$7.875m in operating grants, \$0.917m from the CCO Covid-19 Resilience Fund, and \$1.769m accommodation rental subsidy) in 2021-22, for the operation of Experience Wellington inclusive of Space Place Te Ara a Whānui Ki Te Rangi. The \$0.184m annual cash underwrite for Space Place is additional to the operating grant and accommodational rental subsidy.
- There is a modest inflation-indexed increase to the prior financial year's operating grant, noting any new investment that does not align closely with Council's priorities is unlikely to be supported.
- Our 2021/22 visitor target is 480,420 people, representing an 84% increase on our 2020/21 forecast.
- Cruise ship business does not resume until Q3 2023.
- The Trans-Tasman air travel bubble mooted from Q1 will have a minimal effect on our visitor numbers.
- International borders are unlikely to open until Q3 2021-22 for restricted travel. Therefore, we anticipate significantly reduced non-cruise ship international visitors.
- Domestic visitors are expected to return to BAU levels.
- Regional education groups and national school groups are expected to return to BAU levels.
- Experience Wellington expect to generate \$3.996m non-Council revenue in 2021-22, representing a 14% increase on our 2020-21 forecast of \$3.511m, underscored by the Navigators Project, Hilma af Klint, and a more certain operating environment for domestic visitation. Retail offerings have been modified for the domestic market and are predicted to achieve \$0.621m.
- \$0.283m is realised from venue hire, based on a downturn in larger bookings.
- We achieve \$0.312m from sponsorship, \$0.258m via donations and \$1.328m in grant revenue. We expect to raise a further \$0.440m from general cultural and community grants. We expect 2021-22 fundraising (\$1.897m) to exceed 2020-21 (\$1.660m) by 14%, reflecting an improved operating environment, nil additional lockdowns, the Navigators and Hilma af Klint projects.
- Scheduler funding per the Creative NZ contract (\$0.533m) and the LEOTC contracts with the Ministry of Education (\$0.336m) will continue in 2021-22.
- Reduced access to, and delays receiving, international content.

*The Forecast Financial Statements are provided in Appendix 1 (pages [24-27](#)). Accounting policies are provided in Appendix 2 (pages [28-32](#)).*



## ENRICHING LIVES

**Wheako Pōneke**

Experience Wellington

### ENRICHING LIVES MEANS...

Our experiences spark emotion, curiosity and reflection: connecting communities, people and ideas.

**We are proud to be the beating heart that nourishes the city and its people.**

### EXPERIENCE WELLINGTON FLOURISHES MEANS...

Our business is strong, future proofed, and true to our purpose, vision, and values.

**We resource what's important for our organisation to thrive.**



## EXPERIENCE WELLINGTON FLOURISHES

**Tukua kia rere**

Allow to fly



## OUR PURPOSE

Working together with and for Wellington to create remarkable experiences that generate vitality, strengthening the city we love

## OUR VISION

Engaged, curious communities

OUR FOUR STRATEGIC PRIORITIES

## EMBRACING TE AO MĀORI

**Ma te huruhuru te manu ka rere**

Adorn the bird with feathers so that it may fly

### EMBRACING TE AO MĀORI MEANS...

We are committed to Te Tiriti o Waitangi and support tangata whenua as kaitiaki.

**There is a Māori dimension to everything we do.**

### MAHITAHĪ MEANS...

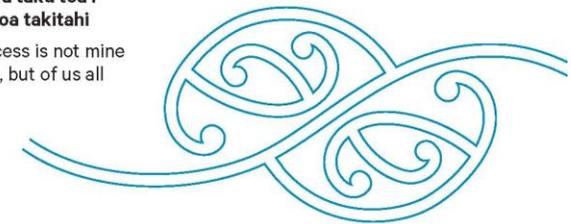
Our success comes from our combined expertise and strengths.

**We are one team who have each other's backs.**

## MAHITAHĪ

**Ehara taku toa i te toa takitahi**

My success is not mine alone, but of us all



## COUNCIL'S EXPECTATIONS | He Kawatau ō Te Kaunihera

Our response to Council's 2021-22 Letter of Expectation is drawn from our revised **2021-24 Strategic Plan** and reflects alignment with Council's goals for Wellington as being a people-centred, connected, dynamic, and sustainable central city. Our ability to respond to Council's expectations depends on our financial position.

### Council's Expectations

### Experience Wellington's Response

Local Government's Four Wellbeings	Our Alignment through our 2021-24 Strategic Plan
<p><b>Cultural Wellbeing</b></p> <p><i>An innovative, inclusive quirky city.</i></p> <p>Wellington is a vibrant, creative city with the energy and opportunity to collaborate, explore identities and openly express, preserve and enjoy their arts, culture and heritage.</p>	<p>Experience Wellington is a mainstay of the capital's arts, culture and heritage landscape. We are passionate about vibrant programmes that strengthen the city we love; reflecting and connecting our citizens. Our <b>Enriching Lives</b> pou has a strong audience focus, with our visitors at the heart of everything we do. We will continue to connect with communities onsite, through programmes such as Gallery Seniors and Gallery Babes at City Gallery Wellington, online and through our social media channels, and via outreach.</p> <p>Listening to what our audiences want and keeping our spaces current and exciting gives our visitors a reason to return. In 2021 we will be opening Te Wheke at Wellington Museum, a dynamic community space for creative enjoyment and participation for all ages. PlayHQ at Capital E develops themed safe learning spaces for our youngest tamariki, where the installation changes regularly. And of course, the exhibitions at City Gallery Wellington are constantly showcasing new talent.</p> <p>In response to the current environment, we will continue to actively support artists whose livelihoods have been affected by Covid-19.</p>
<p><b>Social Wellbeing</b></p> <p><i>A people friendly, compact, and accessible capital city.</i></p> <p>An inclusive, liveable and resilient city where people, mana whenua, Māori and communities can learn, are connected, well housed, safe and healthy.</p>	<p>Council's social wellbeing strongly aligns with our purpose: <b>Working together, with and for Wellington, to create remarkable experiences that generate vitality: strengthening the city we love.</b></p> <p>We are active participants in the Council's consultations on the future of Te Ngākau Civic Square and Te Matapihi Central Library and use our ability to leverage funding to enhance and re-imagine Council's assets, such as Wellington Museum.</p> <p>Our Access &amp; Inclusion Committee leads our organisation in continuously improving ways we can connect with new audiences to ensure that all visitors feel welcomed and accepted at our sites, without barriers to accessibility. While our Health, Safety &amp; Wellbeing Committee ensures we are able to provide safe social spaces where audiences can continue to socially distance, while enjoying a sense of normality in public spaces.</p> <p>A strong part of our social wellbeing is the learning offerings we provide to tamarki and rangatahi, through works like the National Theatre for Children: Seasons &amp; Story Studio 2021. School holiday programmes are also a regular feature at Wellington Museum and City Gallery Wellington to engage our youngest audiences, while providing parents with something new and exciting to keep their children entertained.</p> <p>Our <b>Embracing Te Ao Māori</b> pou aligns with Council's many initiatives to acknowledge Te Tiriti o Waitangi including Te Tauihu Te Reo Māori Policy. We strive to have a Māori dimension in everything we do, and we support Council's aspiration to be a Te Reo Māori city by 2040.</p>

<p><b>Economic Wellbeing</b></p> <p><i>A dynamic and sustainable economy.</i></p> <p>The city is attracting and developing creative talent to enterprises across the city, creating jobs through innovation and growth while ensuring what we make is being reused.</p>	<p>Under our pou, <b>Experience Wellington Flourishes</b> we strive for business sustainability, effective operating systems, financial viability, and nurturing stakeholder relationships.</p> <p>We will work alongside Council and WellingtonNZ to support our city as it rebounds from the effects of COVID-19. As active supporters of the artists and businesses that make up our ecosystem, we will continue to leverage funding and profile, attracting domestic visitors to ensure the city's reputation as the Arts Capital of New Zealand is retained.</p> <p>Part of our strategy to attract new visitors to Wellington is the high-value international art exhibition Hilma af Klint, which will draw audiences from all over Aotearoa. We will be partnering with Wellington NZ, the International Arts Festival, and local suppliers across the city to promote this unique event.</p>
<p><b>Environmental Wellbeing</b></p> <p><i>A sustainable, natural Eco city.</i></p> <p>A city where the natural environment is being preserved, biodiversity improved, natural resources are used sustainably, and the city is adapting to climate change – for now and future generations.</p>	<p>Our <b>Experience Wellington Flourishes</b> pou, not only covers business sustainability but also environmental sustainability. The impact we have on the environment around us is considered as part of our programme plan for every show or exhibition we create. Our Environmental Sustainability Committee lead and encourage initiatives for staff including environmental workshops, competitions and events, and actively support the reduction of waste and availability of recycling.</p> <p>We welcome the opportunity to work with Council's City Resilience and Sustainability Team, leveraging ideas and opportunities as to how together we can become more sustainable workplaces.</p>

Letter of Expectation	Our alignment through the experiences we provide
<p><b>Council is working on new strategies in the areas of economic development, arts and culture, and children and young people.</b></p> <p><i>Council plans to engage with the Trust in the development of these new strategies and the Trust will be part of the implementation of any new strategic outcomes.</i></p>	<p>We welcome Council's new strategies in the areas of economic development, arts and culture, and children and young people. Our team have been involved in the development and consultation regarding these strategies, with our Chief Executive sitting on the steering committee. We will align our work with the three new guiding documents.</p>
<p><b>Plans for fundraising for the Bond Store strengthening and redevelopment project, on the basis that this project receives funding through Council's 2021-31 Long Term Plan.</b></p> <p><i>Discuss plans for the Wellington Museum during the expected building closure for the construction works.</i></p>	<p>A proposal has been submitted to Council for consideration in the Long-Term Plan process to complete the earthquake strengthening and redevelopment of the visitor experience at Wellington Museum, giving new life to Council's category one heritage building, and ensuring its landmark status on the city's world-renowned waterfront.</p> <p>An integrated fundraising plan for exhibition content is underway. Our approach will include activity across fundraising revenue streams, including targeting the New Zealand Lottery Grants Board and other grant-giving bodies, as well as approaches to corporates and individuals.</p> <p>While strengthening is underway, the Wellington Museum team will launch <i>Leaving Home</i> - while the building is closed the Museum won't be. Wellington Museum will 'leave home' for the period of the building works while still 'sharing the stories and objects of Wellington' and being Wellington's Museum. The planning includes delivering more activities across our other Experience Wellington sites as well as outreach, and pop ups across the city through partnerships with other events and sites across the Wellington City Council network.</p>
<p><b>A focus on robust financial management and delivering services in a financially sustainable and affordable manner both for Council and for the Trust.</b></p>	<p>We are grateful for an inflation indexed increase on the current year's operating grant. We are aware that any new investment that does not align closely with Council's priorities is unlikely to be supported and appreciate the financial challenges that Council is facing due to COVID-19 revenue losses and essential investment across the city.</p> <p>In 2021-22 we will complete the implementation of our business systems projects: rolling out integrated CRM, retail and bookings software. Also, a new fundraising strategy will be launched, our procurement processes will be reviewed, and we will continue our review of systems and processes to ensure the most effective use of resources.</p>
<p><b>Improving accessibility to Council's activities and services will continue to be an immediate focus for the Council and it is expected that the Trust will continue to support this by planning to improve accessibility and its facilities where possible</b></p>	<p>Our Accessibility and Inclusion Committee lead our commitment to the principle that access is a human right not a privilege or favour, and that an environment of accessibility and inclusion has universal benefit.</p> <p>Experience Wellington has a kaupapa that enables and facilitates access and inclusion for visitors and staff. Initiatives include multi-language brochures, sign language introductions at each venue and a commitment to ensure that</p>

facilities, exhibitions, and public programmes are welcoming and accessible, accommodating all abilities.

Being accessible is a long-term commitment and an on-going process of improvement. We regularly undertake audits to improve facilities for staff and visitors. We are grateful to Council as buildings owner for its support.

As part of expanding our reach, we also continue to grow and develop our digital content, including new online offerings for schools.

Working in consultation with Blind Citizens Aotearoa, we have developed and completed a pilot programme for a City Gallery tour designed for the low vision community. If successfully received, the intention is to offer a low vision tour of each season of shows exhibited at City Gallery Wellington.

Work is underway with Altogether Autism to provide an appropriate introduction to City Gallery for the autistic community and carers. This includes a gallery map available at our front desk providing the locations of high sensory areas.

Our outreach to these communities ensures we are flexible and inclusive, and creating enriching connections.

**Play an important role in supporting Council's Te Atakura First to Zero Strategy to support Wellington and Council's carbon reduction goal.**

*This will include working with Council on First to Zero waste minimisation plans and strategies.*

We are pleased to have achieved Toitū Carbon Zero accreditation under Wellington City Council's programme and will continue to work with Council to meet the goals outlined in *Te Atakura, the First to Zero* Policy and look forward to working with Council on First to Zero waste minimisation plans and strategies.

A key contributor is the reduction in electricity use through Council & BECA's review of climate control systems at Wellington Museum and City Gallery Wellington. This project will continue at other Experience Wellington sites in 2021-22.

We are continuously looking at ways to reduce waste and increase recycling across the organisation. Initiatives like these are supported by our Environmental Sustainability Committee: passionate staff who promote environmental best-practice across Experience Wellington, encouraging staff to make sustainable choices.

**Challenge us with ideas for the future of the Trust**

Experience Wellington will continue to play a significant role in the city's ecosystem: driving events, adding vibrance, attracting talent and contributing to the 'Wellington story'.

## Governance

As a leading governance group with the health, safety and wellbeing of our people of the utmost importance, the Board of Trustees is confident that it will comply with Council's expectations regarding legislative compliance including the Health and Safety at Work Act 2015. Our legislative compliance schedule is reviewed annually by the Board and our compliance is closely monitored through a rolling audit programme.

Our health and safety goal is a zero-harm culture and our Key Result Indicator is no notifiable incidents. We have adopted rigorous systems and processes to ensure Health and Safety compliance, and we work closely with Council to ensure that our approach is consistent with its expectations. This is particularly relevant in the context of building management where our Health and Safety obligations overlap.

The Board maintains a high degree of awareness of the legislation related to its activities. This includes a Health and Safety Management Framework that identifies and prioritises the management of critical areas of risk. This is regularly reviewed, monitored, and verified for effectiveness. Where Council and the Trust have shared responsibilities and overlapping duties, then all parties ensure there is effective consultation and co-operation to eliminate or minimise the risks and keep all those in the vicinity of our workplaces safe.

As requested in Council's Letter of Expectation, a skills matrix in relation to board composition has been created. A copy of this will be provided to Council by 31 March 2021 and updated annually thereafter.

The Sections on the Board's Approach to Governance ([page 20](#)) and Management, Organisational Health, Capability and Risk Assessment ([pages 22-23](#)) cover these expectations in more detail.

## OPERATING ENVIRONMENT UPDATE | Te Taiao Laiane

Forecasting performance amid a pandemic is challenging with a number of unknowns impacting our operating environment. Overall a significant reduction in international visitation and associated visitor spend is predicted. In planning for events and programmes, we continue to factor in the possibility of changing advice on public health measures, such as social distancing guidelines. Following consultation with Wellington NZ, we note the following as part of our visitor forecasts:

- Our domestic and education visitors to return to BAU levels from July 2021 (Q1).
- Cruise ship visitors are not expected to return until summer of 2022-23, with small ships likely to return first.
- The impact of a Trans-Tasman bubble opening at the beginning of Q1 (July 2021) will be minimal. The initial influx of Australian visitors is anticipated to be travelling for family or business purposes. International borders may open toward the end of 2021, again with initial numbers of tourists to Wellington being small. We have therefore modelled 20% of typical non-cruise ship international tourists returning across Q3 & Q4.

Resurgence of COVID-19, delays to vaccine rollout, border opening, or the international vaccine passport system could all affect the expectations underpinning this Statement of Intent. We remain alert to the possibility of further lockdowns, so our digital offerings are a significant aspect of our delivery for 2021-22 and beyond. The fundraising landscape is also uncertain. COVID-19 has sparked a number of novel funding opportunities - however, the initial trend of untagged recovery funds has shifted to project or innovation-based ones which does not address our core operating challenges. We also acknowledge the impact that this changed operating environment has had on many artists and businesses. As a leader in Wellington's arts, culture and heritage sector, we will take a 'Wellington first' approach to our decision-making in order to maximise our contribution to the capital's creative ecosystem.

In spite of this, the year ahead presents many opportunities for Experience Wellington to work with partners and stakeholders to influence the future of the city as seminal projects start to take shape:

- We are committed to ensuring that Te Ngākau Civic Square reclaims its status as the heart of the city and will continue to be involved in its master-planning. However, we note that construction work will be a feature of Te Ngākau Civic Square for the next five years, which brings ongoing wayfinding and operational challenges to City Gallery. Our goal remains to deliver a vibrant gallery programme that encourages people to visit and enlivens the square, and we will maintain a dialogue with Council about actions to ameliorate this.
- Council's visioning process for a reimagined Te Matapihi Central Library including a possible permanent home for Capital E Nōku Te Ao is a collaborative approach that draws together Experience Wellington and Council expertise. This project presents a wealth of possibilities for Wellington's youngest citizens with potential to deliver a truly innovative approach. The path we take together will guide Experience Wellington's offering for children and young people until 2025 when Te Matapihi opens, as we pilot new ways of working.
- With the possible closure of Wellington Museum Te Waka Huia o Ngā Taonga Tuku Iho for earthquake strengthening, the two-year-long 'Leaving Home' project will ensure that there is still access to Wellington's heritage collections and stories while the building is closed. To prepare for this, during 2021-22 we will build a network of partners to help us deliver the Museum's activities via outreach and pop ups across the city: a unique, community-focussed approach to our work that will strengthen our collaborative base. However, closing the Museum will affect our revenue-generating capability for the duration of the construction work.

We welcome opportunities to engage with Council and our CCO colleagues to support this mahi and reflect Council's new Aho Tini, economic development & children & young people's strategies. With Council's support, we remain committed to providing remarkable experiences of contemporary art, history, and science for our visitors to explore our Wellington stories and the southern skies, and to bring out their creativity and spark learning.

## PERFORMANCE MEASUREMENT | Paearu Mahi

We will continue to refine performance measurement over the planning period to better reflect the needs of stakeholders for information that helps to assess the impact Experience Wellington makes on Wellington's prosperity and liveability. Any changes will be made in consultation with Council.

The impacts of COVID-19 on visitation and our financial position are reflected in the following performance measures.

*Note: The necessary earthquake strengthening and upgrade of Wellington Museum would mean a period of closure of two years which would affect visitation results and revenue generation. Impacts from the proposed closure are not reflected in the numbers presented below.*

### Our City

#### Key Result Indicators

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

Residents' Awareness	2019-20 Actual	2020-21 SOI	2021-22	2022-23	2023-24
City Gallery Wellington	89%	95%	95%	95%	95%
Wellington Museum	91%	95%	95%	95%	95%
Capital E	75%	90%	90%	90%	90%
Cable Car Museum	93%	95%	95%	95%	95%
Space Place	89%	92%	92%	92%	92%
Nairn Street Cottage	50%	54%	54%	54%	54%

### Our Visitors

#### Key Result Indicators

**Physical Visitation:** The total number of on-site visits to institutions including general public, education and function attendees. The annual target is reviewed each year and benchmarked against the average visitation for the institution during the previous three years. Due to border closures we are expecting negligible international visitors for the 2021-22 year.

Visitor Numbers	2019-20 Actual	2020-21 SOI	2021-22	Q1 Jul-Sep	Q2 Oct-Dec	Q3 Jan-Mar	Q4 Apr-Jun	2022-23	2023-24
City Gallery Wellington	111,365	56,200	150,250	25,000	34,750	67,500	23,000	112,700	114,900
Wellington Museum	100,165	56,000	100,000	23,000	27,000	30,000	20,000	110,000	120,000
Capital E	86,821	45,500	59,770	17,400	16,000	11,370	15,000	100,000	70,000
Cable Car Museum	192,915	79,000	125,000	25,000	35,000	45,000	20,000	152,000	175,000
Space Place	43,449	24,000	44,000	11,000	10,500	12,000	10,500	46,500	50,000
Nairn Street Cottage	706	1,000	1,400	0	400	600	400	1,600	1,800
<b>Experience Wellington Total</b>	<b>535,421</b>	<b>261,700</b>	<b>480,420</b>	<b>101,400</b>	<b>123,650</b>	<b>166,470</b>	<b>88,900</b>	<b>522,800</b>	<b>531,700</b>

*Adjustments to visitation reflect the impact of Covid-19 - rescheduling the 3<sup>rd</sup> high value art exhibition and construction works on Te Ngākau Civic Square. The 10th Capital E National Arts Festival for Children will take place in 2023 deferred from 2021.*

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

Virtual Visitor Numbers	2019-20 Actual	2020-21 SOI	2021-22 SOI	2022-23	2023-24
City Gallery Wellington	86,579	78,000	90,000	80,800	81,610
Museums Wellington	110,444	110,000	100,000	101,000	102,010
Capital E	34,990	35,000	38,000	38,380	38,765
<b>Experience Wellington Total</b>	<b>232,013</b>	<b>223,000</b>	<b>218,000</b>	<b>220,180</b>	<b>222,385</b>

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

Social Media Numbers	2019-20 Actual	2020-21 SOI	2021-22	2022-23	2023-24
City Gallery Wellington	41,078	41,500	45,000	45,430	45,865
Museums Wellington	14,387	13,500	15,120	15,270	15,425
Capital E	9,123	9,500	10,000	10,100	10,200
Space Place	10,283	10,800	10,910	11,020	11,130
<b>Experience Wellington Total</b>	<b>74,871</b>	<b>75,300</b>	<b>79,030</b>	<b>79,820</b>	<b>80,620</b>

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

Quality of the Visitor Experience	2019-20 Actual	2020-21 SOI	2021-22	2022-23	2023-24
City Gallery Wellington	85%	88%	88%	88%	88%
Wellington Museum	92%	90%	90%	90%	90%
Capital E	93%	90%	90%	90%	90%
Cable Car Museum	78%	80%	80%	80%	80%
Space Place	91%	90%	90%	90%	90%
Nairn Street Cottage	98%	90%	90%	90%	90%

**Children & Young People Visiting for a Learning Experience:** The number of students (aged 0-18 years) participating in a learning experience organised by their education provider. After a disruptive 2020-21 year, we are now expecting school visitation to return to “normal” from Q1 of 2021.

Learning Experience Visitors	2019-20 Actual	2020-21 SOI	2021-22	2022-23	2023-24
City Gallery Wellington	2,410	4,500	4,500	4,500	4,500
Museums Wellington	3,136	3,500	7,000	7,000	7,000
Capital E	31,995	10,000	23,400	36,200	23,400
Space Place	4,585	3,000	3,500	3,500	3,500
<b>Experience Wellington Total</b>	<b>42,126</b>	<b>21,000</b>	<b>38,400</b>	<b>51,200</b>	<b>38,400</b>

Figures include curriculum aligned learning experiences which are supported by the Ministry of Education through its LEOTC programme and self-directed and outreach learning experiences. The 10<sup>th</sup> Capital E National Arts Festival for Children will take place in 2023 deferred from 2021 owing to COVID-19 increasing visitation in that year. Museums Wellington includes the Wellington Museum, Cable Car Museum and Nairn Street Cottage.

## Our Sustainability, Key Result Indicators

**Financial Performance:** We are initially forecasting a deficit budget for 2021-22 of \$917k due to the impact of Covid-19 and will be seeking support from WCC to cover this shortfall.

**Non-Council Revenue:** The total amount of revenue (net of costs) generated from non-Council sources:

Trading includes admissions, retail, venue hire, sub-letting, and interest.

Fundraising includes donations, sponsorships, other grants and cultural grants (CNZ and MoE for LEOTC). Retail sales and venue hire are significantly reduced in line with forecast visitation.

Trading (\$'000)	2019-20 Actual \$000	2020-21 SOI \$000	2021-22 \$000	2022-23 \$000	2023-24 \$000
City Gallery Wellington	235	99	740	120	219
Museums Wellington	808	144	536	398	754
Capital E	297	127	138	338	277
Space Place	469	136	490	300	438
<b>Sub Total</b>	<b>1,808</b>	<b>506</b>	<b>1904</b>	<b>1156</b>	<b>1688</b>
Sub-letting, Interest & Other	932	30	30	30	30
<b>Experience Wellington Total</b>	<b>2,741</b>	<b>536</b>	<b>1934</b>	<b>1186</b>	<b>1718</b>
Fundraising (\$'000)	2019-20 Actual \$000	2020-21 \$000	2021-22 \$000	2022-23 \$000	2023-24 \$000
City Gallery Wellington	165	395	560	198	198
Museums Wellington	152	100	116	99	99
Capital E	534	942	623	602	602
Space Place	81	485	78	78	78
Trust Office	0	0	520	543	543
<b>Experience Wellington Total</b>	<b>932*</b>	<b>1,921</b>	<b>1,897</b>	<b>1520</b>	<b>1520</b>

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

The 10th Capital E National Arts Festival for Children will take place in 2023 deferred from 2021 owing to COVID-19, increasing visitation in that year.

The trading figures from 2020 are shown net of cost of sales.

**Spend per Visitor:** Visitor related revenue.

Spend per Visit (\$)	2019-20 Actual \$	2020-21 SOI \$	2021-22 \$	2022-23 \$	2023-24 \$
City Gallery Wellington	2.11	1.76	4.93	1.06	1.91
Museums Wellington	2.75	1.06	2.37	1.51	2.54
Capital E	3.42	2.79	2.31	3.38	3.96
Space Place	10.79	5.67	11.14	6.45	8.76
<b>Experience Wellington Total</b>	<b>3.38</b>	<b>1.93</b>	<b>3.96</b>	<b>2.21</b>	<b>3.17</b>

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

Capital E will present the Capital E National Arts Festival for Children in 2022-23.

## Our People

### Key Result Indicators

**Health and Safety:** No notifiable incidents involving workers or visitors as defined by the Health and Safety at Work Act 2015.

Number of Notifiable Incidents	2019-20 Actual	2020-21 SOI	2021-22	2022-23	2023-24
Experience Wellington Total	0	0	0	0	0

**Staff Satisfaction:** At least 80% of staff are engaged with the organisation as indicated through the annual Staff Engagement Survey.

Staff Satisfaction	2019-20 Actual	2020-21 SOI	2021-22	2022-23	2023-24
Experience Wellington Total	%	77%	80%	80%	80%

## Our Heritage

### Key Result Indicators

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

Collection Development	2019-20 Actual	2020-21 SOI	2021-22	2022-23	2023-24
New to the Collection	25	200	100	100	100
Collection Assessment	2,189	800	800	800	800
Collection Accessibility	7%	10%	10%	10%	10%

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

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

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

## Council's Subsidy per Visit

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

**Table 1: Operating subsidy per visit**

Subsidy per Visit (\$)	2019-20 Actual \$	2020-21 SOI \$	2021-22 \$	2022-23 \$	2023-24 \$
City Gallery Wellington	22.07	43.34	17.64	22.10	21.43
Museums Wellington	7.25	15.52	10.15	8.19	7.19
Capital E	21.74	39.26	32.52	18.26	25.79
Space Place	12.63	23.56	8.85	8.37	7.79
<b>Experience Wellington Total</b>	<b>14.55</b>	<b>29.47</b>	<b>18.30</b>	<b>15.84</b>	<b>15.41</b>

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

City Gallery Wellington – 30%

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

Capital E – 22%

Space Place – 4.9% plus the cash underwrite

Central services provided through the Executive Office – 17.1%

Capital E will present the Capital E National Arts Festival for Children in 2022-23.

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

Full Subsidy per Visit (\$)	2019-20 Actual \$	2020-21 SOI \$	2021-22 \$	2022-23 \$	2023-24 \$
City Gallery Wellington	24.20	46.87			
Museums Wellington	10.49	16.79			
Capital E	23.25	42.46			
Space Place	20.60	23.56			
<b>Experience Wellington Total</b>	<b>20.00</b>	<b>31.93</b>			

Council's estimated ownership costs are supplied by Council.

The 10th Capital E National Arts Festival for Children will take place in 2023 deferred from 2021 owing to COVID-19.

## BOARD'S APPROACH TO GOVERNANCE | Ta Poari Rapunga Whakaaro

Trustees are appointed by Council and are standard-bearers for our vision. The Board is responsible for setting the strategic direction and approving the Statement of Intent (SOI) and the Strategic Plan. The Board monitors organisational performance, the organisation's on-going viability and the maintenance of its competitiveness. It delegates the day-to-day operation to the Chief Executive, who reports to the Board.

The Board meets no fewer than nine times per year and operates three committees (listed below) which review relevant matters prior to consideration by the full Board. 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 regarding financial reporting, risk management and legislative compliance.

**Chief Executive Performance and Remuneration (CEP&R) Committee** to advise the Chair in connection with the performance and remuneration of Experience Wellington's Chief Executive.

**People, Performance and Safety (PPS) Committee** supports the Chief Executive in carrying out their responsibilities as the employer of all staff and assists the Board to meet its due diligence responsibilities regarding Experience Wellington's compliance with the Health and Safety at Work Act 2015.

### Board Membership

Trustee	Term Expires	Committees
Jane Wrightson, Chair	31 December 2021	Chair CEP&R and <i>ex officio</i> of PPS and A&R
Rachel Farrant	30 June 2021	Chair A&R and member of CEP&R
Peter Jackson	31 May 2022	Chair PPS
Peter Johnston	31 May 2022	Member of A&R, and CEP&R
Diane Calvert	31 October 2022	

### Board Performance

The Board strives to meet best practice governance standards and will undertake an annual review of the overall Board, individual Trustees, and the Chair's performance, and report to the Chief Executive of Council by 30 September 2021.

## COUNCIL RELATIONSHIP PRINCIPLES | He Mātāpono

The principles governing the relationship with Council as our primary stakeholder include:

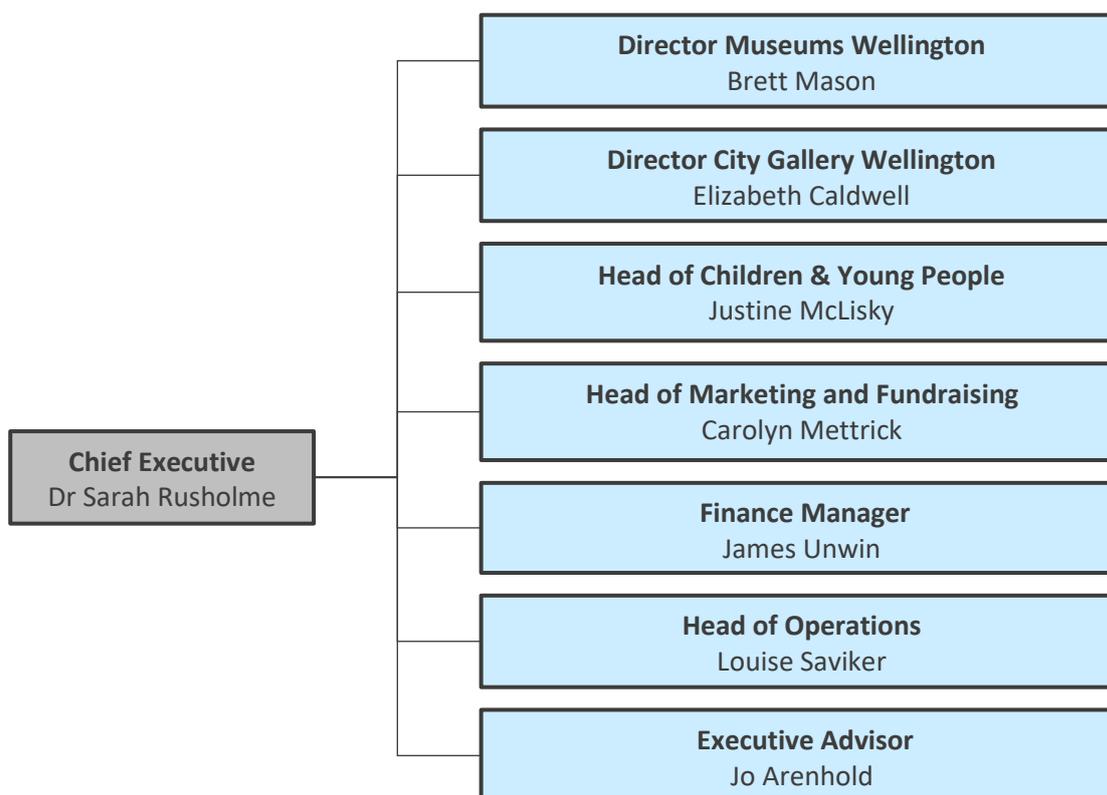
- Operating on a “no surprises” basis so that any significant event that may affect either party is brought to their attention as soon as it can be reasonably done.
- Open and frank communication will occur between Experience Wellington and Council.
- Provide advice to Council on the management and development of museums, art galleries, space science and other relevant services within Wellington.
- Full disclosure of information will be provided to Council from Experience Wellington as deemed necessary by Council to ensure its interests are upheld.
- Disclosing within the Experience Wellington’s Strategic Plan any significant transactions that are planned.

## MANAGEMENT, ORGANISATIONAL HEALTH, CAPABILITY AND RISK ASSESSMENT | Te Ora o Wheako Pōneke

### Management

Our values: *Connected, Quality First, Boldness and Leading* are the quadrants of our balanced scorecard and describe the strategies, performance monitoring and reporting that together describe how we wish to go about our business and how we measure performance and success. Central to this is the ability to create and sustain an operating environment that supports the achievement of a high performing organisation.

The senior team reporting to the Chief Executive is outlined below:



### Organisational Health and Wellbeing

We are committed to continuous improvement of our organisation effectiveness with the objective of being an employer of choice demonstrating whanaungatanga.

Our wellbeing strategy aims to build a positive working environment. We have invested in training to support managers navigating wellbeing with their teams, and to increase awareness and skill including mental health training programmes.

Our people remain our greatest asset and in response to the COVID-19 crisis we have managed and implemented plans responding to the risks and needs of wellbeing, health and safety. These plans have included mechanisms to support remote working, redeployment to alternate work programmes, and considered health and safety procedures at each Alert Level.

## Capability

Our commitment to presenting thought-provoking and entertaining visitor experiences relies on our staff who bring to their work: leadership; strategic thinking; knowledge of heritage collections, art, science and creativity; commitment to audiences; networks and contacts; and professional standards.

We are a highly motivated organisation and rely on our workforce to be flexible and to go the extra mile. Our Executive Team is highly experienced in their respective fields.

Training and professional development is a priority and an annual resource is set aside for this purpose.

We are committed to the principle of collaboration and shared services and we are committed to working with Council, its associated organisations, and sector partners.

## Risk Management and Business Continuity

Our Risk Profile is reviewed regularly and identifies events and or circumstances and the impact that these have on our operation using a system that ranks the probability and level of impact of the event. It includes risk management strategies such as recovery plans for specific events which carry high risk values.

Our ability to continue to operate following a major event will depend on factors outside of our control such as the extent of material damage to buildings. Business Continuity Plans are being developed at all sites.

We acknowledge that under the Health and Safety at Work Act 2015 we share Person Conducting a Business or Undertaking (PCBU) responsibilities with Council regarding Council buildings we manage and occupy.

Assessed risks which carry a lower risk value tend to be within our operational purview except for risks associated with buildings maintenance and plant performance issues which are Council's responsibility. Building and plant issues that are likely to affect business continuity or present a risk to health and safety of workers and visitors are immediately brought to Council's attention.

## Insurance

We have adequate insurance cover to meet specific business needs and deductibles are in line with generally accepted risk management principles and affordability.

**APPENDIX 1: FORECAST FINANCIAL STATEMENTS |**  
**ĀpitiHanga 1: He Matapae Mō Ngā Tauāki Pūtea**

*FORECAST FINANCIAL STATEMENTS*

Forecast	STATEMENT OF FINANCIAL PERFORMANCE	Budget Qtr to	Budget Qtr to	Budget Qtr to	Budget Qtr to	Total YE	Total YE	Total YE
30/06/21	Experience Wellington Total (\$'000)	30/09/21	31/12/21	31/03/22	30/06/22	30/06/22	30/06/23	30/06/24
<b>Revenue</b>								
984	Trading Income (Net)	256	380	433	367	1436	869	1,269
7,794	Council Operating Grant	1969	1969	1969	1969	7875	8,033	8,194
950	Council Resilience Fund	200	200	200	317	917	250	0
1,769	Council Rental Grant	442	442	442	442	1769	1,769	1,769
1,452	Grants	336	328	326	338	1328	1,312	1,312
208	Sponsorships and Donations	88	47	32	404	569	208	208
1	Investment Income	11	4	11	4	30	30	30
187	Other Income	23	73	21	205	321	338	338
<b>13,345</b>	<b>Total Revenue</b>	<b>3,325</b>	<b>3,443</b>	<b>3,434</b>	<b>4,046</b>	<b>14,245</b>	<b>12,809</b>	<b>13,120</b>
<b>Expenditure</b>								
6961	Employee Costs	1842	1841	1850	1852	7385	6,750	6,810
1339	Council Rent	335	335	335	335	1339	1,339	1,339
2207	Exhibitions & Programmes	490	296	522	1239	2547	1,815	2,066
400	Marketing & Promotions	131	133	132	132	528	485	485
1233	Occupancy Costs (excluding Council Rent)	284	293	392	397	1341	1,366	1,366
101	Communication Costs	19	19	19	19	101	76	76
96	Trustee Fees & Expenses	24	24	24	24	94	94	94
207	Technology Costs	30	30	30	30	119	119	119
120	Professional Fees	26	26	26	26	103	77	77
169	Administration Expenses	46	46	42	43	175	175	175
512	Depreciation	128	128	128	128	513	513	513
0	Interest	0	0	0	0	0	0	0
<b>13,345</b>	<b>Total Expenditure</b>	<b>3,355</b>	<b>3,171</b>	<b>3,500</b>	<b>4,225</b>	<b>14,245</b>	<b>12,809.00</b>	<b>13,120.00</b>
<b>0</b>	<b>Net Surplus/(Deficit) before Taxation</b>	<b>(30)</b>	<b>272</b>	<b>(66)</b>	<b>(179)</b>	<b>0</b>	<b>0</b>	<b>0</b>
0	Taxation Expense	0	0	0	0	0	0	0
<b>0</b>	<b>Net Surplus/(Deficit)</b>	<b>(30)</b>	<b>272</b>	<b>(66)</b>	<b>(179)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>0</b>	<b>Operating Margin</b>	<b>(0.9%)</b>	<b>0</b>	<b>(1.92%)</b>	<b>(4.42%)</b>	<b>0</b>	<b>0</b>	<b>0</b>

There has been a reallocation of costs from Exhibitions & Programmes to Employee Costs following a legal review where the status of a number of casual contractors has been changed to part-time employees.

30/06/21	Experience Wellington Total (\$'000)	30/09/21	31/12/21	31/03/22	30/06/22	30/06/22	30/06/23	30/06/24
<b>Shareholder/Trust Funds</b>								
2,390	Share Capital/Settled Funds	2,390	2,390	2,390	2,390	2,390	2,390	2,390
0	Revaluation Reserves	0	0	0	0	0	0	0
447	Restricted Funds	447	447	447	447	447	447	447
1,881	Retained Earnings	1,851	2,123	2,057	1,881	1,881	1,881	1,881
<b>4,718</b>	<b>Total Shareholder/Trust Funds</b>	<b>4,688</b>	<b>4,960</b>	<b>4,894</b>	<b>4,718</b>	<b>4,718</b>	<b>4,718</b>	<b>4,718</b>
<b>Current Assets</b>								
40	Cash and Bank	40	40	40	40	40	40	40
600	Accounts Receivable	435	770	631	600	600	325	325
189	Other Current Assets	186	191	184	189	189	150	150
<b>829</b>	<b>Total Current Assets</b>	<b>661</b>	<b>1,001</b>	<b>855</b>	<b>829</b>	<b>829</b>	<b>515</b>	<b>515</b>
<b>Investments</b>								
1438	Deposits on Call	2677	980	2883	738	738	930	930
0	Other Investments	0	0	0	0	0	0	0
<b>1,438</b>	<b>Total Investments</b>	<b>2,677</b>	<b>980</b>	<b>2,883</b>	<b>738</b>	<b>738</b>	<b>930</b>	<b>930</b>
<b>Non-Current Assets</b>								
4335	Fixed Assets	4335	4335	4335	4,335	4335	4335	4,335
260	Other Non-current Assets	260	260	260	260	260	260	260
<b>4,595</b>	<b>Total Non-current Assets</b>	<b>4,595</b>	<b>4,595</b>	<b>4,595</b>	<b>4,595</b>	<b>4,595</b>	<b>4,595</b>	<b>4,595</b>
<b>6,862</b>	<b>Total Assets</b>	<b>7,933</b>	<b>6,576</b>	<b>8,333</b>	<b>6,162</b>	<b>6,162</b>	<b>6,040</b>	<b>6,040</b>
<b>Current Liabilities</b>								
1826	Accounts Payable and Accruals	2923	1295	3129	1122	1122	1000	1,000
318	Other Current Liabilities	322	321	310	322	322	322	322
<b>2,144</b>	<b>Total Current Liabilities</b>	<b>3,245</b>	<b>1,616</b>	<b>3,439</b>	<b>1,444</b>	<b>1,444</b>	<b>1,322</b>	<b>1,322</b>
<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	0	0	0	0	0	0	0
<b>0</b>	<b>Total Non-Current Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>4,718</b>	<b>Net Assets</b>	<b>4,688</b>	<b>4,960</b>	<b>4,894</b>	<b>4,718</b>	<b>4,718</b>	<b>4,718</b>	<b>4,718</b>
<b>0.39</b>	<b>Current Ratio</b>	<b>0.20</b>	<b>0.62</b>	<b>0.25</b>	<b>0.57</b>	<b>0.57</b>	<b>0.39</b>	<b>0.39</b>
<b>0.69</b>	<b>Equity Ratio</b>	<b>0.59</b>	<b>0.75</b>	<b>0.59</b>	<b>0.77</b>	<b>0.77</b>	<b>0.78</b>	<b>0.78</b>

Forecast	STATEMENT OF CASH FLOWS	Budget Qtr to	Budget Qtr to	Budget Qtr to	Budget Qtr to	Total YE	Total YE	Total YE
30/06/21	Experience Wellington Total (\$'000)	30/09/21	31/12/21	31/03/22	30/06/22	30/06/22	30/06/23	30/06/24
<b>Operating Cash Flow</b>								
<i>Cash provided from:</i>								
984	Trading Receipts	256	380	433	367	1,436	869	1,269
10,513	WCC Grants	4,580	642	4,580	759	10,561	10,052	9,963
1,002	Other Grants	336	328	326	338	1,328	1,312	1,312
208	Sponsorships and Donations	88	47	32	402	569	208	208
1	Investment Income	11	4	11	4	30	30	30
187	Other Income	23	73	21	204	321	338	338
12895		5294	1474	5403	2074	14245	12,809	13,120
<i>Cash applied to:</i>								
6,961	Payments to Employees	1,842	1,841	1,850	1,852	7,385	6,750	6,810
5,756	Payments to Suppliers	2,085	1,202	1,522	2,235	7,047	5,354	5,797
0	Net GST Cash Flow	0	0	0	0	0	0	0
0	Interest Paid	0	0	0	0	0	0	0
12,717		3,927	3,043	3,372	4,087	14,432	12,104	12,607
178	<b>Total Operating Cash Flow</b>	1,367	(1,569)	2,031	(2,016)	(187)	705	513
<b>Investing Cash Flow</b>								
<i>Cash provided from:</i>								
6	Sale of Fixed Assets	0	0	0	0	0	0	0
0	Other	0	0	0	0	0	0	0
6		0	0	0	0	0	0	0
<i>Cash applied to:</i>								
					0			
259	Purchase of Fixed Assets	128	128	128	129	513	513	513
0	Other	0	0	0	0	0	0	0
259		128	128	128	129	513	513	513
(253)	<b>Total Investing Cash Flow</b>	(128)	(128)	(128)	(129)	(513)	(513)	(513)
<b>Financing Cash Flow</b>								
<i>Cash provided from:</i>								
0	Drawdown of Loans	0	0	0	0	0	0	0
0	Other WCC Financing	0	0	0	0	0	0	0
0		0	0	0	0	0	0	0
<i>Cash applied to:</i>								
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
(75)	<b>Net Increase/(Decrease) in Cash Held</b>	1239	(1,697)	1903	(2,145)	-700	192	0
1,553	<b>Opening Cash Equivalents</b>	1,478	2717	1020	2923	1478	778	970
1478	<b>Closing Cash Equivalents</b>	2717	1020	2923	778	778	970	970

The closing cash needs to include \$478k of tagged funds that if not used for earthquake strengthening will need to be repaid to MCH.

Forecast	CASH FLOW RECONCILIATION	Budget	Budget	Budget	Budget	Total	Total	Total YE
30/06/21	Experience Wellington Total (\$'000)	Qtr to	Qtr to	Qtr to	Qtr to	YE	YE	30/06/24
		30/09/21	31/12/21	31/03/22	30/06/22	30/06/22	30/06/23	
0	Operating Surplus/(Deficit) for the Year	(30)	272	(66)	(179)	0	0	0
<i>Add Non-Cash Items:</i>								
512	Depreciation	128	128	128	128	513	513	513
0	Other	0	0	0	0	0	0	0
512		98	400	62	(51)	513	513	513
<b>Movements in Working Capital</b>								
(278)	(Increase)/Decrease in Receivables	165	(335)	139	31	0	275	0
6	(Increase)/Decrease in Other Current Assets	3	(5)	7	(5)	0	(39)	0
201	Increase/(Decrease) in Accounts	0	0	0	4	0	78	0
(263)	Increase/(Decrease) in Other Current Liabilities	1,101	(1,629)	1,823	(1,995)	(700)	(122)	0
(334)		1269	(1,969)	1969	(1,965)	-700	192	0
<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
0		0	0	0	0	0	0	0
178	Net Cash Flow from Operations	1,367	(1,569)	2,031	(2,016)	(187)	705	513

## **APPENDIX 2: ACCOUNTING POLICIES | Āpitihianga 2: Nga Ture Kaute**

### **Significant Accounting Policies**

The following accounting policies which have a material effect on the measurement of results have been adopted by Experience Wellington.

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

The Wellington Museums Trust Incorporated, trading as Experience Wellington, is a Registered Charity CC22571 under the Charities Act 2005. It is a Council Controlled Organisation (CCO) in terms of the Local Government Act 2002.

The forecast financial statements of Experience Wellington for 2020-21 onwards includes the activities of the following business units - the Experience Wellington Executive Office, Capital E, City Gallery Wellington, Museums Wellington covering Wellington Museum, Nairn Street Cottage, the Wellington Cable Car Museum, and Space Place at Carter Observatory.

The principal activity of Experience Wellington is to develop and manage Institutions and to operate them for the benefit of the residents of Wellington and the public generally. For the purposes of financial reporting, Experience Wellington is a public benefit entity (public sector).

Experience Wellington has no intention of subscribing for, purchasing or otherwise acquiring shares in any other company or other organisation.

#### **2. Basis of preparation**

##### **a) Statement of compliance and basis of preparation**

The forecast financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZGAAP). They comply with Tier 2 PBE Accounting Standards (Public Sector) and disclosure concessions have been applied.

Experience Wellington has elected to report in accordance with Tier 2 PBE Accounting Standards (Public Sector) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$30 million.

##### **b) Basis of measurement**

The forecast financial statements are prepared on the historical cost basis.

##### **c) Presentation currency**

These forecast financial statements are presented in New Zealand dollars (\$).

#### **3. Significant accounting policies**

The accounting policies set out below will be applied consistently to all periods presented in the financial statements.

##### **a) Property, plant and equipment**

Items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses.

##### **(i) Subsequent costs**

Subsequent costs are added to the carrying amount of an item of property, plant and equipment when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to Experience Wellington and the cost of the item can be measured reliably. All other costs are recognised in surplus/ (deficit) as an expense as incurred.

## **(ii) Depreciation**

Depreciation is charged to surplus/ (deficit) using the straight-line method. Depreciation is set at rates that will write off the cost or fair value of the assets, less their estimated residual values, over their useful lives. The estimated useful lives of major classes of assets and resulting rates are as follows:

- |                           |                 |
|---------------------------|-----------------|
| ▪ Computer equipment      | 33% SL          |
| ▪ Office and equipment    | 25% SL          |
| ▪ Motor vehicles          | 20% SL          |
| ▪ Building Fittings       | 5%-25% SL       |
| ▪ Collections & artefacts | Not depreciated |

The residual value of assets is reassessed annually.

### **b) Collections and artefacts**

Collections are artefacts that are of cultural or historical importance. A substantial amount of Experience Wellington's Collections were acquired on 29 February 1996 from the Wellington Maritime Museum Trust (WMMT) with others added either as gifts or purchases since 1996. Collections are carried at historic cost as assessed at the time of transfer from the WMMT. All subsequent acquisitions to the collections are recorded at cost if purchased. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition. Where the fair value of the assets is not able to be reliably measured, they are recorded at nil. Because the useful life of the collections is indeterminate, they are not depreciated.

An external valuation of the Collections from an independent valuer is obtained on a periodic basis to ensure that the carrying value of the Collections that are held at cost does not exceed their fair value.

The Trustees obtained a valuation at 30 June 2014 and have confirmed that the carrying value at 30 June 2019 is appropriate and that no impairment has occurred.

### **c) Intangible assets**

#### **Computer software**

Software applications that are acquired by Experience Wellington are stated at cost less accumulated amortisation and impairment losses.

Amortisation is recognised in surplus/ (deficit) on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

- |                     |        |
|---------------------|--------|
| ▪ Computer software | 33% SL |
|---------------------|--------|

### **d) Trade and other receivables**

Trade and other receivables are measured at their cost less impairment losses.

### **e) Inventories**

Inventories (merchandise) are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

### **f) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits.

### **g) Impairment**

The carrying amounts of Experience Wellington's assets other than inventories are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is also recognised in the surplus or deficit.

### **h) Employee benefits**

**Long service leave:** Experience Wellington's net obligation in respect of long service leave is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value. The discount rate is the market yield on relevant New Zealand government bonds at the Statement of Financial Position date.

### **i) Provisions**

A provision is recognised when Experience Wellington has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market rates and, where appropriate, the risks specific to the liability.

### **j) Trade and other payables**

Trade and other payables are stated at cost.

### **k) Revenue**

#### **(i) Funding**

Experience Wellington's activities are supported by grants, sponsorship, admissions and other trading activities. Grants received that have an obligation in substance to return the funds if conditions of the grant are not met are initially recognised as a liability and revenue is recognised only when the services are performed, or conditions are fulfilled.

Funds received that have no such obligation attached and merely a restriction imposed on the use of funds, are recognised as revenue when they become available.

#### **(ii) Services provided**

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. Income is recognized as the service is provided (e.g. exhibition run). Where exhibitions are not scheduled to run until the following fiscal year, revenue is deferred and amortized to income throughout the period of the exhibition.

#### **(iii) Donations**

Cash donations from the community are recognized in the Income Statement at the point at which they are received into Experience Wellington's bank account.

**(iv) Sale of merchandise**

Revenue from the sale of merchandise is recognised in surplus/ (deficit) when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of the merchandise, or where there is continuing management involvement with the merchandise.

**l) Expenses**

**(i) Operating lease payments**

Payments made under operating leases are recognised in surplus/ (deficit) on a straight-line basis over the term of the lease. Lease incentives received are recognised in surplus/ (deficit) over the lease term as an integral part of the total lease expense.

**(ii) Finance income and expenses**

Finance income comprises interest income. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expense on borrowings. All borrowing costs are recognised in surplus/ (deficit) using the effective interest method.

**m) Availability of future funding**

Experience Wellington is reliant on the Wellington City Council for a large part of its income and operates under a Funding Deed with the Council. The Funding Deed is for a period of three years and is extended annually for a further year subsequent to the initial 3-year term.

If Experience Wellington was unable to continue in operational existence for the foreseeable future, adjustments may have to be made to reflect the fact that assets may need to be realized other than at the amounts stated in the balance sheet. In addition, Experience Wellington may have to provide for further liabilities that might arise, and to reclassify property, plant and equipment as current assets.

**n) Income tax**

Experience Wellington is a Registered Charity and is exempt from income tax. Experience Wellington is not exempt from indirect tax legislation such as Goods and Services Tax, Fringe Benefit Tax, PAYE or ACC and accordingly it is required to comply with these regulations.

**o) Goods and services tax**

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST.

**4. Ratio of Total Assets: Liabilities**

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

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

Experience Wellington seeks funding of \$7,720K for the core operation including Space Place at Carter Observatory and an accommodation rental subsidy of \$1,769K for the 2020-21 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 2020 the ratio of shareholders' funds to total assets is 0.73 and this is maintained in the forecasted Statement of Financial Position as at 30 June 2021.

**7. Significant Obligations/Contingent Liabilities**

Experience Wellington currently holds no cash reserves to meet operational requirements and to mitigate risks.

Experience Wellington has no contingent liabilities.

**8. Distribution to Settlor**

Experience Wellington does not make a distribution to the Settlor.

**APPENDIX 3: COUNCIL LETTER OF EXPECTATION |**  
**Āpitianga 3: He Pānui o Kawatau ō Te Kaunihera**

22 December 2020

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

Jackie Lloyd  
Chair  
Wellington Museums Trust  
PO Box 893  
**WELLINGTON 6140**

By email only: [jackie.lloydnz@gmail.com](mailto:jackie.lloydnz@gmail.com)

Dear Jackie

**Re: 2021/22 Statement of Intent and Wellington City Council Expectations**

Once again, I would like to acknowledge the dedication and effort of all of your staff and volunteers across our WCC CCO whanau during 2020. I want to particularly thank you for the care you showed for the wellbeing of your staff during this stressful time. Together you moved your organisations to a level four lockdown at short notice. Your ability to reopen safely as we moved to lower alert levels gave our community a much-needed sense of normality and created spaces for us to begin to come together once more as a city. I'm deeply grateful for the contribution you made to the social wellbeing of our residents this year, over and above the usual benefits you deliver to our city.

Throughout all of this, you responded with innovation to seize new opportunities presented by this crisis, such as delivering greater online engagement, finding ways to operate more efficiently, and pivoting to target local audiences. This creativity and flexibility has contributed to all of our CCOs being ahead of their COVID-19 affected targets for this financial year.

As we look to the future to plan for 2021/22 we will need you to continue showing this same can-do attitude to tackle the challenges of managing both the immediate responses to the pandemic and the longer-term economic recovery.

Council is committed to building on Wellington's strengths as a wild, creative, and quirky city. Our 2021-31 Long Term Plan will focus on our vision for *Wellington 2040: An inclusive, creative capital where people like to live – inclusively and sustainably*. The community outcomes underpinning this vision include:

- **Environmental wellbeing:** *A sustainable, natural Eco city.* A city where the natural environment is being preserved, biodiversity improved, natural resources are used sustainably, and the city is adapting to climate change – for now and future generations.
- **Social wellbeing:** *A people friendly, compact, and accessible capital city.* An inclusive, liveable and resilient city where people, mana whenua, Maori and communities can learn, are connected, well housed, safe and healthy.
- **Cultural wellbeing:** *An innovative, inclusive quirky city.* Wellington is a vibrant, creative city with the energy and opportunity to collaborate, explore identities and openly express, preserve and enjoy their arts, culture and heritage.

- **Economic wellbeing:** *A dynamic and sustainable economy.* The city is attracting and developing creative talent to enterprises across the city, creating jobs through innovation and growth while ensuring what we make is being reused.

I am excited to see how the Trust's plans will contribute to achieving these outcomes for our city. While this letter sets out the Council's expectations for the Trust in the coming year, I also invite you to challenge us with ideas you have for the future of the Trust. Our relationship is one of strategic partnership, and I believe that the process of setting your SOI should be one of conversation and co-creation. This conversation will need to take place within the context of the financial challenges that Council is facing due to COVID-19 revenue losses and essential investment across the city as we tackle historic underinvestment in key infrastructure, plan for population growth, increase resilience and transition to a low carbon city. This will require a focus on robust financial management and delivering services in a financially sustainable and affordable manner both for the Council and for the Trust.

The Trust should plan on receiving a modest inflation indexed increase on the current year operating grant. However, given the challenges facing Council, new investment that does not align closely with the Council's priorities is unlikely to be supported. Where the Trust is facing challenges to third party revenue or managing cost pressures over and above the Council operating grant, you will need to have robust plans to manage these pressures.

The Trust has an important role to play in the implementation of Te Atakura First to Zero strategy to achieve Wellington's carbon reduction goal (43% reduction by 2030) and the Council's carbon reduction goal (net zero by 2050). These goals cannot be achieved by Council or our CCOs alone. We will need to provide a leadership role and develop relationships with many other organisations across the city to achieve this transformational change. In many cases our CCOs have expertise on a low carbon journey that can help Council.

This will include working with the Council on First to Zero waste minimisation plans and strategies. The Trust will be expected to demonstrate how it plans to, or already contributes to Council achieving its targets for Te Atakura and waste minimisation.

Council is working on new strategies in the areas of economic development, arts and culture, and children and young people. Council plans to engage with the Trust in the development of these new strategies and the Trust will be part of the implementation of any new strategic outcomes.

Improving accessibility to Council's activities and services will continue to be an immediate focus for the Council and it is expected that the Trust will continue to support this by planning to improve accessibility at its facilities where possible.

The Trust's SOI should discuss its plans for fundraising for the Bond Store strengthening and redevelopment project, on the basis that this project receives funding through Council's 2021-31 Long-term Plan. It should also discuss the Trust's plans for the Wellington Museum during the expected building closure for the construction works.

### Governance

The Council expects the Trust to maintain a high degree of awareness of legislation that is applicable to its activities and in particular on relevant Health and Safety legislation. While this is an enduring Council expectation, this needs to be a key focus given the amount of construction work happening at the Basin Reserve.

The Council expects the Trust to comply with its obligations under the Health and Safety at Work Act 2015. This includes having in place an effective health and safety management framework that identifies and

prioritises the management of critical areas of health and safety risk and that this management framework is reviewed, monitored and verified for effectiveness. Where the Council and the Trust have shared responsibilities and overlapping duties as they relate to the health and safety risks of the activities and services of the Trust and the Council, then all parties will ensure that there is effective consultation, co-operation and co-ordination of activities and responsibilities to eliminate or minimise the health and safety risks and that our organisations are aligned and influencing good outcomes that keep all those in or in the vicinity of our workplaces safe and free from harm.

The Trust board is expected to meet best practice governance standards and, in support of this, to undertake a performance review of the overall board, individual board members and the board chair. On completion of this review, the Council's Chief Executive should receive an update that describes the form the review took and the outcomes of the review in relation to the Council appointed Trustees. The review is to be completed by 30 September 2021.

It is good governance for an entity to maintain a skills matrix in relation to its board of directors or trustees. The link below is a useful document regarding creating and disclosing a board skills matrix (noting it is a Governance Institute of Australia publication). <https://www.asx.com.au/documents/asx-compliance/creating-disclosing-board-skills-matrix.pdf>

Council would like to receive a copy of the Trust's skills matrix by 31 March 2021 and updated annually thereafter.

#### Timetable

We look forward to receiving the Trust's draft Statement of Intent no later than 1 March 2021. Please refer to the reporting timetable attached for other reporting dates.

Should you have any queries or comments regarding this letter or wish to discuss the Council's strategies and the outcomes we are seeking in more detail, please contact Warwick Hayes in the first instance on 021 247 8377.

Yours sincerely



Cr Jenny Condie  
**Chair, Council-controlled Organisations Subcommittee**  
Ph: (021) 972 763  
Email: [jenny.condie@wcc.govt.nz](mailto:jenny.condie@wcc.govt.nz)

cc: Sarah Rusholme, Chief Executive  
[sarahr@experiencewellington.org.nz](mailto:sarahr@experiencewellington.org.nz)

**EXPERIENCE WELLINGTON DIRECTORY |**  
**Te papatohu ō Wheako Pōneke**

**Experience Wellington Executive Office**

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

**City Gallery Wellington Te Whare Toi**

*'A contemporary art gallery with an international reputation the hub of art-life in New Zealand's capital'*  
Te Ngākau Civic Square  
101 Wakefield Street  
PO Box 893, Wellington  
P: 04 913 9032  
E: [citygallery@experiencewellington.org.nz](mailto:citygallery@experiencewellington.org.nz)  
[www.citygallery.org.nz](http://www.citygallery.org.nz)

**Capital E Nōku Te Ao**

*'Ignites and fuels children's creative spark'*  
4 Queens Wharf  
PO Box 893, Wellington  
P: 04 913 3740  
E: [capitale@experiencewellington.org.nz](mailto:capitale@experiencewellington.org.nz)  
[www.capitale.org.nz](http://www.capitale.org.nz)

**Space Place Te Ara a Whānui Ki Te Rangi**

*'Transports visitors from Wellington to outer space.'*  
Botanic Gardens  
PO Box 893, Wellington  
P: 04 910 3140  
E: [spaceplace@experiencewellington.org.nz](mailto:spaceplace@experiencewellington.org.nz)  
[www.museumswellington.org.nz/space-place](http://www.museumswellington.org.nz/space-place)

**Wellington Museum Te Waka Huia o Ngā Taonga Tuku Iho**

*'Shares the stories and objects of Wellington'.*  
The Bond Store, Queens Wharf  
PO Box 893, Wellington  
P: 04 472 8904, F: 04 496 1949  
E: [museumswellington@experiencewellington.org.nz](mailto:museumswellington@experiencewellington.org.nz)  
[www.museumswellington.org.nz/wellington-museum](http://www.museumswellington.org.nz/wellington-museum)

**Cable Car Museum**

*'Encourages visitors to explore and share the technology, history and experience of Wellington's Cable Car'*  
1 Upland Road  
PO Box 893, Wellington  
P: 04 475 3578  
E: [cablecar@experiencewellington.org.nz](mailto:cablecar@experiencewellington.org.nz)  
[www.museumswellington.org.nz/cable-car-museum](http://www.museumswellington.org.nz/cable-car-museum)

**Nairn Street Cottage**

*'Illustrates the story of Wellington through the Wallis family.'*  
68 Nairn Street  
PO Box 893, Wellington  
P: 04 384 9122  
E: [cottage@experiencewellington.org.nz](mailto:cottage@experiencewellington.org.nz)  
[www.museumswellington.org.nz/nairn-street-cottage](http://www.museumswellington.org.nz/nairn-street-cottage)

**Plimmer's Ark Galleries**

Old Bank Arcade (timbers *in situ*)

**New Zealand Cricket Museum Ngā Taonga Kirikiti**

The Old Grandstand, Basin Reserve  
PO Box 578, Wellington  
P: 04 385 6602  
E: [cricket@experiencewellington.org.nz](mailto:cricket@experiencewellington.org.nz)  
<http://nzcricketmuseum.co.nz/>

**Note:** The New Zealand Cricket Museum is currently closed for redevelopment.

# Our Experiences

**Space Place**  
Wellington Botanic Gardens, Kelburn

**Wellington Museum**  
3 Jervois Quay, Queens Wharf

**Capital E**  
4 Queens Wharf

**Experience Wellington**  
Level 8  
342 Lambton Quay

**City Gallery Wellington**  
To Whare Toi  
City Gallery Wellington  
Civic Square, 101 Wakefield Street

**Cable Car Museum**  
1A Upland Road, Kelburn

**Nairn Street Cottage**  
68 Nairn Street, Mount Cook

**NEW ZEALAND CRICKET MUSEUM**  
NZ Cricket Museum  
Old Grandstand, Basin Reserve  
*\*The museum is closed from January 2019 until early 2020*

Map labels: Upland Rd, Kelburn Parade, Kelburn Rd, The Terrace, Boulcott Street, Willis Street, Victoria Street, Wakefield St, Cable St, Manners Street, Dixon Street, Chuznee Street, Vivian Street, Taranaki Street, Tony Street, Courtney Place, Kent Terrace, Cambridge Terrace, Webb Street, Aro Street, Brooklyn Rd, Nairn St.

**WellingtonNZ**

MAKING THE WELLINGTON REGION **Wildly Famous**

**WELLINGTON REGIONAL ECONOMIC  
DEVELOPMENT AGENCY LIMITED**

**STATEMENT OF INTENT  
2021-2024**

**DRAFT**

DRAFT

# Mihi

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

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

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

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

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

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

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

# Introduction

*In accordance with the Local Government Act 2002, this Statement of Intent (SOI) states the planned activities, intentions and performance measures for the Wellington Regional Economic Development Agency (WREDA) for the next three years. It is written in response to the Wellington Regional Strategy (WRS) Committee's December 2019 Letter of Expectation and covers both WREDA Ltd (WellingtonNZ) and its subsidiary CreativeHQ Ltd.*

## **Tēna koutou e ngā rangatira**

The Wellington region has demonstrated its resilience in the face of the Covid pandemic and is well placed for the future.

There are two key reasons for this. Firstly, we have a diversified economy built around Government, professional services specialised manufacturing, the screen industry and technology. Secondly, we are a place where talented, creative people choose to live. This reflects the topography of the place, the accessibility of coast and hills and the energy which comes from Wellington being a centre of government, a place of learning and ideas and, as the poet Lauris Edmond put it, *"a city of action – the world headquarters of the verb"*. Creativity and innovation are central to making the region a magnet for talent as are the dynamic hospitality and events scenes. However, we cannot be complacent and to thrive, action is required.

As is outlined in the Wellington Regional Strategy Committee's letter of expectation to WellingtonNZ, although Covid19 presents many challenges for the region's economy it also provides an opportunity to reflect, reset and reimagine. This SOI responds to this challenge identifying the important role WellingtonNZ can play in helping build a thriving regional economy with increasing numbers of people participating in the benefits it delivers.

For WellingtonNZ to achieve our ambition of making the Wellington region wildly famous, we need to support our innovators to commercialise ideas and grow businesses that can boost exports, create jobs and help address challenges – such as the transition to a low carbon economy – that are essential for sustainable growth. We need to get behind our artists, performers, film makers and other creatives to help tell the stories of this place in new and unique ways. We need to recognise the strength being the nation's capital brings – the debate, policy, innovation, thinking and government institutions, and leverage these to benefit everyone. Lastly, we must celebrate the people of this place – mana whenua, Pasifika and the diverse communities whose talent, passion and ambition will help shape our future and create opportunity for us all.

WellingtonNZ exists to facilitate and help bring this future to life, through storytelling, events and experiences, in supporting talent and jobs for the future, and in attracting investment in region.

This is a place that has always been filled with creative people doing wildly creative and innovative things across all sectors. We are surrounded by dramatic landscapes. We host electrifying events. We are the seat of government, and the centre for much academic, entrepreneurial and scientific endeavour. Despite the global, national, and local challenges of 2020, we are wildly ambitious for the Wellington region, and proud of our role in furthering its success.

Tracey Bridges  
***Chair of the Board***

## Table of Contents

<b>1. About WellingtonNZ</b> .....	<b>6</b>
1.1 Who we are .....	<b>6</b>
1.2 Our purpose .....	<b>6</b>
1.3 Our role in reactivating the Wellington region .....	<b>7</b>
1.4 Creative HQ .....	<b>7-8</b>
<b>2. Programme of Activity</b> .....	<b>8</b>
2.1 Key Programmes of Work.....	<b>8-10</b>
2.2 Supporting Sustainability and a Low Carbon Economy .....	<b>10-11</b>
<b>3. Performance Metrics</b> .....	<b>12-14</b>
<b>4. WellingtonNZ Operations</b> .....	<b>14</b>
4.1 Living Wage .....	<b>14</b>
4.2 Diversified Revenue Sources.....	<b>15</b>
4.3 Te Reo Maori .....	<b>15</b>
4.4 Health, Safety and Wellbeing.....	<b>15</b>
4.5 Harassment .....	<b>16</b>
4.6 People and Culture .....	<b>16-17</b>
4.7 Operational Efficiencies.....	<b>17</b>
<b>5. Financial Summary</b> .....	<b>18-19</b>
<b>6. Risks to KPI achievement</b> .....	<b>19-20</b>
<b>Appendix 1 Governance and Account</b> .....	<b>21</b>

# 1. About WellingtonNZ

## 1.1 Who we are

WellingtonNZ is the Wellington region's economic development and promotions agency.

WellingtonNZ is a Council Controlled Organisation (CCO) with our shareholders being Wellington City Council (WCC – 80%) and Greater Wellington Regional Council (GWRC – 20%). We are governed by an independent Board of Directors who are appointed by the shareholders. WellingtonNZ reports through to the Wellington Regional Strategy Committee (WRS) which consists of mayors from Territorial Authorities across the region, and WCC and GWRC councillors. It is the WRS Committee that has provided the Letter of Expectation that has shaped this Statement of Intent, and that reviews and recommends the approval of this Statement of Intent to the shareholders.

Funding for WellingtonNZ activities comes from the two shareholding councils, from central government agencies who contract WellingtonNZ to perform specific services, and a range of private sector partners.

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

## 1.2 Our purpose

Our purpose is **to make the Wellington region wildly famous**. This purpose reflects our central role in placemaking and storytelling, and in attracting people to our region, as the best place in New Zealand to visit, host an event, start and sustain a business, make a film, study, migrate to or invest in. By making our region wildly famous, we create a platform for the region to prosper – both economically but also in terms of vibrancy and liveability.

We believe that the region – which includes Kāpiti, Porirua, the Hutt Valley, Wairarapa and Wellington city - is greater than the sum of its parts and that by working to develop and tell a compelling and unifying regional story, we amplify the potential of this place.

Our vision is that **the Wellington regional economy is thriving with more people participating in the benefits**. This means more opportunities for people – to study, work and enjoy and participate in all that the region has to offer.

We have identified three focus areas, to support this kaupapa and to reflect the expectations of our shareholders:

- **Jobs for the future** - Support businesses to grow, innovate and meet future workforce needs
- **Placemaking** - Enhance Wellington's reputation as New Zealand's creative heart
- **Collaboration and Engagement** - Working in partnership to support investment in the region

### 1.3 Our role in reactivating the Wellington region

This is a three-year SOI. We expect that the impact of Covid-19 will be felt throughout this period with border restrictions, international uncertainty and market volatility impacting our country and region. Aotearoa is well positioned to ride out these challenges, and Wellington particularly so.

We have already stepped up our activity following the impact of Covid19 on our economy. In the 2019/2020 financial year we supported thousands of businesses and facilitated:

- **\$115m** in direct economic impact from WellingtonNZ activities
- **\$1.4m** in professional service vouchers to support business
- **\$2.3m** in research and development grants to drive innovation
- **\$91m** in out of region spend from major events, and events in our venues
- **\$30m** in equivalent advertising value from positive media coverage about Wellington
- **\$2.2m** in investment into Creative HQ incubated businesses

There is much work still to do and WellingtonNZ must play a leading role in re-establishing and sustaining confidence within the region. To be successful, this mahi must be done in partnership with local and central government, mana whenua, the private sector and wider community to create a collective vision – and action plan for the region.

The Government has announced significant new funding to support the Covid recovery process and promote regional development. We will be actively working with stakeholders to define our regional economic strategy and secure funding support for priority projects in our region.

### 1.4 Creative HQ

Creative HQ Ltd is a wholly owned subsidiary of WREDA Ltd. It has its own Board of Directors, including three independent Directors (one of whom is Chair), a Director from the WellingtonNZ Board and the Chief Executive of WellingtonNZ.

Creative HQ is New Zealand's leading provider of incubation, acceleration and innovation programmes. Since its formation in 2003, CreativeHQ has worked with over 300 start-ups and high growth ventures to develop their business concepts and commercialise opportunities.

In addition to CreativeHQ's strong track record in start-up innovation, incubation and acceleration, the company has also established a leadership position in structured innovation programmes (including corporate accelerators and design sprints) Creative HQ has also led the charge on GovTech – defined as breakthrough innovation in Government and the public service - with CreativeHQ pioneering the first acceleration programme for Government in 2014 and establishing Wellington as a global GovTech hub.

Creative HQ has played a critical role in supporting companies to respond to the many challenges of Covid-19. The opportunity now exists to ramp up this activity to support more start-ups, more entrepreneurs, more innovation, and in doing so to support the creation of jobs in our community.

The focus for CreativeHQ growth during this next SOI period will continue to be in four core areas:

- Incubation services and associated eco-system services for start-up ventures
- Acceleration programmes
- Structured innovation training and associated enterprise capability services (targeting customers from start-ups to corporates)
- Public sector innovation through leveraging GovTech expertise

The core funding provided by WellingtonNZ to CreativeHQ is used to support these services in the Wellington region. In addition, CreativeHQ is building its market reach by providing services nationally and internationally. Activities outside of the Wellington region are funded by third party and commercial partners/contracts.

## 2. Programme of Activity

### 2.1 Key Programmes of Work

#### JOBES FOR THE FUTURE

**Objective: Support businesses to grow, innovate and meet future workforce needs, to ensure more businesses are succeeding and employing more people.**

<b>Maori Economic Development and Business Support</b>	We are actively building our relationships with Mana Whenua to better understand their ambitions and priorities across the region and to position ourselves to help support them in achieving these. This will see a focus on supporting Maori business, working with mana whenua to help tell the stories of this place and a focus on developing and supporting Maori entrepreneurial activity and skills. As part of this we will be looking at how to grow our specific support for Maori Businesses via our Kaiwhakatupu Pakihi Māori (Māori Business Growth Advisor).
<b>Screen Wellington</b>	In our role operating the Wellington regional film office, we will leverage New Zealand's status as a safe, attraction film destination to attract and support screen activity in the region. We will work directly with the local industry to build capability, investment, digital export and infrastructure growth.
<b>Regional Business Partnership Programme - Enhancement</b>	The RBP and Business Growth teams proved their value in supporting businesses through the initial response phase to Covid-19. The opportunity is now to build on the strengthened relationships to deliver greater value to business. This will be a focus as we renegotiate the current RBP contract in 2021.
<b>Intern Programmes and Pathways to Employment</b>	In line with our involvement in the Regional Skills Leadership Group, we will continue to support programmes that are targeted at providing intern opportunities for students and create pathways to full employment. Currently we support the Summer of Tech and Young Enterprise programmes and will be considering ways that we can continue to grow the scale and impact of these.
<b>Creative HQ – Incubation Services and Innovation Ecosystem Support</b>	Creative HQ is an asset, enabling WellingtonNZ to support and grow the region's start up and entrepreneurial activity. We will be looking to expand its activities in both business incubation and corporate (and Government) innovation. We want to see growth in the number of business start-ups in the region and the range of support available to founders as they scale their businesses.
<b>Wellington Regional Growth Framework</b>	Work is underway on a Regional Growth Framework - a joint local government, central government and iwi project to develop a region wide spatial plan for the next 30 years which will include a programme of projects to resolve growth issues and other challenges. We will work alongside the other stakeholders in supporting the development of this framework and the projects that evolve as part of it.

<b>Wellington Convention Bureau</b>	Business Events will continue to play an important role in the Wellington economy, with a near term focus on attracting conferences and business events locally, nationally and trans-Tasman, while also creating a strong international pipeline for when international travel starts again. This is particularly important with Tākina – the new Wellington Convention and Exhibition Centre - coming on-stream in 2023.
<b>Supporting Wellington businesses to reactivate</b>	Leveraging the Love Local campaign, which we developed during the initial Covid response phase to “get the tills ringing”, we will continue to lead a programme of promotions, and activations to help businesses get back on their feet and rebuild consumer confidence in a welcoming, safe and creatively Wellington way.

## PLACEMAKING

***Objective: Enhance Wellington as New Zealand’s creative heart to drive more locals and visitors to participate in events and experiences, and drive visitation into local businesses and attractions.***

<b>Programme</b>	<b>Overview</b>
<b>Major Events</b>	WellingtonNZ will continue to support and invest in a programme of Major Events for Wellington City, taking a portfolio approach to ensure the best value to residents and business, generating economic, cultural and social benefit. In this SOI period our WellingtonNZ Major Events team will also administer and monitor the Wellington Regional Events Fund, provided as part of the New Zealand Government’s Tourism Recovery Package. The fund will focus on securing events for the Wellington region that will drive domestic visitation to the region, increasing tourism spend.
<b>Destination marketing</b>	WellingtonNZ plays a leading role in marketing Wellington and telling the story of the Wellington region via marketing campaigns, travel trade outreach, editorial media outreach, digital platforms and activations. As the storytelling engine for the region, we will be increasing our activity in this space, ensuring that we are telling a coordinated, compelling and future focused story to all key audiences – including residents, so they understand the opportunities, benefits and future potential of our region, and be vocal advocates for it.
<b>Investment attraction</b>	Attracting and facilitating investment that will support business attraction, retention and growth, to drive job opportunities and economic growth across the region.
<b>Wellington City i-Site</b>	Operating the Wellington City i-Site (visitor information centre) and associated Wellington City Ambassador volunteer programme.
<b>Venues Wellington</b>	WellingtonNZ manages the operation of the Wellington city venues under the Venues Wellington brand – including sales, facilities management, event operations and customer experience. This SOI period will see us working with WCC to drive investment in our civic venues to ensure they are fit for purpose and meet changing audience trends and expectations.
<b>UNESCO City of Film</b>	In 2019 Wellington was named a UNESCO City of Film. WellingtonNZ is the lead agency in coordinating leveraging this accolade through storytelling and working with the screen industry, and local and central government. The programme aims to contribute to a more vibrant, sustainable and inclusive screen sector and city.
<b>Wellington Regional Trails Framework</b>	Continuing to be the facilitation and project management lead on execution of the Regional Trails Framework and the promotion of Trails in the region under the Find Your Wild brand.

## COLLABORATION AND ENGAGEMENT

**Objective: Work in partnership to support investment in the region to unlock the best outcomes and opportunities for all.**

<b>Wellington Regional Economic Plan</b>	This plan will recognise capabilities across the region and align and leverage them to maximise long-term benefits for all. We will work closely with GWRC, Territorial Authorities, Mana Whenua and other stakeholders to deliver a plan that is action focused and which identifies and prioritises the work required to ensure a sustainable future for the region.
<b>Regional Infrastructure and Economic Development Projects</b>	We will continue to work with and support local TA (Territorial Authority) Economic Development teams on the execution of their Economic Development strategies, within the context of our wider regional mandate. We are actively working with TAs to ensure we are reflecting their priorities and requirements in our work programmes. We will identify specific projects in individual TAs that we can support. We are also exploring different resourcing models to make our support across the region more visible and effective.
<b>Regional Workforce and Skills Development</b>	A considerable emphasis is being placed by the Government on regional development, supported by significant funding for critical infrastructure projects and a focus on skills development. WellingtonNZ is actively involved in the Regional Skills Leadership Group and will help develop specific proposals as priorities are determined. A particular area of focus is likely to be supporting Mana Whenua and Pasifika communities with skills development programmes for their rangatahi.
<b>Mana Whenua Partnerships</b>	We will continue to deepen relationships with mana whenua to ensure our work supports their goals and we're working in partnership to deliver for the people of this region.
<b>The Creative Sector</b>	The arts and creative sectors play a critical role in defining, energising and shaping our city and region. We are actively working with WCC on the development of the city's arts, economic and young peoples' strategies. We are also working to support our creative practitioners, engaging them directly to help tell our stories, develop events and sustain the vibrancy of the city. This includes advocating for investment in arts infrastructure that can be utilised to showcase our artists and bring vibrancy to our region.

## 2.2 Supporting Sustainability and a Low Carbon Economy

The Government and Councils within the Wellington region have announced a climate change emergency and have (or are) developing low carbon-based strategies, plans and policies. One example is Wellington City, which has adopted *Te Atakura - First to Zero*, a plan that aims to ensure Wellington is a net zero emission city by 2050, with a commitment to making the most significant cuts in the first 10 years.

As the economic development agency for the region, we recognise that we have a role to play in supporting these policies, and that they will be an important focus in the post Covid recovery period. There are significant opportunities to establish and grow new companies focusing on the low carbon economy (CoGo, Mevo, and Hot Lime Labs are just a few examples) We will tell stories of world leading research from our universities, CRIs and major energy companies, the development our trails, the work of Zealandia and our predator free programme.

In addition, over the SOI period we will be taking the following actions:

### **Regional Business Partnership (RPB) Programme**

- Our team engage with Wellington businesses every day through the RBP programme. This provides the opportunity to emphasise the importance of sustainability in business planning, identifying sustainability as an important component of a business's development and provide guidance on how to transition to a low-carbon business model. Over the course of this SOI period we will examine ways that we can make this a more overt part of our programme delivery.

### **Tourism Sustainability**

- While Tourism will be impacted and reimaged by the Covid 19 situation, people will continue and issues the environmental impact will remain. WellingtonNZ will continue to participate in initiatives that address this at a national level. This includes supporting the Tourism Industry Aotearoa Sustainability Commitment and being a participant in MBIE's Sustainable Tourism Framework development.
- The development of work from our Destination Plan will include focus on developing sustainable/low-carbon tourism business that reduce the environmental impact of visitors.

In addition to the above, we will continue to focus on our own internal activities:

- In 2019 we developed our Sustainability Policy. Amongst other things we committed to:
  - Reducing waste in all forms across our business wherever.
  - Monitoring and reducing our carbon footprint to lessen our impact on the world around us.
  - Seeking out partners with sound sustainable and environmental practices.
  - Sourcing local when possible and having a focus on sustainable procurement.
- In 2021/22 we will focus on:
  - Continuing to reduce waste across all our operations and ensuring good recycling practices, with a particular focus on working with WCC to improve the performance of the Venues we manage on their behalf. In doing this we will note the guidance from the Wellington Region Waste Management and Minimisation Plan.
  - Work with our Venues delivery partners (e.g. catering partners) to minimise waste and ensure good recycling practices across their operations within the Venues.
  - Continuing to work with WCC across our Venues operations to improve the performance in relation to energy consumption.
  - Reducing our Carbon Footprint and off-setting where reduction is not possible to be Carbon Zero.
- WellingtonNZ will also participate in the Wellington Region Climate Change Working Group (WRCCWG).

### 3. Performance Metrics

In 2019/20, WellingtonNZ reviewed its performance framework with the aim of:

- Reducing the number of metrics;
- Ensuring metrics are linked to factors which WellingtonNZ can control and which measure WellingtonNZ's direct impact;
- Measuring outcomes not just outputs;
- Providing greater clarity on the region's return on investment.

This remains challenging given the range of activities undertaken by WellingtonNZ and the varying levels of influence that WellingtonNZ has over ultimate outcomes. The impact of Covid-19 further complicated the situation, which has made both existing benchmarks less relevant and forecasting targets in an uncertain future very challenging.

For this reason, we made further adjustments and reductions to our performance metrics in 2020/21 to provide a small number of headline measures. We have refined the measures for 2021/22. However, at the time of writing this SOI, we still do not have clarity about the operating environment in 2021/22 and therefore, we will continue to refine the measures as we gain more clarity.

Note that in addition to these headline measures we will continue to measure a range of operational metrics including those that relate directly to our WCC, Major Events and Venues Wellington funding (aligned to the expectations of the Funding Agreements), and a range of historical metrics.

#### Key Headline Performance Indicators

KPI	Explanation	2020/21 Forecast	2021/22 Target
<b>JOBS FOR THE FUTURE</b>			
<b>KPI 1: Direct economic impact of WellingtonNZ's activities and interventions</b>	This is a measure we introduced in 2019/20. It is designed to provide a dollar value indication of the impact of WellingtonNZ activities by collating the value of those activities that we directly influence and impact (where we have data to support that).	\$ 115 million	\$150 million
<b>KPI 2: Number of businesses engaged by a WellingtonNZ intervention or programme</b>	This is a measure we introduced in 2019/20. It is designed to provide an indication of the number of businesses that we have directly impacted on by either being part of a WellingtonNZ programme or a direct WellingtonNZ activity or intervention	3,200 (note that this is larger than expected due to the impact of Covid-19 Response activities)	2,000

PLACEMAKING			
<b>KPI 3: Equivalent Advertising Value (EAV) from media activity</b>	This is a measure we introduced in 2019/20. A key activity for WellingtonNZ is creating external stories and media content. Equivalent Advertising Value (EAV) is an accepted industry estimate of the value of media coverage that results from public relations and media activity. EAV is based on the equivalent cost to purchase the same reach and coverage results. This is a combination of TNZ (International media EAV) and Domestic Media	\$25 million	\$25 million
<b>KPI 4: Value of expenditure generated from events (including business, performance, and major events)</b>	Currently we measure out of region spend events at both Wellington city venues (covering both performance and business events) and Major Events. It is calculated using agreed methodology that is consistent across New Zealand. In light of Covid-19 and an increased domestic focus, we will measure the local audience at events to reflect the full impact.	\$45M (note that this is out of region only)	\$75M (depending on Covid alert levels and viability of events)
<b>The number of Wellington Region residents that attend events</b>		480,000	500,000
COLLABORATION & ENGAGEMENT			
<b>KPI 5: Stakeholder engagement</b>	This is a measure of the engagement we have with our wide and varied stakeholders, and the quality of those relationships.	80%	Increase

In addition to the above we have 3 key internal facing KPIs:

KPI	Explanation	2020/21 Forecast	2021/22 Target
<b>KPI 1: Financial Management</b>	Budget on track – income, expenditure and surplus.	On Track	To Budget
<b>KPI 2: Funding Diversification</b>	% of revenue from commercial/non council funding and commercial activity (combined WELLINGTONNZ and CHQ)	25%	30%
<b>KPI 3: Employee Engagement</b>	As measured by our CultureAmp employee surveys	65%	68%

**Indirect Measures of Impact**

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

Measure	Actual (19/20)	Forecast (20/21)	Projected (21/22)
International Arrivals through Wellington International Airport	International 160,162 Australian 114,336	International 4 Australian 2	International 50,000 Australia 30,000
Visitor spend (Domestic & Other)	Domestic \$758m Other \$238m	Domestic \$900m Other \$100m	Domestic \$927m Other \$140m
Total Visitors' nights to our Wellington Region	Dataset Change	2,236,000	2,375,000
Share of multi-day conferences reported in the Wellington Region	Dataset Change	22%	22%

We will also continue to collect and share data on the performance of the Wellington region including, but not limited to:

Population Growth due to migration to Wellington Region	7,138	8,000	11,000
Wellington Region GDP	2.6% (Sep 2019 figures from Infometrics)	2%	1.5%
Number of Filled Jobs in our Region	246,296 as of June 2020	251,000	255,000
Number on Jobseeker Support benefit – Work Ready	13,677 as of June 2020	14,500	12,500
Mean Annual Earnings of people in employment in the Wellington region	Workforce \$69,222 Maori Workforce \$64,587	Workforce \$70,814 <small>Treasury forecast are only for entire NZ workforce</small>	Workforce \$72,372 <small>Treasury forecast are only for entire NZ workforce</small>

## 5. WellingtonNZ Operations

### 5.1 Living Wage

In September 2019 WellingtonNZ implemented the living wage for all employees. WellingtonNZ remains committed to paying the living wage and will ensure employees are continued to be paid at least the current living wage as calculated independently by the New Zealand Family Centre Social Policy Unit, ensuring all staff can fully participate as active citizens within the community.

## 5.2 Diversified Revenue Sources

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

- NZTE and Callaghan for the RBP programme;
- Educational institutions for the WISGP programme;
- Partnerships with tourist operators and hotels to support destination marketing and business events attraction;
- Commercial engagements via CreativeHQ.

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

In this next SOI period we will continue to look for opportunities to grow funding partnerships outside of our core funding, and to commercialise our own activities as appropriate.

## 5.3 Te Reo Māori

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

- A commitment to work in partnership with Mana Whenua to share their stories, support their tourism initiatives and enhance the skills of their emerging entrepreneurs;
- A commitment to facilitating the upskilling of our team in both Te Reo and Tikanga Māori;
- Introducing Te Reo into communications and marketing material where appropriate;
- Incorporating a Māori perspective and particularly that of mana whenua into our business growth work as appropriate.

## 5.4 Health, Safety and Wellbeing

WellingtonNZ has a commitment to the Health, Safety and Wellbeing of our employees and, given that we operate public venues, the Health and Safety of our venue hirers and patrons. We are committed to continuing to develop a working environment where positive Health and Safety is part of our culture. what we do, rather than a compliance task.

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

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

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

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

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

- Set health and safety objectives and performance criteria for all work areas;
- Review health and safety objectives and performance annually;
- Actively encourage the accurate and timely reporting and recording of all accidents, incidents and hazards;
- Investigate all reported accidents, incidents and hazards to ensure all contributing factors are identified and, where appropriate, plans are formulated to take corrective action;
- Actively encourage the early reporting of any pain or discomfort;
- Participate in rehabilitation of employees to ensure an early and safe return to work;
- Identify all existing and new hazards and take all practicable steps to eliminate, isolate or minimise the exposure to any hazards;
- Ensure that all employees are made aware of the hazards in their work area and are adequately trained to enable them to perform their duties in a safe manner;
- Encourage employee consultation and participation in all matters relating to health and safety;
- Promote a system of continuous improvement in Health and Safety practises;
- Meet our obligations under the Health and Safety at Work Act 2015 and its associated regulations, codes of practise and any relevant standards or guidelines

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

## 5.5 Harassment

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

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

## 5.6 People and Culture

We recognise that our people are at the centre of our business.

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

Key initiatives which have started and will continue into 2021/22 include:

- Cultural Capability
- Leadership development programmes;
- A continued focus on improving engagement;
- A focus on diversity;
- Succession planning and readiness;
- Enhancing recruitment methodologies to ensure we attract the best candidates;

- Enhancing our wellness offering, with a focus on all pillars of wellbeing;
- Embedding our flexible working policies, normalising the approach and acceptance of flexible practises;
- Embedding our values and behaviours:
  - Doing it together
  - Showing the passion
  - Finding the fun
  - Focusing on the customer
  - Daring to be different.

## 5.7 Operational Efficiencies

WellingtonNZ seeks continuous improvement in its operational management.

With all IT platforms now consolidated on the core WellingtonNZ system, our focus will move to enhancing these core systems to ensure we operate with the appropriate hardware and software for staff to operate in the most effective manner. We will also look to continue to find ways to share services with CreativeHQ as appropriate.

We continue to assess each purchasing decision and contract negotiation we make to ensure it is appropriate with a level of probity expected in the public sector. We will continue to enhance our environmental and climate considerations for all purchasing and operational practises.

DRAFT

## 6. Financial Summary

STATEMENT OF FINANCIAL PERFORMANCE			
	2021/22	2022/23	2023/24
<b>REVENUE</b>			
Revenue from Shareholders	19,424,796	19,770,883	20,015,783
Other Revenue	7,943,255	10,272,581	12,161,906
<b>TOTAL REVENUE</b>	<b>27,368,051</b>	<b>30,043,463</b>	<b>32,177,689</b>
<b>EXPENDITURE</b>			
Cost of Goods Sold in iSITE	25,000	27,500	30,250
Personnel Costs	12,771,155	13,355,434	14,126,320
Investment in Projects and Events	12,088,643	14,048,276	15,195,866
Other Expenditure	2,333,253	2,462,253	2,675,253
<b>TOTAL EXPENDITURE</b>	<b>27,218,051</b>	<b>29,893,463</b>	<b>32,027,689</b>
<b>SURPLUS</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>
<b>STATEMENT OF FINANCIAL POSITION</b>			
	2021/22	2022/23	2023/24
<b>SHAREHOLDER FUNDS</b>	<b>2,850,000</b>	<b>3,000,000</b>	<b>3,150,001</b>
<b>ASSETS</b>			
Current Assets	4,159,536	4,522,403	4,649,102
Investments	1,569,540	1,569,540	1,569,540
Other Non Current Assets	1,215,627	1,314,420	1,306,015
<b>TOTAL ASSETS</b>	<b>6,944,703</b>	<b>7,406,363</b>	<b>7,524,657</b>
<b>CURRENT LIABILITIES</b>	<b>4,094,703</b>	<b>4,406,363</b>	<b>4,374,656</b>
<b>NET ASSETS</b>	<b>2,850,000</b>	<b>3,000,000</b>	<b>3,150,001</b>
<b>STATEMENT OF CASHFLOWS</b>			
	2020/21	2021/22	2022/23
<b>OPENING CASH</b>	<b>3,500,000</b>	<b>4,060,000</b>	<b>4,410,000</b>
Operating Cash Receipts	27,368,051	30,043,463	32,177,689
Operating Cash Payments	27,218,051	29,893,463	32,027,689
Other Receipts/Payments	410,000	200,000	- 100,000
<b>NET CASHFLOW</b>	<b>560,000</b>	<b>350,000</b>	<b>50,000</b>
<b>CLOSING CASH</b>	<b>4,060,000</b>	<b>4,410,000</b>	<b>4,460,001</b>

Notes:

- Financial Summary is a consolidated view (Parent and Subsidiary - CreativeHQ)
- Revenue forecasts from our Shareholders are reflective of funding agreements in place.
- Other Revenue reflects revenue from third parties and commercial activity, and the revenue achieved by CreativeHQ resulting from its commercial activities.
- Investments represents the value of the investments from CreativeHQ in the companies that it incubates and retains a shareholding.

## 7. Risks to KPI achievement

There are several risks which could impact on the success of WellingtonNZ. Many of these are outside of our direct control, such as the impact of geo-political factors, changes to government policy settings, or macro-economic factors which impact on the economy as a whole (including pandemics and natural disasters).

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

Area of Risk	Risk Description	Mitigation
Reviews of Economic Development Activities	GWRC has indicated that it will be reviewing its role in Economic Development activities which may impact on its funding of WellingtonNZ.	<ul style="list-style-type: none"> <li>• Continue to be actively involved in conversations with GWRC and WRS Committee on value from WellingtonNZ activities.</li> </ul>
Availability of shareholder and partner funding	Partner funding is provided for a number of WellingtonNZ and CHQ programmes of activities – from shareholders, and from other public and private sources. This funding is subject to agreements of various lengths and criteria which may or may not be renewed depending on a range of factors that may or may not be within WellingtonNZ’s direct control.	<ul style="list-style-type: none"> <li>• Ensure delivery is in line with partner expectations.</li> <li>• Maintain a regular schedule of communications with and reporting to partners.</li> <li>• Engage major partners in planning sessions to ensure programmes meet their expectations.</li> <li>• Review partner funding arrangements on a regular basis.</li> <li>• Seek new commercial revenue sources.</li> </ul>
Scope of WellingtonNZ operations	WellingtonNZ has limited human and financial resources to allocate to the wide scope of activities that it is involved in or asked to be involved in.	<ul style="list-style-type: none"> <li>• Ensure that resources are appropriately allocated to activities that contribute to the 3 key SOI focus areas and specifically to those activities which deliver projects and programmes of work that have tangible outcomes and impacts on the region.</li> <li>• Ensuring that interventions that are made are targeted and timebound and are in situations where there is a specific ability to create an impact or to kickstart an opportunity.</li> </ul>
Health, Safety and Wellbeing	Given that a large part of WellingtonNZ’s activity is operational – especially within the Venues Wellington operation - there are inherent health and safety risks which could impact on the wellbeing of our people.	<ul style="list-style-type: none"> <li>• WellingtonNZ has an appropriate fit for purpose Health and Safety programme in place, which is governed by the WellingtonNZ Board.</li> </ul>

<p>Venue Availability and Suitability</p>	<p>During much of this SOI period the St James Theatre will remain closed, and existing venues will be under pressure (including the MFC which will be impacted by the ongoing construction work on the Town Hall). We will therefore be working with constrained and aging venue inventory.</p>	<ul style="list-style-type: none"> <li>WellingtonNZ will work with WCC to ensure appropriate capex is allocated to renewals within existing venues so that they remain fit for purpose during this period.</li> <li>WellingtonNZ will work proactively with core hirers to find solutions that meet their needs, both within existing venues and other venues in the city.</li> <li>WellingtonNZ will communicate proactively with the market on the status of Venues.</li> </ul>
<p>Maintaining strong working relationships across the Wellington region</p>	<p>As an organisation that is invested in and works for the whole Wellington region it is critical that WellingtonNZ maintains appropriate stakeholder engagement processes</p>	<ul style="list-style-type: none"> <li>WellingtonNZ will work with both its shareholders and the other Councils within the region in a structured and proactive manner such that both elected officials and officers of these organisations are well informed of WellingtonNZ's programme of activities at all times.</li> <li>WellingtonNZ will participate in appropriate work groups across the Wellington region to support economic development activity.</li> </ul>
<p>Covid</p>	<p>Continued border restrictions impact student, tourist, and talent numbers required to deliver and sustain regional economic growth</p>	<ul style="list-style-type: none"> <li>Close cooperation with Auckland Unlimited, ChristchurchNZ and key business and education leaders to ensure Government is aware of the impacts of its decisions and consider all options to safely increase capacity at the border and enable increased numbers of students, tourists and skilled workers into the country</li> </ul>
<p>Access to Government funding</p>	<p>We are unable to access Government funding to support Covid recovery, our arts and innovation sectors and essential infrastructure investment</p>	<ul style="list-style-type: none"> <li>We will work with GWRC and the TAs to develop a regional economic plan and to build the relationships necessary to both align the region around specific priorities and to secure necessary funding</li> </ul>
<p>Technology sector growth</p>	<p>That we fail to seize the opportunities presented by our screen, VR, gaming and technology sector to grow export oriented businesses of scale</p>	<ul style="list-style-type: none"> <li>We will work across the sector to tell its stories and promote investment and collaboration. We will also work with CreativeHQ, the universities and CRI; and entrepreneurs and provide them with the skills and support necessary to build businesses of scale</li> </ul>

In addition to the above, WellingtonNZ has a strategic and operational risk framework which is governed by the Risk and Audit Committee of the WellingtonNZ Board. To be successful we need to be well connected, trusted, well informed and action oriented.

## Appendices:

### Appendix 1 - Governance and Accounting

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

#### Governance Board

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

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

#### Wellington Regional Strategy Committee (WRSC)

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

The role of the WRSC is to:

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

The Board aims to ensure that the WRSC and the Shareholders are informed of all major developments affecting WellingtonNZ's state of affairs, while at the same time recognising that commercial sensitivity may preclude certain information from being made public. WellingtonNZ will adhere to a 'no surprises' approach in its dealings with its Shareholders and WRSC. It is anticipated that a new structure will replace the WRC during this SOI period. This is currently being discussed with the GWRC and the regional TAs.

#### Reporting

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

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

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

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

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

## **Accounting Policies**

WellingtonNZ has adopted accounting policies that are in accordance with New Zealand Generally Accepted Accounting Practices and Public Benefit Entity Standards. The detailed policies are as disclosed in WellingtonNZ's 2019/20 Annual Report.

DRAFT



**Wellington Regional Stadium Trust  
Draft Statement of Trustees Intent  
For the year ending 30 June 2022**

Registered Office: Sky Stadium  
105 Waterloo Quay  
Wellington

Chair: John Shewan

Chief Executive: Shane Harmon

The Wellington Regional Stadium Trust (the Trust) was established by the Wellington Regional Council (Stadium Empowering) Act 1996. The Settlers of the Trust are the Wellington City Council and the Greater Wellington Regional Council.

The Trust recognises the interest that the ratepayers of Wellington City Council and the Greater Wellington Regional Council have in the Trust and its activities and have agreed to be subject to the reporting requirements of both Councils and their monitoring procedures. The Trust is not a Council Controlled Organisation, for the purposes of the Local Government Act 2002.

March 2021



## 1. INTRODUCTION

The financial year ending 30 June 2022 has the potential to be a very active year but is heavily reliant on open borders from Q2. The Trust remains optimistic of a vibrant event calendar when borders eventually reopen. The 2021/22 period will remain heavily impacted by the challenges caused by the pandemic. Although the financial and operating impacts of Covid-19 will still be around for much of the coming year, the Trust has a better understanding of the impacts than it did a year ago.

Matters raised in Letters of Expectation from both the Wellington City Council and the Wellington Regional Council are addressed in the Statement of Intent.

Covid-19 remains an ongoing and acute risk to the business given that the stadium can only operate in Alert Level 1 with no restrictions on gatherings. Guns n' Roses is booked for November 2021 and the Trust expects to host an All Blacks rugby test match. All of this is dependent on Wellington remaining in Alert Level 1 with no restrictions on public gatherings.

Event enquiries, particularly for concerts have been strong for the summer of 2021/22, but again this will depend on the ongoing management of the pandemic, the worldwide rollout of the vaccination programme, and easing of New Zealand's border restrictions.

With the ongoing Covid-19 related disruptions to borders and events, the outlook remains challenging and uncertain, but the Trust remains committed to keeping the Stadium in event ready mode, and able to host a variety of events.

This means uncertainty around revenue streams. 85% of the Trust's revenues are linked to events; either directly (rentals, catering, event parking, hospitality) or indirectly (memberships, box licenses, sponsorship). In a normal year, at this stage of planning, the Trust would have significantly greater certainty around its event calendar for the coming twelve months.

Despite these challenges the Trust has continued work on major infrastructure projects to enhance the Stadium facility and experience, and to improve the resilience of the facility. In 2021/22 the Trust intends to continue to invest in the facility. The building is now 21 years old and requires increasing investment in preventative maintenance. The concourse upgrade is near completion. In 2021/22 the priority will be to recoat the concourse floor and install digital displays through the retail areas.

Seismic strengthening work continues on the Fran Wilde walk and in the coming year the Trust will finalise its plans to provide additional resilience to the Stadium building. The Trust has requested that financial support from the Settlers be considered as part of their Long Term Plans.

The Trust continues to enjoy a collaborative and supportive relationship with the Greater Wellington Regional Council (GWRC) and Wellington City Council (WCC) as well as WellingtonNZ. Wellington is in a good position to emerge as a revitalised events capital of New Zealand and the Trust is very keen to play a strong role in this. Since the Stadium opened in 2000 over 2.5m million people have attended events here from outside the Wellington region, spending over \$1.3bn. We encourage our settlers to consider the events sector as a key platform for economic recovery.



## STRATEGIC DIRECTION

### a) CORE PURPOSE

The objectives of the Wellington Regional Stadium Trust as set out in the founding Trust Deed established by the Wellington City and Greater Wellington Regional Councils ('the Councils') are as follows:

- To own, operate and maintain the Stadium as a high-quality multi-purpose sporting and cultural venue.
- To provide high quality facilities to be used by rugby, cricket and other sports codes, musical, cultural and other users including sponsors, event and fixture organisers and promoters so as to attract to the Stadium high quality and popular events for the benefit of the public of the region; and
- To administer the Trust's assets on a prudent commercial basis so that the Stadium is a successful, financially autonomous community asset.

The Councils have also established general objectives for the Trust. These are that it should:

- Adopt a partnership approach in dealing with the Councils and their associated entities.
- Have a regional focus where this is appropriate.
- Appropriately acknowledge the contribution of Councils.
- Achieve maximum effectiveness and efficiency of, and concentrated focus on service delivery.
- Operate at better than breakeven after depreciation expense.

The Trust strives to meet all the general objectives of the Councils noting that the overriding requirement of the Trust Deed means that the Trust must generate sufficient profit to repay loans and finance capital expenditure. This has not been possible in 2019/20 and 2020/21 due to the challenges created by the pandemic.

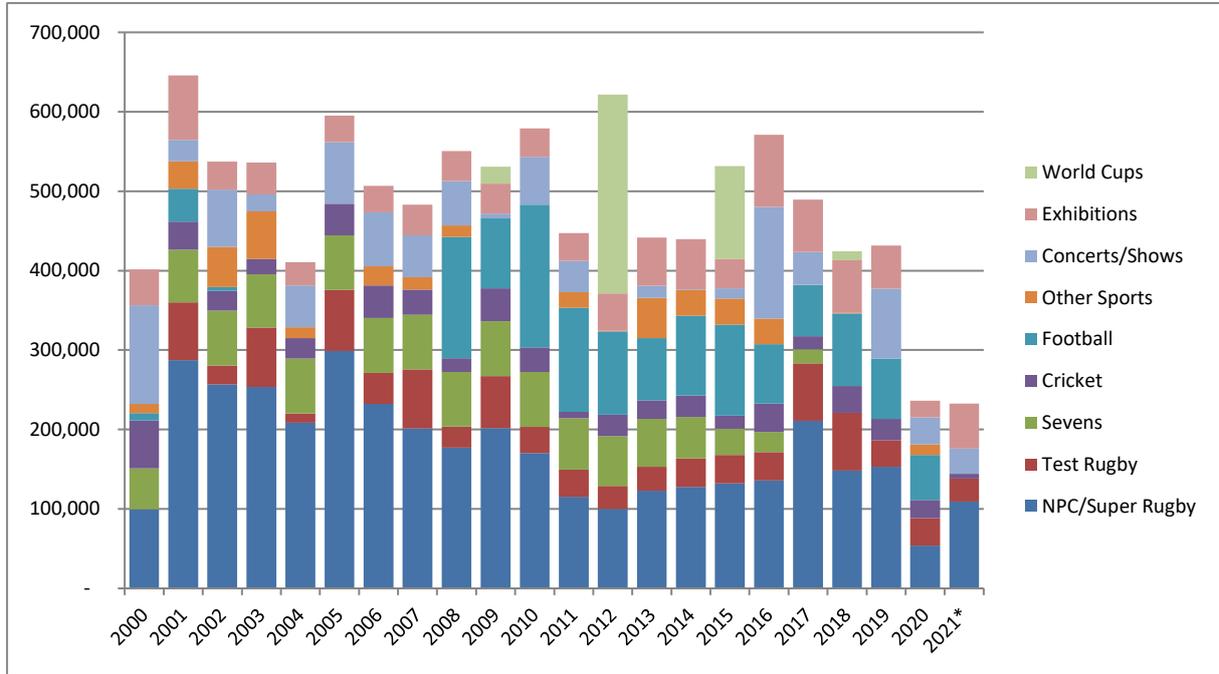
### b) OPERATING ENVIRONMENT INCLUDING COVID-19 ENVIRONMENT

The operating environment remains extremely challenging. Attendances and event days for the 2020 and 2021 financial years are less than half the long term average.

Prior to Covid-19 the Stadium boasted a strong events calendar. The events outlook for 2020/21 was very positive pre-pandemic. The success of recent concerts such as Eminem and Queen + Adam Lambert had reaffirmed Wellington as one of the premium major concert cities in New Zealand. The positive news is that promoter interest in hosting major events remains strong and we remain optimistic of securing major events in 2021/22 should the opportunity present itself. The Trust works in close partnership with WellingtonNZ to secure events.

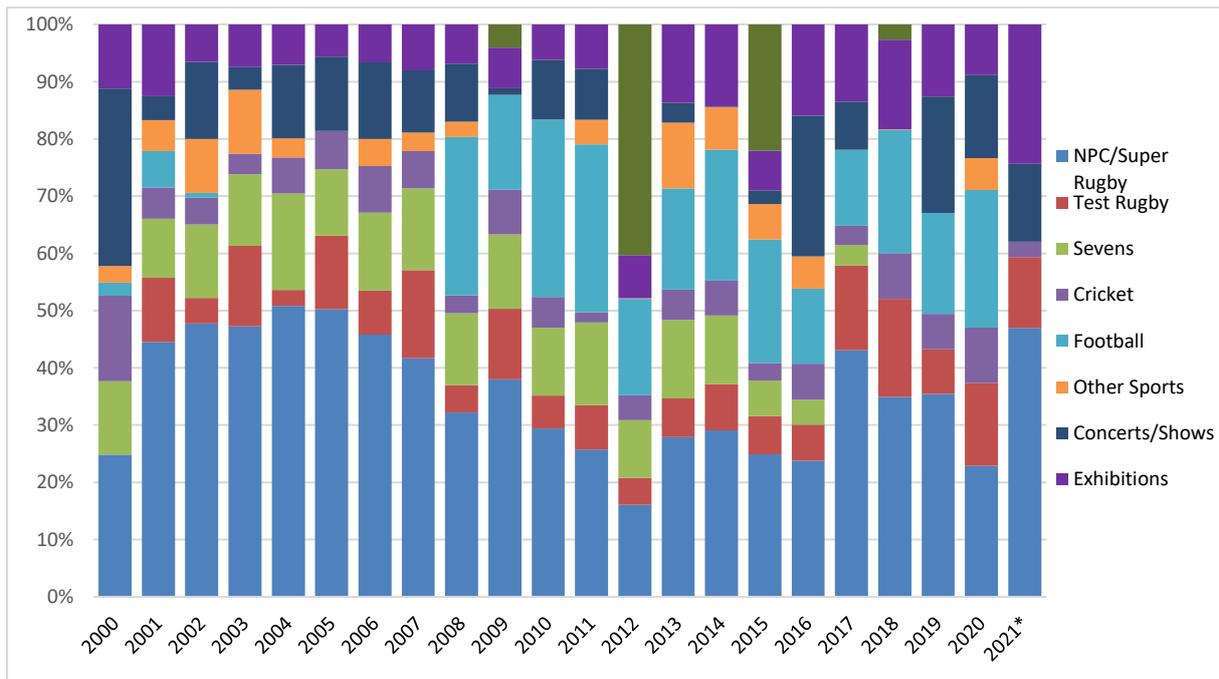
The Trust intends to continue scheduled capital expenditure including seismic upgrades and completing the remainder of the concourse upgrade. The Trust has flagged with Settlers' risks around these projects due to affordability and has requested consideration of support in the Long-Term Plan process in either the current period or the following one. Further capital investment is likely to be beyond the means of the Trust for the foreseeable future.

The following table highlights annual crowds by event type since the Stadium opened. The chart shows the stark reality of the impact of Covid-19.



\*2021 estimate

The mix of events has changed significantly since the Stadium opened, and it is no longer reliant on any one code or event for its attendances. The following table highlights the diverse mix of attendances over the years represented as a percentage of the overall attendance in any given year.



\*2021 estimate



### c) STRATEGIC FRAMEWORK

The Trust's objectives are:

1. To be viewed by the residents of the region and other stakeholders as a valued and essential asset.
2. To operate the best venue in New Zealand measured by:
  - Satisfaction of hirers
  - Patron satisfaction
  - Event calendar and diversity
  - Calibre of international events held
  - Environmental impact
  - Relationship with our neighbours
  - Adherence to world's best practice
3. To remain financially autonomous
4. To provide a full and balanced event calendar to patrons
5. To maintain and enhance the facility to the standard of international best practice
6. To be a good employer and provide personal development opportunities to employees
7. To provide and maintain a safe and healthy working environment for employees, visitors and all persons using the premises as a place of work

The board undertakes a strategic planning day in March of each year to reassess priorities and strategic direction.

## 2. NATURE AND SCOPE OF ACTIVITIES

The nature and scope of the Trust's activities are dictated in the first instance by the Trust Deed, settled with both Councils.

To meet its obligations under its Trust Deed, the Trust identifies the key objectives of:

- Presenting a full and balanced event calendar;
- Maintaining and enhancing the facility;
- Achieving a level of profitability that finances continuing capital expenditure and meets debt reduction obligations.

The Board and management have taken a longer-term view of the Stadium's business.

In line with the obligations listed above under its Trust Deed, in 2018 the Trust has refreshed its strategic priorities centred on the following areas:

1. Deliver great customer experiences



2. Grow commercial revenues
3. Invest in and improve our facilities
4. Value our people, our community and our stakeholders
5. Operate a safe building
6. Operational excellence
7. Attract and deliver world class events
8. Sustainability

For the 2021/22 year the Trust's focus is on the following areas as outlined in the Letters of Expectations:

### **Environmental Wellbeing**

This section covers areas raised in the letters of expectations including waste Minimisation, Te Atakura First to Zero Policy and Carbon neutrality.

The Trust is committed to developing ways to reduce, recover, recycle, or re-use waste in all aspects of our business, including considering and integrating environmental factors in our decision-making process.

Over the past two years year, the Trust has been investigating and implementing new waste minimisation and sustainability practices suitable for the venue. The key aim of this work has been to reduce the amount of waste generated at events and to redirect the waste that is generated away from landfill.

Recently the Trust has introduced the following processes:

- PET volumes being sent directly to Flight Plastics have risen due to new processes being implemented by our onsite cleaning team. Cleaners are removing all recycling from clear plastic bags, sorting recycling on site, removing PET and putting in bags for Flight Plastics. This process has reduced our recycling volumes as we have removed dead space in the bins, caused by the bags being full of air.
- All empty clear bags that are used for events are recycled.
- Introduction of clear soft plastics and pallet wrap recycling.
- E-Waste Recycling through RemarkIT.

Considerable progress has been made on reducing waste to landfill. On average 75% of waste generated is recycled or composted. We believe we can increase that further in coming years.

The next key focus for this piece of work is on the cups that used to serve beer and wine in. The Trust has considered several alternatives over the last year and work is ongoing. The current cups used at Sky Stadium are single use cup made from PET (1) plastic. These cups are all recycled locally in Wellington by Flight Plastics. Our long-term preference is a solution that can be shared across venues and events in Wellington and work continues on this.

In the coming year the Trust will commit to determining what would be required to be a carbon neutral venue. It already reports emissions to the Wellington City Council. The Trust would be keen to work with both our Settlor to understand its plans and how the Stadium can be incorporated into them.



## **Social and Cultural Wellbeing**

One of the key objectives of the Trust is to be viewed by the residents of the region and other stakeholders as a valued and essential asset.

The Stadium is a true multi-purpose venue, and the range of events ensures there is something for all Wellingtonians to enjoy in any given year. Two areas of priority for the Trust have been on inclusivity and accessibility.

There have been several conversations between Stadium management and the Wellington City Council, as to how the Stadium can demonstrate its support for the Te Reo Māori Strategy – Te Tauihu. With the rebrand to Sky Stadium, the Trust has taken the opportunity to replace all wayfinding and introduce bilingual signage in English and Te Reo Māori throughout the venue. The Trust's appointed signage designers have utilised the design principles as outlined in the Te Puni Kōkiri Bilingual Signage Guidelines.

More recently the Trust launched public loudspeaker messaging in both Te Reo and English. The bilingual entry and safety messaging plays over loudspeakers on the Fran Wilde Walkway as fans make their way into the stadium. The initiative is a collaboration between WellingtonNZ, Sky Stadium and the Māori Language Commission.

The opportunity to integrate Te Reo into the Stadium's signage and messaging is a necessary step toward a stronger cultural engagement and we are keen to support the Councils in strengthening those relationships.

The Trust fully supports the Accessible Wellington action plan.

The Stadium has a Gold rating for accessibility as awarded by Be.Lab (formerly known as Be.Accessible).

The Trust held an accessible workshop for staff earlier this year with the aim to be a role model and lead in inclusive and accessible practices in venues.

We intend to conduct community stakeholder consultation in the next year, working alongside Be. with the aim of applying for Platinum status.

## **Economic Wellbeing**

In our first twenty years over 10.2 million people have attended 700 events at the Stadium over 830 event days. Of these attendees, almost 2.4 million people came from outside the Wellington region.

Over the 20 years the Stadium has been open the direct expenditure in the Wellington region by these visitors has been \$1.3 billion.

The Trust's continued focus lies particularly on those events that will fill the Stadium and generate economic return for the region. The Stadium has contributed to the post lockdown recovery through providing a variety of events for residents and visitors to the region to attend. These included an All Blacks Test match, Super Rugby Aotearoa, Mitre 10 Cup rugby and a wide range of exhibitions. The Stadium also hosted 32,000 fans at the recent SIX60 concert, the largest concert anywhere in the world in nearly 12 months.



The Trust has taken a commercial approach to attracting events over the last five years, putting skin in the game with event promoters and owners. Major events such as the Cricket World Cup, the Edinburgh Military Tattoo, the FIFA intercontinental play-offs, moving to two Rugby Test matches in most years and a string of successful concerts have delivered tens of millions of dollars of economic benefit to the city and the region. All Blacks test matches bring up to 15,000 out of region visitors to our region. The Eminem concert generated 28,000 out of region visitors.

Most of these large events have been supported financially by WellingtonNZ and would not have occurred without that support. We are operating in an increasingly competitive environment. The Trust is working on a large number of potentially stadium filling events from the second half of 2022 onwards. Key to recovery will be a well-funded events sector. We encourage our Settlers to consider the events sector as a key platform for economic recovery.

### **Invest in and improve our facilities**

Continued investment in the Stadium is vital to ensure events are not lost to new facilities.

The second phase of the concourse upgrade is nearing completion.

This includes:

- The enhancement and renovation of food and beverage outlets;
- Cladding of some of the current grey concrete walls and pillars;
- Developing a consistent look and feel and way finding around the concourse;
- Making the space more suitable for exhibition clients;
- Improved lighting.

The final phase will be refurbishment of parts of the concourse floor. This is planned commence in the 2021/22 year. In addition, we are intending to replace signage and menu boards with digital displays.

The Trust is part way through seismic strengthening of the Fran Wilde Walk. We are also awaiting final engineering plans for adding further resilience to the stadium floors on all levels. While the building has performed well in recent earthquakes and has a rating of between 70 and 80% at IL3, the advice from engineers is that we should consider further improvements.

The Trust has discussed this with Settlers and has sought consideration for this project as part of Councils' Long Term Plan processes.

**Placeholder: More detail around capex to be provided once budgets completed**



### **Long term strategic asset management**

The Trust maintains a robust asset management programme that prioritises maintenance based on a 5-year asset condition report compiled by WPS Opus on behalf of the Trust.

### **Maintaining a safe and healthy working environment**

The Trust is committed to providing and maintaining a safe and healthy working environment for its employees, visitors, and all persons using the premises as a place of work as well as event attendees.

To ensure a safe and healthy work environment, the Trust maintains a Health and Safety Management System. In addition, the Trust has an established Health and Safety Committee which comprises three Trustees that meets on a regular basis to review and measure crucial areas of health and safety.

Placeholder: More detail to be provided around non-financial KPIs on H&S to be given post next H&S meeting

### **Operating Profitability**

The Trust Deed requires the Trust to be financially autonomous. This requires the generation of sufficient profits to meet loan repayments and provide funds for the capital replacement and development programmes that are necessary to enable the Trust to meet its obligation to maintain the building to the standard of international best practice.

Clearly in the current environment caused by Covid-19 the Trust is unable generate sufficient profits to meet this requirement. The Trust appreciates the support, by way of the \$4.2m loan, from both the settlors to assist it navigate the current period.

To be updated in final version following completion of budget process



PROJECTED EVENTS SCHEDULE

12 Months ending 30 June

Table Here



**SUMMARY STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE THREE YEARS ENDING 30 JUNE**

Table here



**SUMMARY STATEMENT OF CASHFLOWS  
FOR THE THREE YEARS ENDING 30 JUNE**

Table here



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

Table here

## PERFORMANCE MEASURES

### Non-Financial Performance Measures

Measure	How Measured
<ul style="list-style-type: none"> <li>Deliver a strong Rugby international test programme for 2021 and 2022</li> </ul>	<ul style="list-style-type: none"> <li>Key stakeholders are satisfied with management of the test operation</li> <li>40% out of region visitors</li> </ul>
<ul style="list-style-type: none"> <li>Deliver more large-scale non-sporting events</li> </ul>	<ul style="list-style-type: none"> <li>Secure at least two concerts in 2021/22</li> <li>Secure at least two other events outside the traditional rugby and football regular season calendar per year</li> </ul>
<ul style="list-style-type: none"> <li>Continued investment in stadium infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Concourse upgrade is completed</li> <li>Resilience plans finalised and shared with council partners.</li> </ul>
<ul style="list-style-type: none"> <li>Deliver a full event calendar</li> </ul>	<ul style="list-style-type: none"> <li>Securing 45-50 event days per year. (Depending on Covid-19 restrictions).</li> </ul>
<ul style="list-style-type: none"> <li>Host unique events that deliver economic benefit to the region</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining economic benefit to the Region at an average of \$40 million per year</li> <li>Working with promoters to deliver special events to Wellington</li> </ul>
<ul style="list-style-type: none"> <li>Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Reduce single use plastic</li> <li>Benchmark current emissions</li> </ul>
<ul style="list-style-type: none"> <li>Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>TBC</li> </ul>

### Financial Performance Measures

The key performance indicators agreed with the Wellington City Council and Greater Wellington Regional Council are:

- Revenue – total, and event
- Net surplus (deficit)
- Net cash flow
- Liquidity ratio
- Bank borrowing to total assets
- Capital expenditure

We have reviewed these indicators and believe these are appropriate to the purpose of the Council's monitoring the Trust performance. They are reported on by the Trustees in their six-monthly reports.

### **3. BOARD APPROACH TO GOVERNANCE**

#### **Role of the Board**

The Board of Trustees is responsible for the proper direction and control of the Trust's activities. This responsibility includes such areas of stewardship as the identification and control of the Trust's business risks, the integrity of management information systems and reporting to stakeholders. While the Board acknowledges that it is responsible for the overall control framework of the Trust, it recognises that no cost effective internal control system will prevent all errors and irregularities. The system is based on written procedures, policies and guidelines, and an organisational structure that provides an appropriate division of responsibility, sound risk management and the careful selection and training of qualified personnel.

#### **Board Operation**

The Board has three Standing Committees that focus on specific areas of the Board's responsibilities. These Committees are the Finance Committee, the Audit Committee and Health & Safety Board Sub-Committee.

The Board meets eight times per year. The Finance Committee meets when required. The Audit Committee meets biannually. The Health & Safety Committee meets quarterly and prior to significant events such as concerts.

#### **Board Performance**

The policy of the Board has been that the Chairman conducts an interview with each Board member prior to the expiry of their term. Each new Board member undertakes an induction program to familiarise themselves with the Stadium, its operation and Board issues. Given the experience of the current Board it has been deemed that a Board development program is not necessary. If there are any Board performance issues, the Chair will bring them to the attention of the Mayor of WCC and the Chair of GWRC.

At the first meeting of the new financial year, the Chair of the Audit Committee conducts a review of the Chair's performance.

The Chair will provide the settlors with a board skills matrix annually. The Chair will provide early notification of upcoming board vacancies and work with settlors to ensure that at least three potential candidates are presented for each vacancy that occurs.

A Board performance review will be provided by 30 September 2021.

#### **Board Membership**

The Trust Deed states that there shall be not less than five, nor more than eight Trustees.

The Trustees are appointed jointly by the Settlers (Wellington City Council and Greater Wellington Regional Council).

The Wellington City Council and the Greater Wellington Regional Council can each independently appoint one of their elected Councillors as a Trustee.



The current Trustees are:

<b>Name</b>	<b>Appointed until:</b>
John Shewan	30 June 2021
Steven Fyfe	30 June 2022
Sean Rush	formal declaration of results of WCC 2022 elections
Glenda Hughes	formal declaration of results of GWRC 2022 elections
Nicola Crauford	31 December 2022
Rachel Taulelei	30 June 2023
Tracey Bridges	31 December 2023
Steve Tew	31 December 2023

#### **4. ORGANISATIONAL HEALTH, CAPABILITY AND RISK ASSESSMENT**

##### **Health & Safety**

The Trust has well developed health & safety policies which were reviewed by an external consultant and are regularly updated.

Staff who have influence over Health and Safety matters are required to acquire and keep up to date with Health and Safety matters including attendance at relevant course and conferences.

All staff receive regular training in respect of health & safety procedures.

A Health & Safety booklet has been produced which includes Stadium policies, the roles for staff and contractors, incidents and accident investigation, general site safety, emergency procedures and induction.

There are three Committees with a health and safety focus:

- Emergency Control Organisation/Emergency Planning Committee (meets ahead of each major event);
- Health and Safety Committee which includes key the Trust staff as well as contractors and tenant organisations (meets monthly);
- Board Health and Safety Committee (meets at least quarterly with additional meetings prior to major events).

All contractors coming on-site are required to:

- Complete a health & safety agreement
- Complete a health & safety induction plan
- Provide a contractors safety plan
- Operate safely and report any hazards, near misses and injuries.

#### **RISK MANAGEMENT**

##### **Earthquakes**

Prior to construction (July 1995), the Trust commissioned a full geo-technical report on the site. The ground was improved with vibro-replacement producing gravel columns at spacing of two to three metres to mitigate the effect of earthquakes.



The Trust has used the learnings from the recent earthquakes to strengthen its crowd control and evacuation procedures.

The Trust has conducted a study to enable the Stadium to better understand its current percentage of New Building Standard (% NBS), the interaction between the reclaimed land and the building structure, the differential lateral spread expected and as well as a building seismic assessment. While no significant issues emerged, we will be implementing some resilience works that will enhance the structures.

### **Insurance**

The Stadium insurance programme is managed by Marsh. The Trust operates a maximum first loss policy that provides cover for fire, earthquake and other perils.

The Trust has insurance cover for the Stadium asset with a combined maximum policy limits of \$200m for material damage and business interruption. This is less than the building reinstatement value which was last assessed in September 2019 at \$302m. The Trust is required to cover the first \$25 million of any earthquake claim.

Insurance premiums have become increasingly unaffordable for the Trust in recent years. This year the Trust explored options to mitigate the increasing premium and accepted the following key changes (to the Material Damage and Business Interruption policy) from prior years:

- \$200m of insurance cover (reduced from \$230m in the prior year)
- \$25m deductible for natural disaster (previously \$7m)
- Aggregate limit for fire cover of \$100M (previously full cover from fire up to insured limit of \$200M).

The Trust has kept Settlers informed on all decisions related to insurance.

### **Business Continuity Plan**

The Trust has a Business Continuity Plan. The Trust has ongoing interactive training sessions with all staff to reinforce the content and requirements of the plan.

### **Communication and Access to Information**

The Trust enjoys a positive and open relationship with both of its Settlers, and both settlers have representation on the Board of Trustees. The Trustees confirm they intend to continue to operate on a “no surprises” basis with communication of any significant event likely to impact on either party made as soon as possible. This has worked well in the past.

## 5. ADDITIONAL INFORMATION

### Reporting

The Trustees will present a six monthly report to both Councils, which will include a written report on agreed key performance indicators and financial statements for the period. The Trust will provide a formal briefing to both Councils, twice a year, on activities to date and review the outlook.

Audited financial statements will be available on completion of the annual audit.

The Trustees will inform the Councils of any significant expected obligations or contingent liabilities to third parties.

### Major Transactions

There are no major transactions likely to occur in the planning period that are not identified in the Business Plan.

Any particularly contentious transactions will be brought to attention of the Council at the earliest opportunity.

### Accounting Policies

General accounting policies of the Trust are set out in the Statement of Significant Accounting Policies. These policies are consistent with the policies applied in the previous year, apart from the presentation change relating to the limited recourse loans.

## OTHER ITEMS TO BE INCLUDED IN THE STATEMENT OF INTENT

### Ratios

The ratio of Trust Funds to Total Assets is expected to be:

30 June 2022	xx%
30 June 2023	xx%
30 June 2024	xx%

The ratio of total Trust Assets to Trust Liabilities is expected to be:

30 June 2022	xx%
30 June 2023	xx%
30 June 2024	xx%

Trust Funds are defined as the residual interest in the assets of the Trust after the deduction of its liabilities.

Assets are defined as service potential or future economic benefits controlled by the Trust as a result of past transactions or other past events.

Liabilities are defined as future sacrifices of service potential or of future economic benefits that the Trust is presently obliged to make to other entities as a result of past transactions or other past events.



### **Distributions to Settlers**

Section 5 of the Trust Deed sets out the powers of the Trustees regarding the income of the Trust.

The Trust is required to pay surplus funds to the Wellington City Council and Wellington Regional Council in reduction of their limited recourse loans after meeting costs, liabilities and debt reductions and after allowing for the appropriate capital expenditure and transfers to reserves.

The Trust does not expect to have surplus funds available for repayment in the years covered by this Statement of Intent.

No other distributions to Settlers are intended to be made.

### **Investments in other organisations**

The Trustees currently have no intention of subscribing for, purchasing or otherwise acquiring shares in any other company or other organisation.

### **Compensation from local authority**

There are no activities for which the Trust seeks compensation from any local authority.

### **Trust's estimate of the commercial value of settlor's investment in the Trust**

Not applicable

### **Other matters as set out in the Funding Deed**

#### ***Significant Third Party Obligations***

There are no significant third party obligations other than those disclosed in the Financial Statements.

#### ***Relevant Legislation***

The Trustees confirm that the Trust will comply with all relevant legislation affecting the conduct of this business.



## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### Reporting Entity and Period

Wellington Regional Stadium Trust Incorporated (the Trust) is a charitable trust established by the Wellington City Council ('WCC') and Greater Wellington Regional Council ('GWRC'). The Trust is domiciled in New Zealand.

The Trust is responsible for the planning, development, construction, ownership, operation and maintenance of the Sky Stadium, Wellington, as a multi-purpose sporting and cultural venue.

The Trust was incorporated under the Charitable Trust Act 1957. The Trust is also a charitable entity under the Charities Act 2005, registration CC10754.

### Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with the Trust Deed which requires compliance with generally accepted accounting practice in New Zealand.

As the primary purpose of the Trust is to provide a community and social benefit, it is a public benefit entity for financial reporting purposes.

The financial statements of the Trust comply with Public Benefit Entity (PBE) standards.

The financial statements have been prepared in accordance with Tier 2 PBE Standards. The Trust meets the requirements for Tier 2 reporting as it does not have public accountability and is not large (as defined by XRB A1).

The financial statements have been prepared on an historical cost basis, except for interest rate swaps.

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars (000) unless otherwise stated.

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period. The impact of COVID-19 on the going concern assessment is discussed in Note 17.

### Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliability measured. It is recognized at the fair value of the consideration received. Specific recognition criteria apply to the following income streams as noted below.

#### ***Revenue from Exchange transactions***

##### *Corporate Box, Memberships & Sponsorship Revenues*

Licenses for Corporate boxes are issued for terms of between four and six years. Signage and sponsorship properties are sold for a range of terms of between one and six years. The related license fees/revenues are paid annually and initially recorded as Revenue in Advance with the revenue recognised on a straight-line basis throughout the term.



Stadium memberships have been sold for terms ranging between two and five years. Payment may be made upfront or in a series of instalments. The payments received are recorded as Revenue in Advance and recognised on a straight-line basis over the term of the membership.

#### *Rental income*

Rents are recognised on a straight-line basis over the term of the lease.

#### **Revenue from Non-Exchange transactions**

##### *Grant income*

Grants are recognized as income once the conditions of the grant are met.

#### **Expenses**

Expenses are recognised on an accrual basis when the goods or services have been received.

#### *Interest*

Interest expense is accrued using the effective interest rate method. The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

#### **Taxation**

As a Charitable Trust, the Trust meets requirements for exemption from income tax and accordingly no provision for income tax is recorded in the financial statements.

All items in the financial statements are exclusive of GST, except for receivables and payables, which are stated as GST inclusive.

#### **Financial Instruments**

The Trust classifies its financial assets and financial liabilities according to the purpose for which they were acquired. The Trust determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

#### **Non-derivative Financial Instruments**

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs. After initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Trust becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Trust's contractual rights to the cash flows from the financial assets expire or if the Trust transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Purchases and sales of financial



assets in the ordinary course of business are accounted for at trade date. Financial liabilities are derecognised if the Trust's obligations specified in the contract expire or are discharged or cancelled.

#### *Financial Assets*

Cash and cash equivalents comprise cash balances and call deposits with up to six months' maturity. These are recorded at their nominal value.

Trade and other receivables are stated at their cost less impairment losses.

#### *Financial Liabilities*

Financial liabilities comprise trade and other payables and borrowings and are all classified as other financial liabilities. Financial liabilities with a duration of more than 12 months are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Amortisation is recognised in the Statement of Comprehensive Revenue & Expense as is any gain or loss when the liability is derecognised.

Financial liabilities entered into with duration less than 12 months are recognised at their nominal value.

#### ***Derivative Financial Instruments***

Derivative financial instruments are recognised at fair value as either assets or liabilities. The Trust does not hold any derivatives that qualify for hedge accounting. Derivatives that do not qualify for hedge accounting are classified as held for trading financial instruments with fair value gains or losses recognised in the Statement of Comprehensive Revenue & Expense. Fair value is determined based on quoted market prices.

#### **Employee Entitlements**

Employee entitlements that the Trust expects to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay. These benefits are principally annual leave earned but not yet taken at balance date, and bonus payments.

No provision for sick leave is accrued, as past experience indicates that compensated absences in the current year are not expected to be greater than sick leave entitlements earned in the coming year.

#### **Other Liabilities & Provisions**

Other Liabilities and provisions are recorded at the best estimate of the expenditure required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

#### **Leases**

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased items are classified as operating leases. Payments made under these leases are expensed in the Statement of Comprehensive Revenue & Expense in the period in which they are incurred.



Payments made under operating leases are recognised in the Statement of Comprehensive Revenue & Expense on a straight-line basis over the term of the lease.

## **Property, Plant and Equipment**

### *Recognition*

Expenditure is capitalised as property, plant and equipment when it creates a new asset or increases the economic benefits over the total life of an existing asset and can be measured reliably. Costs that do not meet the criteria for capitalisation are expensed.

### *Measurement*

Items of property, plant and equipment are initially recorded at cost.

The initial cost of property, plant and equipment includes the purchase consideration and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential and that can be measured reliably is capitalised. Borrowing costs are not capitalised.

### *Impairment*

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported in the Statement of Comprehensive Revenue & Expense.

### *Disposal*

Gains and losses arising from the disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Revenue & Expense in the period in which the transaction occurs.

### *Depreciation*

Depreciation is provided on all property, plant and equipment, with certain exceptions. The exceptions are land, some aspects of the pitch and assets under construction (work in progress). Depreciation is calculated on a straight-line basis, to allocate the cost or value of the asset (less any residual value) over its useful life. The estimated useful lives of the major classes of property, plant and equipment are as follows:

Land	indefinite
Pitch	10 years to indefinite
Buildings	8 to 70 years
Replay screen & production equipment	3 to 25 years
Fitout	5 to 50 years
Fittings	3 to 20 years
Plant & machinery & equipment	2 to 70 years

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance date.



#### *Work in progress*

The cost of projects within work in progress is transferred to the relevant asset class when the project is completed, and then depreciated.

#### **Critical accounting estimates and assumptions**

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### *Estimating useful lives and residual values of property, plant, and equipment*

At each balance date, the useful lives and residual values of property, plant, and equipment are reviewed. Assessing the appropriateness of useful life and residual value estimates of property, plant, and equipment requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by the Trust, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the statement of comprehensive revenue and expense, and carrying amount of the asset in the statement of financial position. The Trust minimises the risk of this estimation uncertainty by regular physical inspection of assets, including periodic independent review, and a planned preventative maintenance and asset replacement programme.

#### **Statement of Cash Flows**

The statement of cash flows has been prepared using the direct approach. Operating activities include cash received from all income sources of the Trust, record cash payments made for the supply of goods and services and include cash flows from other activities that are neither investing nor financing activities. Investing activities relate to the acquisition and disposal of assets. Financing activities relate to the funding structure of the Trust.

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

There have been no changes in accounting policies.

**John Shewan**

**Chair**

**FOR THE TRUSTEES**

**WELLINGTON REGIONAL STADIUM TRUST**

**Statement of Intent and Business Plan  
2021-22  
Wellington Zoo Trust  
Me tiaki, kia ora!**

Pursuant to Schedule 8 of the Local Government Act (2002)



*Image of the Snow Leopard lower visitor viewing area from Architecture Workshop Developed Design drawings*

---

# C O N T E N T S

<b>1. INTRODUCTION .....</b>	<b>3</b>
<b>2. CONTRIBUTION TO OUR CITY .....</b>	<b>4</b>
<b>3. STRATEGIC DIRECTION .....</b>	<b>5</b>
<b>4. PERFORMANCE MEASUREMENTS .....</b>	<b>15</b>
<b>5. APPROACH TO GOVERNANCE .....</b>	<b>17</b>
<b>6. HEALTH, SAFETY AND RISK .....</b>	<b>19</b>
<b>7. ADDITIONAL INFORMATION .....</b>	<b>22</b>
<b>8. ACCOUNTING POLICIES.....</b>	<b>23</b>
<b>9. FORECAST FINANCIAL STATEMENTS .....</b>	<b>27</b>

# 1. INTRODUCTION

Wellington Zoo is the Zoo with the biggest heart – a creative, innovative and progressive zoo which exists to create community value and to solve important social and environmental problems. We have local and global influence in animal welfare, sustainability initiatives, community engagement and conservation outcomes. We live by the kaupapa of **Me tiaki, kia ora!** This means that we **must** care for the planet so that life will thrive.

Wellington Zoo is one of the most sustainable zoos in the world. The World Association of Zoos and Aquariums inaugural Environmental **Sustainability Award** was awarded to Wellington Zoo in 2018. We believe that sustainability is an integral part of being an iconic organisation in our livable city, a city **where people live inclusively and sustainably**. 84% of residents surveyed by Wellington Zoo rate building a sustainable future as important to them. Our success as a cause-related business continues through prudent management and we work hard to be connected and accessible to our diverse community of all ages and cultures locally and beyond. 80% of residents surveyed rate spending time as a family as important to them. The animals who are cared for at Wellington Zoo are given the best lives possible and we take pride in being an **Animal Welfare Accredited** Zoo through the Zoo and Aquarium Association Australasia. 89% of residents surveyed rate animal welfare as important to them and 85% rate wildlife conservation as important to them.

Planned capital investment through upgrades and renewals will ensure the Zoo remains leading edge and we believe the introduction of animals, such as **Snow Leopards, Wellington Green Geckoes and Ring-tailed Lemurs**, allows us to tell both local and global conservation stories which will drive positive action for the environment within our community. We see our capital investment and asset planning as a response to community expectations of a progressive and professional zoo and to create **ongoing resilience** for one of our city's most iconic places.

In view of the pressure of City Council funds **we have reduced our Capital Upgrades bid** in the LTP by removing the Savannah Survival project that was included in the last LTP but we have requested additional \$300k pa for Renewals. Our plan is to keep the Zoo well maintained over the life of the LTP and use renewals to complete smaller projects such as Ring-tailed Lemurs and wombats. After Snow Leopards is completed we will not have any major Capital Upgrades in the LTP.

Wellington Zoo Trust Incorporated is incorporated under the Charitable Trusts Act 1957 and is a not for profit organisation.

## 2. CONTRIBUTION TO OUR CITY

Wellington Zoo is a strong contributor to our city, focusing on knowledge, collaboration, innovation and positive action. It contributes to the vibrancy and forward thinking of our city. We aim to be a reflection of our city and contribute, as a cutting-edge cause-related business with talented people, to the thriving cultural and natural heritage of Wellington as a liveable and sustainable city. The Zoo contributes strongly to liveability outcomes by being an integral part of the well-being of people that Wellington is renowned for amongst New Zealand cities.

We are working with WellingtonNZ and other partners to ensure economic growth for our city. As previous winners of the Green Gold and Vibrant Gold in the Wellington Gold Awards and the Supreme Award winner of the Wellington Region Business Awards, we believe we are perfectly placed to add value to the economy of our region.

**As always, we are more than willing to work with WCC or the other CCOs to drive strategic outcomes for the city. We are keen to share our knowledge in a leadership role or as a member of any team. We have experience in sustainability, visitor understanding, capital projects and safety that the city can draw on if required.**

Wellington Zoo will be seen as:

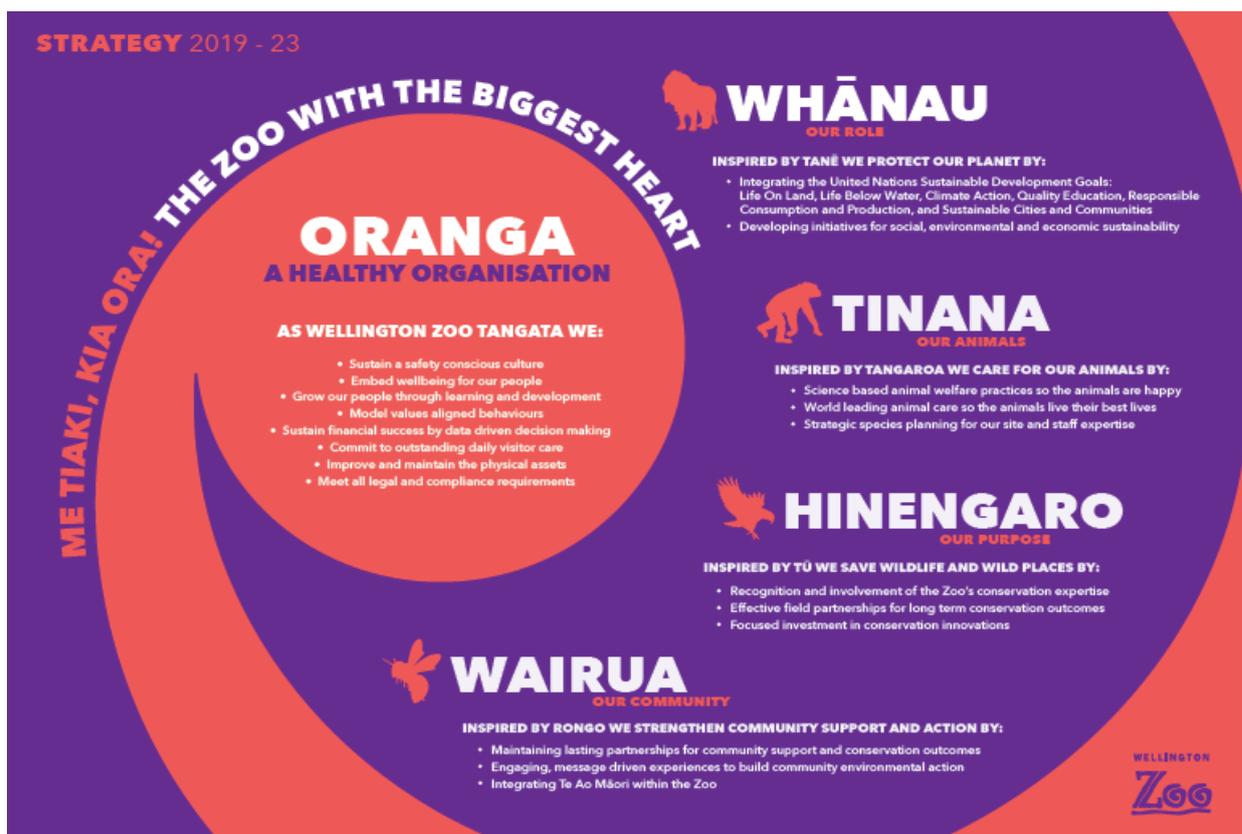
- **A leader in the city in shaping the community's views** on and action for conservation and sustainable living.
- A valued and valuable member of the Wellington regional community that adds to the prosperity of our city through business activity, events, **connections, inclusivity and engagement** for children and their families and other members of our society.
- A substantial player in the drive to position Wellington as a centre for learning about and expertise in **conservation and sustainability**.
- A key contributor to helping the city become internationally competitive, entrepreneurial and innovative by attracting investment in **education, research, tourism and employment** and contributing to the provision of a vibrant city attracting a creative working population.
- An important part of Wellington's history as **New Zealand's first zoo**.
- An important part of the regional fabric that stimulates overall wealth creation, social stability and connects people to conservation and environmental issues. **As our region's only zoo we are a unique asset for a vision for a sustainable city.**

### 3. STRATEGIC DIRECTION

Wellington Zoo’s strategy 2019-23 integrates te ao Māori, the Global UN Sustainable Development Goals (SDGs) and the key strategic focus areas for the Zoo. The strategy outlines the strategic why, how, what approach we have taken, the SDG materiality undertaken with stakeholders and Toitū Envirocare and the te ao Māori approach completed with Neavin Broughton from Taranaki Whānui ki Te Upoko o Te Ika. The Wellington Zoo strategy is in line with **Wellington City Council’s 2040 Vision, Te Tauihu Te Reo Māori Policy; Te Māpihi Maurea Naming Policy and Te Atakura, First to Zero strategy.**

The five-year strategy (below) blends the major outcomes for the Zoo into key areas - it embraces our role as an inclusive community organisation, the capital city Zoo and as an organisation that values its people. Using the inspiration of Atua and Māori concepts we are able to define our areas of focus over the coming years. It is an exciting vision for the Zoo and creates a strategic context for our kaupapa.

Wellington Zoo’s strategy is about the Wellington Zoo of the 21st century and seeks to take us into a new realm, building on our success of the past few years. We will be using the Zoo’s rebuilt physical platform to unlock the potential for Wellington Zoo to be seen as a leader and trusted voice in the conservation of species, engagement with community, excellence in animal welfare and sustainability outcomes. We have combined a global vision with local action so that we can be change makers for a better planet. **This aligns with Council’s Aho-Tini Strategy and vision for Wellington as a creative city.**



As a sustainable organisation we must consider the **UN Sustainable Development Goals (SDGs)** in our approach. These 17 global goals set the framework for global prosperity - the very things we all want for our city. While we would aspire to address all 17 goals, we are realistic and feel that we are in the best position to address many but not all. Sustainability is more than environmental initiatives and the SDGs frame that bigger picture.

The newly launched World Association of Zoos and Aquariums sustainability strategy, *Protecting Our Planet*, will inform and assist us in this work. We will focus on the SDGs listed in the above strategy under Whānau, as prioritised by our stakeholder engagement results.

To achieve our strategic direction we will be continuing our commitment to sustainability and our Toitū carbonzero certification continues with projects such as the solar power installation in as many Zoo buildings as we can. **As a Toitū carbon zero certified organisation since 2013** we will continue to reduce our waste to landfill and work with officers to meet the **Regional Waste Management and Minimisation Plan and the Te Atakura, First to Zero plan**. As we seek to continually reduce waste to landfill we will be revisiting our contractual agreements in 2021-22 to find better solutions than we had in previous waste management contracts.

Our values underpin our strategy and structure and they resound with our approach to being a welcoming, happy place. Our iwi alignment is reflected in the iwi interpretation of the values and we have worked with Taranaki Whānui ki Te Upoko o Te Ika to ensure the correct te ao Māori concepts reflect our intentions. **Our Kanohi Kitea programme over the next five years and beyond will transform us into a bicultural organisation - as is expected of the capital city Zoo and will recognise the importance of Tikanga Māori in the way the Zoo works.**



## Core Business

The Trust will continue to provide the core business services that the Zoo has historically delivered to Wellington as part of our **Contract for Services** with Wellington City Council. These can be summarised as follows:

- Strategic direction and operational management of the Zoo.
- Development and maintenance of animal habitats which offer engaging experiences to visitors and high-quality living environments to the resident animals.
- Provision of engaging learning experiences for visitors and community involvement with the Zoo as a community asset.
- Educational curriculum delivery to develop children as contributing citizens.
- A safe and inspiring place for family engagement and community learning.
- Care of the Zoo's animals to achieve excellent levels of health and emotional/psychological well-being according to the Five Domains of Animal Welfare.
- Contribution to conservation through advocacy, support for field conservation programmes and sustainable management practices.
- Participation in collaborative inter-zoo, and other conservation agency, programmes.
- Contribution to conservation, scientific, learning and management research projects in the field and on site.
- Fundraising for the organisation's future sustainability, development and conservation projects.

## Trust Deed

Wellington Zoo Trust Deed states the objects of the Trust as follows:

*"7.1 The objects for which the Trust is established, to the extent that they are a charitable purpose within New Zealand, are as follows:*

*7.1.1 To manage, administer, plan, develop, maintain, operate and promote Wellington Zoo as a zoological park for the benefit of the Wellington community and as an attraction for visitors to Wellington;*

*7.1.2 To educate the community by building an awareness of plant and animal species and the actions required to promote conservation;*

*7.1.3 To promote species conservation;*

*7.1.4 To support and complement the conservation and learning activities undertaken by other organisations;*

*7.1.5 To develop, manage and plan animal species management programmes;*

7.1.6 To promote and coordinate the raising of funds to assist the management, administration, maintenance, planning, promotion and further development of Wellington Zoo;

7.1.7 To acquire additional plant and animal species; and

7.1.8 Generally to do all acts, matters and things that the Trustees think necessary or conducive to further or attain the objects of the Trust set out above for the benefit of the Wellington community.”

## Operating Environment

As New Zealand’s capital city Zoo we believe we should be providing a uniquely Wellington experience for families, school groups and other visitor groups from our region and across the country - quirky, fun, professional, creative and personal.

We always face challenges as a fixed cost organisation, especially in areas such as annual salary increases, cost increases from suppliers and other operational costs increases. We support the Living Wage ethos and all Wellington Zoo employees are paid at, or above, the Living Wage. This will be part of our ongoing remuneration strategy for the Trust.

We are well aware of the impacts of COVID-19 on our revenue and we have made adjustments to our experience offerings to negate this as much as possible. Our visitation is holding well, and we expect the new visitor experiences to drive revenue from local visitation and domestic tourism. We will be in our **rebuild and regenerate** phases of response to the COVID-19 crisis in 2021-22 and we plan to drive new business ideas to take us to pre COVID-19 levels by the end of 2022, such as new marketing ideas for our venues and functions bookings. New animal habitats for Snow Leopards, Lace Monitors and Ring-tailed Lemurs will help drive visitation in the 2021-22 year. Indications are that fundraising may be tighter in the coming three years but we will continue to work hard to raise funds as we can and we will be changing the catering model to have an exclusive caterer who can drive business.

## Aligning with Council Strategy

**The work of the Zoo supports the 2040 vision for our city – an inclusive, creative capital where people like to live – inclusively and sustainably.** Wellington Zoo’s strategy reflects the expected WCC community outcomes underpinning this vision- environmental, social, cultural and economic wellbeing. The Zoo is an iconic asset for our city and as our city population grows there will be an even greater desire for the Zoo to be a sophisticated and accessible attraction which delivers 21st century conservation programmes and actions.

## Wellington Zoo Trust's strategic areas are aligned to:

### ***Environmental Wellbeing***

Our end game is **to save wildlife and wild places, locally and globally**. We have a global conservation remit. We strive to show thought leadership in global conservation and sustainability by involvement with global partners and by taking leadership roles in the world and regional zoo professional community. We are respected in the zoo profession for our success in sustainability and we are a leading example of conservation investment and on ground conservation outcomes.

In 2020 we launched our **Conservation Strategy**, aligned with our overarching strategy, which focuses on our conservation efforts, resources and investment until 2023. The Conservation Strategy reinforces *Me Tiaki, Kia Ora!* as our kaupapa and brings together conservation and sustainability for saving wildlife and wild places.

It sets out measurable actions in five areas: recognition and involvement of the Zoo's conservation expertise; effective field partnerships for long-term conservation outcomes; focused investment in conservation innovations; and integrating the UN SDGs.

We are a key stakeholder in collaborative conservation breeding as well as science and veterinary research programmes within the zoo community, with other conservation agencies and higher learning organisations in Wellington, across New Zealand and beyond.

Our **Species Plan** focuses on the number of critically endangered, endangered and vulnerable species we care for at the Zoo and those we support through our conservation programmes in the animal's range state. This plan is reviewed annually and redefined as we better align the animals we care for to the critical need in the wild.

The **field conservation programmes** for critically endangered; endangered and vulnerable species in their range state that we support are: Sumatran Tigers through Wildcats Conservation Alliance; Tasmanian Devils through Save the Devil Program; Malayan Sun bears through Free the Bears South East Asia; Cotton Top Tamarins through Proyecto Titi; Black and White Ruffed Lemurs through Madagascar Fauna and Flora Group; White-cheeked Gibbons through Fauna and Flora International, Vietnam; Cheetah through Cheetah Outreach; Kea through Kea Conservation Trust; North Island Kākā through breed for restoration programmes; Grand and Otago Skinks with DOC; Kororā and Tawaki through West Coast Penguin Trust and Golden Lion Tamarins through Associação Mico-Leão Dourado. The planned acquisition of Snow Leopards, Ring-tailed Lemurs and endangered Southern Hairy-nosed Wombats in the future will provide further opportunities for our community to engage with global conservation issues for endangered species.

In late 2019 we launched our inaugural **local conservation grants** programme benefitting smaller conservation projects locally including: New management tools for small scale lizard conservation (Kāpiti); *Ex situ* conservation of *Dactylanthus taylorii* (Otari Wilton's Bush); Kohanga o Porokapa 2020 (Makara Peak); Trialling the world's first "no-dig" live capture trap for lizards (Wellington); Monitoring prevalence and distribution of *P. oppidanus* snail (Te Ahumairangi) and Chatham Islands Tāiko Conservation (Chatham Islands) – the Chatham Islands were included as they sit within the boundaries of the Rongotai electorate.

**The Nest Te Kōhanga**, our state-of-the-art veterinary hospital, works with a variety of indigenous species. Indigenous wildlife cases now make up 70% of the veterinary medicine case load – including many who are critically endangered. Our success in this area of successfully releasing injured indigenous wildlife back to the wild is above world standard for zoo veterinary hospitals and we take great pride in this achievement.

**Climate Action** is one of SDG focus areas for our strategy and we have already developed a Climate Action Position Statement and species such as Snow Leopards, which are climate change refugee species, enable us to tell the story of climate change and its impacts on the environment.

### ***Social Wellbeing***

Wellington Zoo is inclusive for all sectors of our community – our visitor mix is diverse and we ensure that all visitors feel safe and respected. Our visitor numbers continue to grow. Our visitor feedback is positive and people are enjoying the continual change in the Zoo.

Our commitment is to ensure continual improvement in visitor experience to achieve wider engagement within the community. We offer a range of events, discount days and other visitor programmes which ensure we engage our whole community in the work of the Zoo. **Accessibility is important to us as we believe that the Zoo belongs to everyone.**

**We have achieved Be:Accessible Gold rating** and we continue to improve the Zoo experience for all visitors, so that many more people have access to the Zoo in the ways that best suit them. We have embraced accessibility for the whole community by investing in recommendations from Be:Accessible to improve the experience for all people. **This aligns with Accessible Wellington, The Accessible Journey Action Plan 2019.**

Programmes such as: The Warehouse Zoofari to support **low decile schools** in our region to have free transport costs and Zoo admission; LEOTC school discounted entry; free **Neighbours' Night** for our Newtown and Melrose locals in conjunction with City Housing and Newtown New World; other discounted entry opportunities ensure accessibility for a wider segment of the community. In post COVID lockdown period from mid-May to the end of June over 50,000 people were able to visit the Zoo at no cost, highlighting how important a visit to the Zoo is for Wellington locals and families.

Zoo Crew membership is continually increasing. This is a strategic aim for us as Zoo Crew provides an excellent value proposition for Wellington city ratepayers and residents who visit the Zoo often throughout the year. During our lockdown period last year, we extended all Zoo Crew memberships by the length of lockdown and our free-entry period. We know that Zoo Crew members visit on average four to five times per year (many individuals visit more often) so this offering makes a Zoo visit far more possible for many people.

As a child friendly city it's important for Wellington to cater for young people and their families, and for the Council this means providing safe, accessible and enjoyable places for recreation and play, and offering community events and activities that are suitable for all. **Our own school holiday programmes are well attended and many other external holiday programmes visit the Zoo as part of their offering to the community.**

We have over **70 volunteers** who give their time to help the Zoo achieve its outcomes. We value the assistance we receive from our volunteers and they feel they can add value to the community by being involved with the Zoo.

We have increased our charitable support this year to broaden accessibility. In addition to Ronald McDonald House and the Wellington Children's Hospital we have partnered with **Wellington City Mission** and **Change Makers Refugee Forum** to provide accessibility and support more broadly in the community.

## ***Cultural Wellbeing***

The Zoo is perfectly positioned, as a **multi award winner** in visitor experience, business leadership, vibrancy, sustainability and conservation, to take an active role in delivering conservation and sustainability messages to a large audience of approximately 250,000 visitors on-site and many more online. We create compelling stories with clear calls to action and we craft community campaigns that move beyond simply raising awareness of an issue to driving lasting change and building a better world. Our target market of families, young people and children are engaged in conservation and sustainability messaging and experiences at Wellington Zoo.

Wellington Zoo will continue to build its reputation as a **creative and innovative zoo** by including more opportunities for our visitors to experience multi-layered and multi-sensory learning experiences. We have rich content for storytelling and engagement with communities. We design creative and profound visitor experiences which connect people and animals in ways which inspire communities to take positive action for the environment.

As one of the key environmental education providers in Wellington, the Zoo has a Learning Experience Outside the Classroom (LEOTC) contract with the Ministry of Education (MOE). Over **10,000 school children** annually experience a learning session with our conservation education experts at Wellington Zoo.

The Ministry of Education measures the success of the learning programmes at Wellington Zoo and we continue to receive positive feedback on our educator-led learning sessions and our innovative programmes that align with the Ministry's target areas, including improving education outcomes for Māori and Pasifika learners, special education learners and those from low socio-economic backgrounds. We are investigating ways for us to fund a Māori educator and our Kanohi Kitea programme will give our educators even more skills and knowledge to embrace multicultural outcomes.

Wellington Zoo's ***Bush Builders*** is a unique environmental literacy programme that helps children to discover for themselves the wonder of the world around them, in their own schools and homes, and to empower them to take positive action in their own communities. This successful programme has influenced over 4,000 students in our region. *Bush Builders* emphasises the importance of building habitats for animals. The importance of plants within the animal habitats as well as in the visitor space is reflected in the beautiful gardens and native plants throughout the Zoo.

Our **relationships and MoUs** with Massey and Victoria Universities, Department of Conservation, Zealandia, Ngāti Koata and Taranaki Whānui ki Te Upoko o Te Ika have enabled collaborative partnerships for conservation medicine, veterinary learning, animal welfare and visitor experience and learning.

## ***Economic Wellbeing***

The Zoo's contribution to the economic development of our city is through its financial results, creating a place Wellingtonians can feel proud of, by the **employment** of over 100 people (82 FTE) and by being one of the largest employers in Newtown.

We contribute to the economic success of our **suppliers** from free range egg suppliers to architects. As a well-recognised Zoo we attract both **international and domestic tourists** and support the liveability objectives the city has for its citizens.

The Trust will continue to drive for results in its commercial imperatives this year to ensure financial sustainability. As a social enterprise we seek to ensure our **financial sustainability** so that our social and environmental goals can be achieved without further draw on the rate payers.

## Snow Leopards

The completion of the Zoo Capital Programme (ZCP) in 2016 saw the Zoo transform itself into a vibrant attraction with facilities that meet modern standards. **We have not indicated any additional major Capital Upgrade investment for the new LTP being developed.** Investment of \$3.702 million of capital expenditure in year two to four of the current LTP is planned to upgrade facilities at the Zoo to accommodate Snow Leopards. Wellington Zoo will fundraise \$925,500 towards this project cost. We have already received funds towards this and progress is being made on the detailed design and demolition on site.

The Trust has been successful in obtaining grants from Trusts and Foundations for capital works, and we plan to seek this type of funding for the Snow Leopard project alongside other funding opportunities as appropriate. We have had success in fundraising for both smaller and larger capital projects, including raising more than the required 25% of the total capital expenditure for the ten year ZCP project through to 2015/2016. More recently we raised \$500,000 for the \$1.3 million Chimpanzee Park renewal project in 2017/2018, \$400,000 for the Giraffe habitat project renewal in 2019/2020, and \$100,000 for the Wellington Green Gecko Visitor experience and Te Hononga Tuatara Management facility in 2019/2020. We are confident the ongoing development of the Zoo through the LTP and our engagement with Trusts and Foundations, in addition to the support of our broader community, will ensure this fundraising success continues.

**The Snow Leopard project is currently in its detailed design phase, with the design consultant team, Architecture Workshop. The interpretive designer, Story Inc, has developed the story line and interpretive elements. Work is now progressing with technical investigations, consenting and site preparations with construction starting in early 2021. Construction is projected to take up to 12 months, so Snow Leopards can be expected to be seen by Zoo visitors in 2022.**

Capital Upgrades	19/20	20/21	21/22	TOTAL
<p><b>Snow Leopards</b> Snow Leopards are endangered in the wild and are a climate change refugee species, with a population of less than 4,000 thought to exist in their mountainous range state.</p> <p>International research shows that big cats are the biggest draw card for visitors attending zoos. As the only zoo in New Zealand with Snow Leopards, we would be part of the international commitment to protect this species via home range direct conservation action.</p>	308,000	1,677,000	1,717,000	\$3.702m Included in the LTP



Asha



Manju

*Snow Leopard cubs we are to receive from Melbourne Zoo*



*Image of the lower visitor viewing area from Architecture Workshop Developed Design drawing*

## Renewals

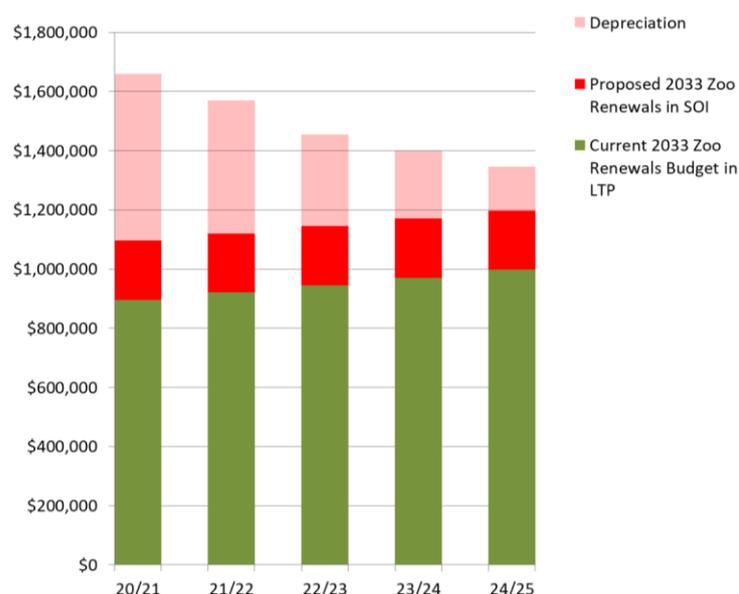
The renewals budget allows us to maintain a resilient asset for the city. We have given the Renewals budget precedence in the coming LTP as we know that reasonably small, enhancing changes can give us excellent animal, staff and visitor outcomes.

The Zoo is developing a detailed Asset Management Plan (AMP) linked to WCC AMP processes to ensure the ongoing maintenance and renewal of the Zoo asset and that we are executing our obligations under the **Contract for Services**. The AMP will enable the Zoo to: manage asset lifecycles for a whole-of-life approach with due consideration given to WCC and Zoo joint objectives; provide assurance of funding required to cover existing and future asset renewals and avoid critical failure of ageing infrastructure assets; update any assets not fit for purpose from an animal welfare standard; and resolve any potential Health and Safety issues and the associated reputational risk these issues could bring.

To date, we have completed a realignment of the Zoo's existing assets into the WCC asset structure which will improve ongoing detailed financial reporting for the Zoo asset for WCC officers. We will continue to work with WCC officers to develop our detailed asset management plan in line with Council processes for asset renewals, business continuity and earthquake resilience in readiness for the Council Long-Term Plan development.

One of the challenges of maintaining the Zoo asset is the variable lifecycle ages of structures and animal habitats. As our knowledge of the animals in human care increases, previous habitats and animal care and welfare practices become outdated. Zoos' internationally now consider 20 years to be too long and in global experience it is more realistic to plan for a **ten-year life expectancy** for zoo animal habitat assets.

**The Trust's position is that the current infrastructure renewals budget is insufficient to cover required asset renewals. In the 2017/18 SOI we estimated additional funding of \$300k per annum was required to assist a programme of asset renewals, including animal habitats, visitor areas and pathways, buildings and essential plant and equipment.**



The shortfall in the graph (above in red) indicates the propensity of the Zoo to achieve a total AMP result. In terms of maintaining current levels of service, this shortfall could result in a failure of ageing infrastructure assets, meaning assets are not fit for purpose, and could create potential H&S and animal welfare issues. We are working with the WCC Asset project team to develop a detailed AMP, along with the revaluation and condition rating of the current asset. This will allow the Zoo and WCC to interrogate the reported shortfall in greater detail, focusing on critical assets as a priority.

Working with WCC officers, we intend to carry out revaluation and condition rating of all Zoo assets in line with Renewals requirements. The **significant planned Renewal projects** for the next three years are:

- **Ring Tailed Lemur** habitat - endangered species which will tell the Madagascar story in the Africa precinct - to be completed April/May 2021
- **Lace Monitor Habitat** - iconic Australian animal which will be the introductory species for the *Neighbours* precinct - to be completed July/August 2021
- **Southern Hairy Nosed Wombat** Habitat - endangered species and iconic Australian animal in the *Neighbours* precinct
- **Green Zoo, Green You** refurbishment – emphasis on Climate Action messaging and action
- **Staff Office and Wellbeing** improvements - as our staff numbers grow the requirement is becoming more pressing for better staff office areas, accommodation and break spaces
- **Sustainability** Improvements – supporting water and electricity independence and asset resilience
- **River Trail & Gibbon** Viewing – improving the entry precinct of the Zoo and improved viewing of the Monkey Island areas
- **Perimeter Fence & Security** – to complete the fence renewal and improve security coverage for the Zoo site
- **Venues** improvements – to Kamala's, Archibald Centre and Wild Theatre to provide a wider range of venue offerings and improve the Zoo's financial sustainability
- **Electronic admissions** access - to electronically capture visitor numbers to the Zoo
- **Earthquake** prone buildings – removal of and improvements to earthquake prone buildings and walls

## 4. PERFORMANCE MEASUREMENTS

For the next three years the following table indicates the measures for WCC to monitor. These are linked to our strategic areas.

WCC Performance Measures					
Measure	Frequency of Measure	Target 21-22	Target 2022-23	Target 2023-24	Notes
Visitors	Quarter*	254,000	255,000	256,000	
Student and education visits	Annual	20,000	21,000	21,500	Conservation education programmes and student self-guided visits.
Council operating grant per visitor	Annual	\$14.16	\$14.51	\$14.86	
Full cost to Council	Annual	<i>Not available from Council for Draft SOI</i>	<i>Not available from Council for Draft SOI</i>	<i>Not available from Council for Draft SOI</i>	This target is generated by Council and is not controlled by the Trust. It includes depreciation and shared services costs, CCO team costs, insurance, CAPEX interest and the OPEX grant.
Trading Revenue per visit (exc. grants and interest)	Annual	\$17.57	\$18.00	\$18.28	
Non-Council donations and funding	Annual	\$387k	\$324k	\$324k	Non-Council operational grants, donations, sponsorships and bequests. This target does not include any capital funding.
Percentage of operating costs generated by the Trust	Annual	57%	57%	57%	
Trust generated income as percentage of the Council grant	Annual	135%	133%	132%	

### \*Target Visitor Numbers by Quarter 2021-22

Q1	Q2	Q3	Q4	Total
49,304	66,626	68,451	69,619	254,000

Additional Zoo Performance Measures					
Measure	Frequency of Measure	Target 2021-22	Target 2022-23	Target 2023-24	Notes
Measure visitor feedback and satisfaction	Annual	8.5	8.5	8.5	This target is based on the overall experience rating which is measured out of ten.
Number of vulnerable, endangered or critically endangered species (IUCN Red List and DOC National list) at the Zoo	Annual	25	25	25	
Percentage of indigenous animals released to the wild after triage and treatment by The Nest Te Kōhanga (TNTK)	Annual	50	50	50	Post 72-hour triage period.
Percentage of OPEX directly contributed to field conservation	Annual	7%	7.5%	8%	This measure uses the Zoo Aquarium Association (ZAA) Australasia Framework to measure direct contributions to field conservation.
Number of field conservation projects supported for vulnerable, endangered or critically endangered species (IUCN Red List and DOC National list) at the Zoo	Annual	12	12	12	
Participate in zoo-based research projects, scientific papers and presentations	Annual	10	10	10	These projects are directly related to conservation medicine, biological sciences, animal husbandry, animal welfare science and visitor engagement research.
Maintain Zoo and Aquarium Association animal welfare accreditation	Annual	Achieved	Achieved	Achieved	
Maintain Toitū carbonzero certification	Annual	Achieved	Achieved	Achieved	
Implementing <i>Kanohi Kitea</i> cultural competency programme	Annual	Achieved	Achieved	Achieved	New measure linked to the implementation of this bicultural competency programme.
Safety Improvement Team meeting attendance	Annual	80%	80%	80%	Measured against those staff available to attend meetings.
Successful emergency drill/incident debriefs held	Annual	8	8	8	Debriefings delivered to Zoo staff following emergency drills, trial evacuations and real incidents.
Volunteer engagement survey	Annual	1	1	1	This annual survey measures the satisfaction levels of those volunteering across the organisation.
Staff recognition programme	Annual	1	1	1	This measure refers to the year-long recognition of staff excellence at full staff meetings and culminates in the annual staff awards event in September.
Staff learning and development sessions held	Annual	10	10	10	In house learning opportunities from both internal and external speakers.

## 5. APPROACH TO GOVERNANCE

Wellington Zoo Trust is a Council-Controlled Organisation (CCO) having been established in 2003 by the Wellington City Council to develop and manage Wellington Zoo.

### Relationship with Council

The Trust ensures the ongoing viability of the organisation is maintained through the monitoring of Key Performance Measures. Governing policies have been developed by Trustees to ensure the business of the Trust is managed consistently with its Deed and stated direction.

As part of the ongoing relationship with the Wellington City Council, the Chair and Chief Executive meet with the Mayor and Wellington City Council Chief Executive on a regular basis. The Wellington Zoo Chief Executive meets regularly with Council officers for CCOs and other Council management when appropriate. The Chair and Chief Executive attend the CCO Performance Committee meetings as required.

The Trust's Statement of Financial Performance and audited accounts will be presented to Council within 60 days of financial year end. These statements include the budget from the SOI for the same period as per the Letter of Expectation and our usual approach to the accounts.

The Trust will disclose any material or potentially contentious transactions that are planned within its annual business plan. Where this is not possible, the earliest practicable notice will be given to Council of such transactions.

Wellington Zoo always publicly acknowledges Council's contribution to the Zoo as much as possible. We are grateful for Council support and seek to acknowledge this at events, animal habitat openings and other appropriate opportunities.

The principles governing the relationship between the Trust and Council will include:

- A "no surprises" approach;
- Open communications which acknowledge each partner's objectives and constraints;
- Mutually respectful negotiation of resolution of differences;
- Reciprocal recognition of the requirements of each other's processes; and
- Provision of quarterly reports against agreed KPMs and an annual report within three months of balance date.

### Board Membership

Name	Term Expires
Craig Ellison ( <i>Chair</i> )	31 December 2023
Raewyn Bleakley	31 December 2021
Nina Welanyk Brown	31 December 2021
Fleur Fitzsimons	20 October 2022
Michael Potts	31 December 2022
Ben Bateman	30 June 2023

All Board members are non-executive.

## **Board Committees**

The Board operates one committee - the Finance, Audit and Risk Committee.

## **Board Development**

The Board conducts an annual review of overall Board performance which determines individual and chair development needs and any other actions required to ensure best practice governance and performance standards are met. The Trust promotes Board development for corporate governance and spends at least ten hours a year on this at Board meetings and additional workshops and discussions. **A report will be tabled to the Wellington City Council Chief Executive on the Board review and outcomes by 30 September 2021.**

## **Board Skills Matrix**

**This matrix will be provided separately by March 31, 2021 and updated annually.**

## 6. HEALTH, SAFETY AND RISK

Wellington Zoo Trust Board has a Finance, Audit and Risk Committee which meets quarterly throughout the year. The Board monitors our Risk Analysis and Mitigation Plan at least annually and this document is updated as required. Health and Safety (H&S) is currently managed via the GM Safety, Assets and Sustainability who is a direct report to the Chief Executive. The H&S Advisor works with our Safety Improvement Team to ensure safe practices in the Zoo for animals, staff and visitors. All Health and Safety incidents are monitored weekly by the Strategic Management Team (SMT) and by the Board at their regular meetings. An Annual H&S action plan is developed with the SMT and progress is reviewed against these actions at each Board meeting.

**As with all our H&S responsibilities the Board (and other officers of the Trust) acknowledges and understands its accountability.** We have made the appropriate improvements to ensure the new H&S legislation is well managed and that the Trust meets the required reporting, monitoring and reviewing of H&S objectives.

The Zoo's **Risk Matrix** highlights the criticality of maintaining a resilient asset for the City. Impacts of a natural disaster, serious incidents and reputational falters are all potential risks if we are not able to adequately manage or resource the asset management programme and appropriately fund the renewals programmes sufficiently.

## Risk Analysis & Mitigation Plan for Wellington Zoo Trust

Risk Identification	Uncontrolled Risk			Risk Mitigation	Risk after Mitigation			Accountability	Responsibility
	Probability	Impact	Risk Value		Probability	Impact	Risk Value		
Natural disasters impacts	0	7	7	Business Continuity Plan. Emergency Management Plans. All documents reviewed annually. Regular practice drills carried out. Once emergency is over, a tactical marketing and communications plan implemented. Internal communications plans enacted.	0	6	6	CE & Board	Board, SMT
Loss of business due to extreme or prolonged event, eg pandemic, terrorism, civil unrest, climate change event, prolonged inclement weather	-1	7	6	Implement tactical marketing and pricing. Implement a targeted communications plan. Emergency logistics, animal management and procurement plans put into effect. Review and revise budgets, reduce spending and investigate new revenue raising initiatives. Strong relationship management with WCC. Internal communications plans enacted. See also Business Continuity Plan.	-1	6	5	CE & Board	Board SMT
Serious incident (including animal related incidents) where there is the risk of the loss of life (human or animals)	-2	7	5	Emergency Management Plans, Health & Safety Management System, Communications Plans reviewed annually. Regular practice drills carried out. Monitored Fire Alarms in all people occupied buildings and where possible in animal housing depending on risk. Building WOFs. Annual MPI audit and Containment Standards maintained. Inductions of staff and contractors. Monitor competency of staff and contractors. Two keeper system in place. Board and SMT site reviews.	-3	7	4	CE & Board	Board, SMT
Infectious disease impact on animals	-1	6	5	Health & Safety Management Plan. EPA/MPI policies. Infectious Diseases Policy. Veterinary protocols and pre-import and pre-export screenings. Animal Human Interaction protocols. Communication Plan.	-2	6	4	CE & Board	Board GMAC&S, GMSAS
Attraction and retention of key staff	-1	6	5	Learning and Development strategy and opportunities. Career progression initiatives such as the Learning and Development Framework. HR Policies & Remuneration Policy. Review Remuneration strategy. Engagement through shared values. Employee Experience Journey protocols, eg advertising, induction.	-2	6	4	CE & Board	Board CFO
Reputation Falters	-1	6	5	Communications protocols to communicate with key stakeholders, media and community. Strong relationship management with partners and stakeholders eg, DOC, MPI, WCC. Animal Welfare Accreditation. Euthanasia Policy. Code of Conduct, Media Relations Policy. Electronic Communications and Internet Usage Policy. Use of Social Media Policy. Disciplinary Policy. H&S Policy. Seek appropriate and timely advice.	-2	5	3	CE & Board	Board, SMT
Withdrawal or significant reduction of support or unfunded compliance costs from WCC	-2	7	5	WZT Statement of Intent. WCC Contract for Services. Relationship plans where appropriate and regular meetings with key contacts at WCC such as The Mayor, Deputy Mayor, Portfolio leaders, Councillors, Chief Executive and ELT. Reporting at relevant WCC Committee meetings. Relationships developed between relevant officers across WCC and related Zoo portfolio managers. Regular reporting on Zoo-based activities.	-3	4	1	CE & Board	CEBoard
Loss of Business Due to Economic Downturn	-1	5	4	Operating environment evaluated annually. Tactical marketing and pricing put into effect and tempered by prudent financial management.	-1	4	3	CE & Board	CE Board
Inability to source and import animals	-1	5	4	Zoo Species Plan continually updated. Animal Science Manager responsible for sourcing animals. Strong relationships with ZAA and WAZA members and with other zoos around the world to source animals through programmes such as ASMP. Strong relationship management with DOC, MPI and EPA.	-2	5	3	CE & Board	Board GMAC&S
Cyber-Security Failure / Privacy Breach	-1	5	4	WCC ICT system and policies eg, secure password management. Review third-party providers to ensure they have robust cyber-security systems, policies and procedures in place - particularly storage of sensitive information and payment protocols.	-2	5	3	CE & Board	Board GMB&P CFO
Animal Welfare compromised	-2	6	4	ZAA Accreditation evaluates the Zoo's animals' welfare state. Husbandry Manuals and SOPs regularly reviewed and updated. Governed by WZT Animal Welfare Committee. Animal Care & Science team development, recruiting and retaining skilled staff.	-3	5	2	CE & Board	Board GMAC&S
Utilities Infrastructure Loss and Failure	-1	4	3	WZT Business Continuity Plan. WCC Business Continuity Plan. Minor Works programme to ensure maintenance up to date. Connection to WCC systems where appropriate to utilise WCC back-up systems.	-1	3	2	CE & Board	Board SMT
Project Design, Development and Delivery Risk	-1	5	4	Project Management Process as agreed with the Board. Follow procurement processes for engaging Consultants and Contractors. Regular progress meetings to maintain projects on time and within budget. Regular reporting to the Board on capital and renewals projects.	-3	5	2	CE & Board	BoardGMSAS
Inappropriate procurement processes followed	-2	6	4	Procurement Policy. Delegations Policy. Register of Interests. Delegations for approvals. Board approval process for capital procurement and WCC signoff for Capital Procurement for major capital projects.	-3	4	1	CE & Board	Board CFO
Fraud and Theft	-1	5	4	CCTV at front entrance monitored weekly by SMT members and Sales and Services Manager. Code of Conduct. Financial management procedures. Daily banking checks by Finance and Administration Advisor with written procedures for following up variances. Annual audit by Audit NZ. Pre-employment Criminal checks.	-2	3	1	CE & Board	Board GMBP/CFO
Security Breach / Vandalism	-1	4	3	CCTV System and Security Alarms in all our buildings and where applicable in animal areas. Weekly perimeter checks. Maintenance of Perimeter Fence. Routine nightly security checks. After hours doors and security gate monitoring.	-2	3	1	CE & Board	Board GMSAS

## Risk Analysis Scale

### Risk Analysis Scale

Score	Probability that the Event will Occur
1	Almost Certain and / or could occur frequently
0	Very likely to occur and / or could occur more than once
-1	Moderately likely to occur and / or could occur at least once
-2	Unlikely to occur and / or might occur once
-3	Very unlikely to occur

Score	Level of Impact of the Event Occurring
7	Catastrophic Damage value greater than 50% of the project value, or Major delay to the project completion, or Major impact on this and other business opportunities
6	Very High Impact Damage value about 20% - 50% of the project value, or Significant delay to project completion, or Significant impact on this and other business opportunities
5	Major Damage value about 5% - 20% of the project value, or Project completion affected, or Some impact on this or other business opportunities
4	Minor Damage value less than 5% of the project value, or Project completion not impacted (although a phase of the project may be), or This business opportunity could be impacted
3	Negligible Damage value covered by contingency, any delays barely noticeable and client unaffected
2	Minimal

These two scores are added together to give a "Risk Value". This will be in the range zero to eight.

 All risks with a Risk Value of 5 - 8 must have a mitigation plan developed and agreed with the Board.

 All risks with a Risk Value of 3 or 4 shall have a mitigation plan so they can be managed by SMT.

 All risks with a Risk Value of 0 - 2 can just be recorded and accepted as such until such time as they produce a higher score.

 Any risk that has a Probability Value of one (1) or an Impact Value of five (5) or more must still have a mitigation plan even if the overall Risk Value is less than five.

## 7. ADDITIONAL INFORMATION

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

Not applicable.

b) **Ratio of shareholders' funds to total assets**

Please refer to the Balance Sheet and Accounting Policies included.

c) **Estimate of amount intended for distribution**

Wellington Zoo Trust does not make a distribution to the Settlor.

d) **Acquisition procedures**

The Trustees currently have no intention of subscribing for, purchasing or otherwise acquiring shares in any other company or other organisation.

e) **Activities for which the Board seeks compensation from a Local Authority**

The Board acknowledges the **\$3,595,815 operational funding in the *current* Long-Term Plan.**

The Board acknowledges the **\$920,486 included in the *current* Long-Term Plan** for Zoo Asset **renewals** for 2021-22. However, we note that in the full cost of the Zoo measure calculated by WCC, depreciation for the Zoo asset is running at \$1.66m pa in 2020/21. This is considerably more than the renewals funding we receive. We have had ongoing discussions in this regard and our LTP bid for additional Renewals funding indicates the urgency we place on this request. We believe that uplift in renewals would enable the Trust to better maintain the Zoo asset and would reduce the need for large capital investment in the coming 10-20 years.

The Board acknowledges the **\$1,717,000 included in the *current* Long-Term Plan** for the Snow Leopard Project in 2021-22.

f) **Estimate of commercial value of shareholders investment**

Not applicable.

g) **Other matters (if applicable), eg water supply services LGA requirements**

Not applicable.

h) **Supplementary information the entity wishes to include**

Not applicable.

## 8. ACCOUNTING POLICIES

### Reporting Entity

Wellington Zoo Trust (the Trust) is a charitable trust registered under the Charitable Trusts Act 1957 domiciled in New Zealand and is also a council-controlled organisation as defined under Section 6, Part 1 of the Local Government Act 2002, by virtue of the Council's right to appoint the Board of Trustees. The Trust was established on 1 July 2003 by the Wellington City Council.

The financial statements have been prepared in accordance with the requirements of the Charitable Trusts Act 1957 and section 69 of the Local Government Act 2002.

The Trust is reliant on the Wellington City Council (the Council) for the majority of its income and operates under a Contract for Services with the Council. The Contract for Services was re-negotiated to 30 June 2021. Ongoing funding for the Trust has been approved in the 2018/2028 Long Term Plan. The Trust has made a further going concern assessment in Note 20.

The primary objective of the Trust is to manage, administer, plan, develop, maintain, operate and promote the Wellington Zoo for the benefits of the inhabitants of Wellington and as an attraction to visitors to Wellington, not to make a financial return. Accordingly, the Trust has designated itself as a public benefit entity for the purposes of New Zealand PBE IPSAS.

Under this framework, the Trust is eligible to apply the reduced disclosure regime (Tier 2 entity) of the Public Benefit Entity Accounting Standards. The Trust meets this criteria as is not a large public sector entity with total expenses  $\geq$  \$30million and is not publicly accountable.

The reporting period for these financial statements is for the year ended 30 June 2020. The financial statements were authorised for issue by the Board of Trustees on 21 August 2020.

### Statement of Compliance

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice. They comply with PBE IPSAS and other applicable Financial Reporting Standards, as appropriate for Tier 2 public benefit entities.

### Measurement Base

The measurement base applied is historical cost. The accrual basis of accounting has been used.

### Functional and Presentation Currency

These financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless otherwise stated. As a result of rounding there may be slight discrepancies in subtotals.

### Significant Accounting Policies

#### Critical Accounting estimates and assumptions

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future. The Trust has assessed the financial records and there are no significant critical accounting estimates. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

## **Grants**

Grants received from the Wellington City Council are the primary source of funding to the Trust and are restricted for the purposes of the Trust meeting its objectives as specified in the trust deed. The Trust also receives other assistance for specific purposes, and these grants usually contain restrictions on their use.

Grants are recognised as revenue when they become receivable unless there is an obligation to return the funds if the conditions of the grant are not met. If there is such an obligation the grants are initially recorded as grants received in advance and recognised as revenue when the conditions of the grant are satisfied.

## **Revenue**

Revenue comprises revenue from operating activities, investment revenue, grants and donations and other revenue and is measured at the fair value of consideration received or receivable.

Revenue may be derived from either exchange or non-exchange transactions.

Most of the services that the Trust provides for a fee are subsidised by grants therefore do not constitute an approximately equal exchange. Accordingly most of the Trust's revenue is categorised as non-exchange.

## **Donated, subsidised or vested assets**

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Such revenue is recognised when control over the asset is obtained.

## **Interest**

Interest revenue is recognised using the effective interest rate method.

## **Volunteer Services Recognition**

The Trust benefits from the service of dedicated volunteers in the delivery of its activities. Due to the difficulty in determining the value of these donated services with sufficient reliability, donated services are not recognised in these financial statements.

## **Taxation**

The Trust is registered as a Charitable Trust and is exempt from income tax under the Income Tax Act 2007. The Trust is not exempt from indirect tax legislation such as Goods and Services Tax and accordingly is required to comply with these regulations.

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

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

## **Debtors and other receivables**

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

## **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of less than three months.

## **Investments**

Term deposits are initially measured at the amount invested.

## **Creditors and other payables**

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

## **Inventory**

Inventories are recorded at the lower of cost (determined on a first-in first-out basis) or net realisable value. This valuation includes allowances for slow moving and obsolete stock. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

## **Property, Plant and Equipment**

### **Recognition**

Property, plant and equipment consist primarily of operational assets. Expenditure is capitalised when it creates a new asset or increases the economic benefits over the total life of an existing asset. Costs that do not meet criteria for capitalisation are expensed.

The Trust also manages the construction and development of buildings, structures and enclosures on behalf of the Council. These assets are not recorded in the Trust's financial statements as ownership vests in the Council.

### **Measurement**

Property, plant and equipment are valued at historical cost less accumulated depreciation and impairment losses.

The initial cost of property, plant and equipment includes the purchase consideration, and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential is capitalised.

### **Impairment**

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use.

### **Disposal**

Realised gains and losses arising from the disposal of property, plant and equipment are recognised in the Statement of Comprehensive Revenue and Expense in the period in which the transaction occurs.

### **Depreciation**

Depreciation is provided on all assets owned by the Trust excluding assets under construction (work in progress). Depreciation is calculated on a straight-line basis, to allocate the cost or value of the asset (less any residual value) over its useful life.

### **Work in Progress**

The cost of projects within work in progress is transferred to the relevant asset class when the project is completed and then depreciated.

### **Employee Benefits**

A provision for employee benefits (holiday leave, long service leave, and retirement gratuities) is recognised as a liability when benefits are earned but not paid. The Trust recognises a liability and an expense for a one-off payment where contractually obliged or where there is a past practice that has created a constructive obligation.

### **Short Term Employee Benefits**

Holiday leave (annual leave and time off in lieu) is calculated on an actual entitlement basis at the greater of the average or current hourly earnings in accordance with sections 16(2) & 16(4) of the Holidays Act 2003.

### **Other Contractual Entitlements**

Other contractual entitlements include termination benefits. Termination benefits are recognised in the Statement of Financial Performance only when there is a demonstrable commitment to terminate employment. Termination benefits settled within 12 months are reported at the amount expected to be paid, otherwise they are reported as the present value of the estimated future cash outflows.

### **Provisions**

The Trust recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

### **Revenue in Advance**

The Trust has received non-exchange funds for specific purposes with conditions that would require the return of the monies if the Trust is not able to fulfil the agreement. The revenue from these agreements will only be recognised as the conditions are fulfilled over time.

The Trust has received non-exchange funds which apply to periods beyond the current year with conditions that would require the return of the monies if the Trust is not able to fulfil the obligation.

### **Contingent Assets and Liabilities**

Contingent liabilities and contingent assets are disclosed in the notes to the financial statements. Contingent liabilities are disclosed if the possibility that they will crystallise is not remote. Contingent assets are disclosed if it is probable that the benefits will be realised.

### **Animals**

In accordance with customary practice among Zoological organisations, animals are not recorded as there is no objective basis for establishing value. Additionally, animals have numerous attributes, including species, age, sex, relationship and value to other animals, endangered status and breeding potential whereby it is impracticable to assign value. Expenditure related to animal acquisitions is expensed in the period of acquisition.

### **Equity**

Equity is the residual interest in the Trust and is measured as the difference between total assets and total liabilities. The components of equity are accumulated surpluses and deficits and restricted funds (special funds, trusts and bequests).

Restricted funds are those reserves that are subject to specific conditions of use whether under statute or accepted as binding by the Trust because of the specific reason for which the funds were provided.

Transfers from these reserves may be made only for specified purposes or when certain specified conditions are met.

### **Statement of Cash Flows**

The statement of cash flows is prepared using the direct approach. Operating activities include cash received from all revenue sources of the Trust and record the cash payments made for the supply of goods and services. Investing activities relate to the acquisition and disposal of assets. Financing activities relate to transactions that change the equity and debt capital structure of the Trust.

### **Related Parties**

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include Wellington City Council, key management personnel and the governing body (Trust Board).

Trustees' remuneration is any money, consideration or benefit received receivable or otherwise made available, directly or indirectly, to a trustee during the reporting period. The disclosures for the Trust include the remuneration of the Trustee board as they occupy the position of a member of the governing body of the Trust.

### **Changes to Accounting Policies**

There have been no changes in accounting policies this year.

## 9. FORECAST FINANCIAL STATEMENTS

<b>CCO: Wellington Zoo Trust Business Plan 2021/22</b>		<b>\$NZ000's</b>						
<b>Estimate 30-Jun-21</b>	<b>EARNINGS STATEMENT</b>	<b>Qtr to 30-Sep-21</b>	<b>Qtr to 31-Dec-21</b>	<b>Qtr to 31-Mar-22</b>	<b>Qtr to 30-Jun-22</b>	<b>Total YE 30-Jun-22</b>	<b>Total YE 30-Jun-23</b>	<b>Total YE 30-Jun-24</b>
	<b>Revenue</b>							
4185	Trading Income	979	1275	1124	990	4,368	4,460	4,550
3494	WCC Grants	899	899	899	899	3,596	3,700	3,805
842	Other Grants	84	21	21	21	147	84	84
211	Sponsorships and Donations-Operational	60	60	60	60	240	240	240
54	Sponsorships and Donations-Capital	0	0	0	0	0	-	0
13	Investment Income	3	2	3	2	10	20	20
99	Other Income	11	32	27	26	96	130	130
8,898	<b>Total Revenue</b>	<b>2,036</b>	<b>2,289</b>	<b>2,134</b>	<b>1,998</b>	<b>8,457</b>	<b>8,634</b>	<b>8,829</b>
	<b>Expenditure</b>							
6,092	Employee Costs	1,533	1,533	1,533	1,533	6,132	6,220	6,329
2,344	Other Operating Expenses	558	590	592	585	2,325	2,414	2,500
0	Depreciation					0	0	0
0	Interest	0	0	0	0	0	0	0
558	Vested Assets/Restricted Funds spend					0	0	0
8,994	<b>Total Expenditure</b>	<b>2,091</b>	<b>2,123</b>	<b>2,125</b>	<b>2,118</b>	<b>8,457</b>	<b>8,634</b>	<b>8,829</b>
(96)	<b>Net Surplus/(Deficit) before Taxation</b>	<b>(55)</b>	<b>166</b>	<b>9</b>	<b>(120)</b>	<b>0</b>	<b>0</b>	<b>0</b>
0	Taxation Expense					0	0	0
408	Operating Surplus (Deficit)	(55)	166	9	(120)	0	0	0
(96)	<b>Net Surplus/(Deficit)</b>	<b>(55)</b>	<b>166</b>	<b>9</b>	<b>(120)</b>	<b>0</b>	<b>0</b>	<b>0</b>
4.6%	<b>Operating Margin</b>	<b>-2.7%</b>	<b>7.3%</b>	<b>0.4%</b>	<b>-6.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

<b>Estimate</b>	<b>STATEMENT OF FINANCIAL POSITION</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>		<b>As at</b>	<b>As at</b>
<b>30-Jun-21</b>		<b>30-Sep-21</b>	<b>31-Dec-21</b>	<b>31-Mar-22</b>	<b>30-Jun-22</b>		<b>30-Jun-23</b>	<b>30-Jun-24</b>
	<b>Shareholder/Trust Funds</b>							
0	Share Capital/Settled Funds	0	0	0	0		0	0
0	Revaluation Reserves	0	0	0	0		0	0
1,176	Restricted Funds	1,176	1,176	1,176	1,176		1,176	1,176
250	Retained Earnings	195	361	370	250		250	250
<b>1,426</b>	<b>Total Shareholder/Trust Funds</b>	<b>1,371</b>	<b>1,537</b>	<b>1,546</b>	<b>1,426</b>		<b>1,426</b>	<b>1,426</b>
	<b>Current Assets</b>							
2,816	Cash and Bank	3,503	2,770	3,521	2,502		2,500	2,520
150	Accounts Receivable	150	150	150	150		150	150
102	Other Current Assets	100	100	100	100		100	100
<b>3,068</b>	<b>Total Current Assets</b>	<b>3,753</b>	<b>3,020</b>	<b>3,771</b>	<b>2,752</b>		<b>2,750</b>	<b>2,770</b>
	<b>Investments</b>							
0	Deposits on Call	0	0	0	0		0	0
0	Other Investments	0	0	0	0		0	0
<b>0</b>	<b>Total Investments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>
	<b>Non-Current Assets</b>							
0	Fixed Assets	0	0	0	0		0	0
0	Other Non-current Assets	0	0	0	0		0	0
<b>0</b>	<b>Total Non-current Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>
<b>3,068</b>	<b>Total Assets</b>	<b>3,753</b>	<b>3,020</b>	<b>3,771</b>	<b>2,752</b>		<b>2,750</b>	<b>2,770</b>
	<b>Current Liabilities</b>							
742	Accounts Payable and Accruals	782	600	650	650		700	750
	Provisions						0	0
900	Other Current Liabilities	1,600	883	1,575	676		624	594
<b>1,642</b>	<b>Total Current Liabilities</b>	<b>2,382</b>	<b>1,483</b>	<b>2,225</b>	<b>1,326</b>		<b>1,324</b>	<b>1,344</b>
	<b>Non-Current Liabilities</b>							
0	Loans - WCC	0	0	0	0		0	0
0	Loans - Other	0	0	0	0		0	0
0	Other Non-Current Liabilities	0	0	0	0		0	0
<b>0</b>	<b>Total Non-Current Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>
<b>1,426</b>	<b>Net Assets</b>	<b>1,371</b>	<b>1,537</b>	<b>1,546</b>	<b>1,426</b>		<b>1,426</b>	<b>1,426</b>
<b>1.9</b>	<b>Current Ratio</b>	<b>1.6</b>	<b>2.0</b>	<b>2</b>	<b>2.1</b>		<b>2</b>	<b>2.1</b>
<b>46.5%</b>	<b>Equity Ratio</b>	<b>36.5%</b>	<b>50.9%</b>	<b>41.0%</b>	<b>51.8%</b>		<b>51.9%</b>	<b>51.5%</b>

Estimate 30-Jun-21	STATEMENT OF CASH FLOWS	Qtr to 30-Sep-21	Qtr to 31-Dec-21	Qtr to 31-Mar-22	Qtr to 30-Jun-22	Total YE 30-Jun-22	Total YE 30-Jun-23	Total YE 30-Jun-24
	<i>Cash provided from:</i>							
4,185	Trading Receipts	979	1,275	1,124	990	4,368	4,460	4,550
3,494	WCC Grants	1641	0	1641	0	3,282	3,700	3,805
842	Other Grants	84	21	21	21	147	82	82
265	Sponsorships and Donations	60	60	60	60	240	240	240
13	Investment Income	3	2	3	2	10	20	20
99	Other Income	11	32	27	26	96	130	130
8,898		2,778	1,390	2,876	1,099	8,143	8,632	8,827
	<i>Cash applied to:</i>							
6,092	Payments to Employees	1,533	1,533	1,533	1,533	6,132	6,220	6,329
2,344	Payments to Suppliers	558	590	592	585	2,325	2,414	2,478
	Net GST Cashflow					0	0	0
558	Other Operating Costs (VESTING)			0	0	0	0	0
	Interest Paid	0				0	0	0
8,994		2,091	2,123	2,125	2,118	8,457	8,634	8,807
(96)	<b>Total Operating Cash Flow</b>	687	(733)	751	(1,019)	(314)	(2)	20
	<b>Investing Cash Flow</b>							
	<i>Cash provided from:</i>							
	Sale of Fixed Assets					0	0	0
	Other					0	0	0
0		0	0	0	0	0	0	0
	<i>Cash applied to:</i>							
0	Purchase of Fixed Assets					0	0	0
0	Other -vesting Cash for Capital Projects	0			0	0	0	0
0		0	0	0	0	0	0	0
0	<b>Total Investing Cash Flow</b>	0	0	0	0	0	0	0

Estimate 30-Jun-21	STATEMENT OF CASH FLOWS (CONT)	Qtr to 30-Sep-21	Qtr to 31-Dec-21	Qtr to 31-Mar-22	Qtr to 30-Jun-22	Total YE 30-Jun-22	Total YE 30-Jun-23	Total YE 30-Jun-24
	<b>Financing Cash Flow</b>							
	<i>Cash provided from:</i>							
	Drawdown of Loans					0	0	0
	Other					0	0	0
0		0	0	0	0	0	0	0
	<i>Cash applied to:</i>							
	Repayment of Loans					0	0	0
	Other					0	0	0
0		0	0	0	0	0	0	0
0	<b>Total Financing Cash Flow</b>	0	0	0	0	0	0	0
(96)	<b>Net Increase/(Decrease) in Cash Held</b>	687	(733)	751	(1,019)	(314)	(2)	20
2,912	<b>Opening Cash Equivalents</b>	2,816	3,503	2,770	3,521	2,816	2,502	2,500
2,816	<b>Closing Cash Equivalents</b>	3,503	2,770	3,521	2,502	2,502	2,500	2,520

Estimate 30-Jun-21	<b>CASHFLOW RECONCILIATION</b>	Qtr to 30-Sep-21	Qtr to 31-Dec-21	Qtr to 31-Mar-22	Qtr to 30-Jun-22	Total YE 30-Jun-22	Total YE 30-Jun-23	Total YE 30-Jun-24
408	<b>Operating Surplus/(Deficit) for the Year</b>	(55)	166	9	(120)	0	0	0
	Add Non Cash Items							
0	Depreciation	0	0	0	0	0	0	0
(504)	Other (Restricted Funds movement)		0		0	0	0	0
(96)		(55)	166	9	(120)	0	0	0
	<b>Movements in Working Capital</b>							
150	(Increase)/Decrease in Receivables	0	0	0	0	0	0	0
(15)	(Increase)/Decrease in Other Current Assets	2	0	0	0	2	0	0
197	Increase/(Decrease) in Accounts Payable	40	(182)	50	0	(92)	50	50
(332)	Increase/(Decrease) in Other Current Liabilities	700	(717)	692	(899)	(224)	(52)	(30)
0		742	(899)	742	(899)	(314)	(2)	20
	<b>Net Gain/(Loss) on Sale:</b>							
	Fixed Assets	0				0		
	Investments	0				0		
0		0	0	0	0	0	0	0
(96)	<b>Net Cash Flow from Operations</b>	687	(733)	751	(1,019)	(314)	(2)	20

Estimate 30-Jun-21	<b>STATEMENT OF CHANGES IN EQUITY</b>	As at 30-Sep-21	As at 31-Dec-21	As at 31-Mar-22	As at 30-Jun-22	As at 30-Jun-23	As at 30-Jun-24
	<i>Equity Opening Balances</i>						
242	Accumulated Comprehensive Revenue and Expense	250	195	361	370	250	250
1,280	Restricted Funds	1,176	1,176	1,176	1,176	1,176	1,176
1,522	<b>Total Equity Opening Balance</b>	1,426	1,371	1,537	1,546	1,426	1,426
	<b>Comprehensive Revenue</b>						
408	(Deficit)/Surplus for the year to retained earnings	(55)	166	9	(120)	0	0
408	<b>Total comprehensive revenue</b>	(55)	166	9	(120)	0	0
	<b>Equity Closing Balances</b>						
250	Accumulated Comprehensive revenue and expense	195	361	370	250	250	250
1,176	Restricted Funds	1,176	1,176	1,176	1,176	1,176	1,176
1,426	<b>Total Equity-Closing Balance</b>	1,371	1,537	1,546	1,426	1,426	1,426



**Craig Ellison**  
Board Chair, Wellington Zoo Trust