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**ORDINARY MEETING**

**OF**

**COUNCIL CONTROLLED ORGANISATIONS**

**MINUTE ITEM ATTACHMENTS**

**Time:** 1:00 pm  
**Date:** Wednesday, 14 December 2016  
**Venue:** Committee Room 1  
Ground Floor, Council Offices  
101 Wakefield Street  
Wellington

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**Business**

**Page No.**

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**2.3 Review of Annual Reports for Council Controlled Organisations  
for the Year Ending 30 June 2016**

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| 1. Wellington Regional Stadium Trust                 | 2  |
| 2. Wellington Cable Car Limited - 2016 Annual Report | 22 |
| 3. Karori Sanctuary Trust                            | 54 |
| 4. Wellington Museums Trust                          | 61 |
| 5. Wellington Zoo Trust                              | 70 |



# WESTPAC STADIUM

## Q1 and Annual Report

14 December 2016

[www.westpacstadium.co.nz](http://www.westpacstadium.co.nz)



## The 2015/16 year's achievements

- 59 major event days and 11 Community event days
- Over 570,000 fans attended events at the Stadium
- Surpassed 8.8 million patrons
- Secured a full calendar of events for the 2016/17 year

[www.westpacstadium.co.nz](http://www.westpacstadium.co.nz)



## Financial

- \$2.09 million surplus against budget of \$200k
- Event revenues of \$8.6m
- Total revenue \$15.85m
- Bank borrowings down to \$4.0m

[www.westpacstadium.co.nz](http://www.westpacstadium.co.nz)





# COUNCIL CONTROLLED ORGANISATIONS

14 DECEMBER 2016







# The year ahead

[www.westpacstadium.co.nz](http://www.westpacstadium.co.nz)







**GUNS 'N ROSES**  
**3 FEBRUARY 2017**











## Investment

We will invest \$14.33m in next three years

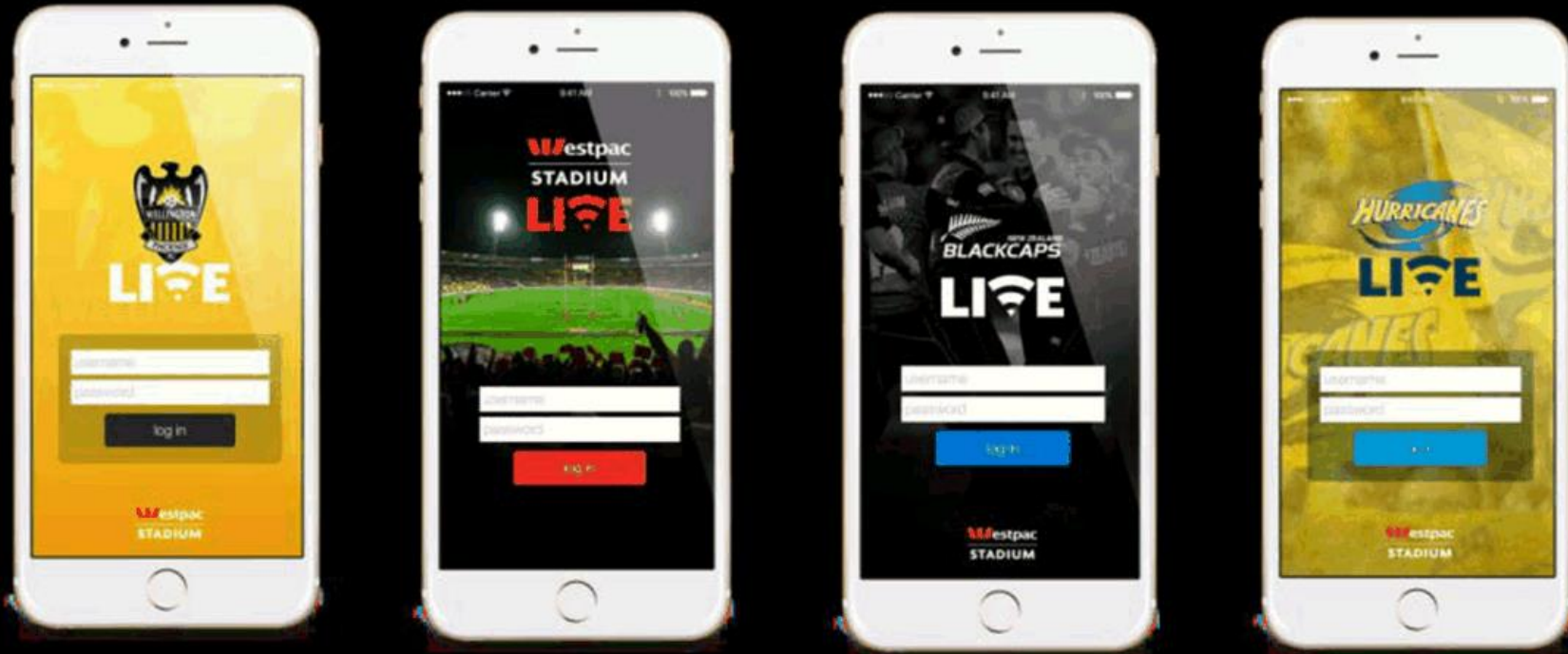
The Trust has three key projects for the upcoming year:

1. Deployment of a connected stadium solution with high density Wi-Fi throughout the venue
2. We are in the design phase of a \$10m upgrade of the internal concourse. Supported by WCC long term plan
3. Full replacement of the Stadium turf

# Connected Stadium



# Connected Stadium





# Concourse Upgrade











ANNUAL  
REPORT  
2015/16





Item 2.3 Attachment 2





## **Wellington Cable Car Limited**

Annual Report

For the year ended 30 June 2016

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### **Wellington Cable Car Limited**

Company Directory  
As at 30th June 2016

Issued Capital:	7,434,746 fully paid Ordinary Shares
Registered Office:	30 Glover Street Ngauranga Wellington, NEW ZEALAND
Directors:	Mr A W Matthews Mr A E Wilson
Company Number:	502158
Auditors:	Audit New Zealand on behalf of the Auditor-General
Bankers:	ANZ Bank New Zealand Limited
Share Registry	Level 4, Civic Administration Building 101 Wakefield Street Wellington, NEW ZEALAND
Solicitors:	Morrison Mallet
Date of Formation	2 April 1991

### Wellington Cable Car Limited

Chairman's Report  
For the year ended 30 June 2016

The degree of change that I alluded to in my previous annual report a year ago, in both the external environment within which Wellington public transport operates, and the number of exciting projects and change initiatives underway, shows no sign of abating. The combined issues of the possibility of local government reform and potential future projects such as the Basin Reserve flyover and the Bus Rapid Transit scheme have still yet to be fully resolved. As such, it is therefore extremely difficult to ascertain what the long-term future holds for a small Council Controlled Organisation (CCO) such as Wellington Cable Car Limited (WCCL), given the short-term anticipated demise of Trolley Bus services in Wellington. What I do know is that the Company continues to perform extremely well, managing its transport infrastructure to excellent effect for the future benefit of the Wellington public. An example of this is the Cable Car electric drive project which has been an exemplar of innovative engineering and excellent project management in a niche and specialised area that has showcased the Company's talents, despite its small size.

This has been a landmark year for Health and Safety with the long-awaited enactment of the Health and Safety at Work Act, 2014 (HSWA) on 04 April 2016. WCCL has continued to work proactively with other organisations to prepare for the introduction of the new HSWA and associated statutes and regulations. Risk Registers have been comprehensively updated and, in particular, a series of risk management workshops were held with Wellington Electricity and NZ Bus to ensure that operational procedures in place for the provision of Trolley Bus services are in accordance with the intent and meaning of the new legislation (which they are).

One area of strategic importance is that of future public transport subsidies for the Cable Car. In my last annual report, I mentioned that WCCL is one of a small number of exempt public transport providers in New Zealand. The Company has independently operated the Cable Car unsubsidised for many years but this is not sustainable in the long term for a variety of reasons. Excellent progress has been made in producing a business case for the New Zealand Transport Agency (NZTA), Greater Wellington Regional Council (GWRC) and Wellington City Council (WCC) to investigate how and when the Cable Car may become eligible to become part of the Metlink public transport network. This would open the door for public transport subsidies from central and local government, and this is deemed essential to the future long-term viability of the Cable Car.

As local government practices and procedures continue to evolve, there will continue to be a lot of change in the Wellington region across many of the infrastructure providers and this includes public transport and Wellington Cable Car Limited as part of that sector. I am proud to say that the Company continues to provide excellent levels of public transport service in a manner that befits its public ownership legacy. The Company is proud of its efforts in continuing the tradition of first class public transport within Wellington, and is determined that it will provide value for money to its customers in ensuring the Cable Car and Trolley Bus overhead electrical network are operationally capable, safe and fit for purpose.

Finally, thank-you to all of our customers for their patronage throughout the year and well done to all of our staff and sub-contractors for their hard work and efforts over the past twelve months.

**Anthony Wilson**  
Chair

## Wellington Cable Car Limited

CEO's Report

For the year ended 30 June 2016

This is my third Chief Executive's report for Wellington Cable Car Limited since joining in October 2013. I am pleased to report that the Company's excellent staff and its two operating divisions (the Cable Car and the Trolley Bus overhead electrical network) continue to support two key transport modes within Wellington City. The two operating divisions are very different by virtue of their engineering heritage and modes of operation but they share a common denominator in that the staff are ubiquitously passionate about what they do and take a pride in providing a very high level of service to the Wellington travelling public. A snapshot of some of the year's highlights are outlined below:

### Cable Car

The Cable Car carried 1,047,000 passengers during the 2015/16 financial year, and this is an increase of 71,000 over the preceding year during what has been a very buoyant year for the Wellington economy and the tourism industry (passenger revenue increased from \$2,399K to \$2,731K over the same period). This is a great result, bearing in mind on 07 June 2016 the Cable Car closed down to commence its long-awaited refit (although replacement bus services continued to operate throughout the shutdown). The breakdown of passengers is still split approximately 50:50 between local residents (including Victoria University of Wellington students and staff) and tourists (in particular, cruise ship passengers). Local adult passenger numbers continue to increase slightly, however, underlying student numbers continue to decline from previous years figures due to geographical changes in the location of university halls of residence. Notwithstanding this permanent demographic change, students still comprise a significant percentage of our local patronage.

Cable Car staff were involved throughout the year in the preparations for the Electric Drive and Control Systems replacement project, which commenced installation phase on 07 June 2016 (the Cable Car subsequently reopened on 18 August 2016). Doppelmayr (the original equipment manufacturer) were contracted to design, manufacture, install and commission a wide range of vital systems and equipment that enable the Cable Car to continue to operate safely whilst dealing with acute obsolescence and associated technical support issues. In addition, Lockheed Martin (based at Trentham) were used to overhaul the Cable Car passenger vehicles, including dealing with 38 years of accumulated corrosion to the steel bodies, replacement of the exterior roofs, windows, and interior floor linings, overhaul of the seats and the door opening mechanisms. WCCL have been financially supported by WCC in this endeavour to the tune of \$2.5 Million grant funding, and this has helped ensure that the Cable Car remains fit for purpose, safe to operate and compliant with the Railways Act 2005 for the foreseeable future. The overall cost of this project was in the region of \$4 Million.

After six months applied effort, the new Cable Car asset management plan covering the 50-year period 2016 to 2066 was issued in February 2016, and is being used as the basis for future capital works, including detailed planning of some significant items that will be required over the next 10 years. These include track replacement, tunnel portal strengthening, installation of the regional integrated ticketing system and the replacement of the rolling stock in 2025/26. Detailed analysis and financial modelling has proved beyond all reasonable doubt that the Cable Car cannot generate sufficient passenger revenue to maintain and/or replace its assets as required (based upon the requirements of the Railways Act 2005 and railway industry current practice).

The difference between cash reserves available and funding required to undertake capital works becomes significant in 2026 when the current Cable Cars will need to be replaced for safety reasons based upon their working life and material state. To address this, WCCL is finalising a business case in conjunction with WCC, GWRC and NZTA to get the Cable Car admitted into the Metlink public transport network, rendering it eligible for public transport subsidies from the National Land Transport Fund and GWRC rates.

#### **Trolley Bus Overhead Electrical Network**

The Traction Services overhead electrical network continues to support NZ Bus Trolley Bus operations throughout the 80 Km of overhead electrical network suspended above the Wellington streets. WCCL is a supplier and operates and maintains the network under contract to Greater Wellington Regional Council (GWRC) using BroadSpectrum as our maintenance services provider. GWRC grant funds WCCL Trolley Bus overhead electrical network maintenance and operational activities.

The enactment of the main provisions of Health and Safety at Work Act, 2015 that occurred on 04 April 2016, has been the subject of much media commentary throughout the past 12 months, and most organisations in New Zealand have been working hard to ensure that they comply fully with the new provisions. From a WCCL Trolley Bus overhead network perspective, our role as one of the "Persons Conducting a Business or Undertaking (PCBU)" in conjunction with NZ Bus and Wellington Electricity led us to undertake a series of risk-based workshops in February and March 2016 to ensure that our existing processes when responding to a fault or electrical power outage were adequate. It is pleasing to note that they were, and this type of collaborative, joined-up way of working is exactly what the legislation is designed to promote. This has the dual benefit of enhancing operational service delivery standards as well as making the environment safer for passengers and workers alike.

Trolley Bus services are scheduled to cease permanently at the end of June 2017 and WCCL will decommission the network in the 12-month period following cessation of Trolley Bus operations. However, WCCL continues to ensure that (a) the network remains operationally available in accordance with the GWRC contract requirements and (b) meets all the requisite safety and technical requirements enacted under legislation, and the Company will continue to do so for as long as the network is required.

WCCL has been actively planning the scope of works required to decommission the network as this is an extremely complex project with multiple interactions with other utility providers and the road controlling authorities (NZTA and WCC). The intention is to ultimately remove the overhead contact wire and supporting fittings to ensure no overhead obstruction remains for safety reasons. However, the majority of the supporting infrastructure will remain in situ as it is required to support a diverse mixture of telecommunication systems, electrical supply cables, street lights and road signs (Poles not required for any other purposes will be removed).

The Company continues to negotiate new contracts with various Telecommunication companies to licence the installation of their equipment on the Trolley Bus network supporting infrastructure, and this will continue for the foreseeable future. This provides a small revenue stream that helps to offset network maintenance costs and, just as importantly, it ensures compliance with statutory legislation including the Health and Safety at Work Act, 2015 and the Electricity Act, 1992.

WCCL also generates a small amount of revenue from third party works including alterations to the Trolley Bus network to accommodate construction work (for example, the new canopy erected in Cable Car Lane earlier this year) as well as escorting over-height loads through the city (this included the new Giraffe that travelled from Auckland by road to take up its new home at Wellington Zoo).

#### **Charitable Donations**

During the 2015/16 financial year, WCCL made charitable donations of \$413 by means of the provision of free Cable Car trips for local schools. The Cable Car is often requested to use the stunning LED tunnel lights fitted in the top and middle tunnels to support noteworthy events or charitable causes. One such example in November 2015 included the illumination of the tunnels in the colours of the French Tricolour in the immediate aftermath of the terrorist attacks in Paris as a display of solidarity, alongside other Wellington landmarks such as the exterior of the Michael Fowler centre.

#### **Financial Result**

The Company achieved a Net Deficit before Taxation of \$70K which includes \$2,056k of WCC grant funding for the Cable Car electric drive project. This was treated as revenue in the 2015/16 financial year and the associated expenditure has been capitalised. The accounting loss is largely due to the impairment of the Trolley Bus Network and associated assets which has had an impact of \$1,493k on the current years result. As the Company is still in a tax paying position, it is envisaged that the Company will utilise tax losses from Wellington City Council via a subvention payment.

Cable Car passenger revenue for 2015/16 was \$2,731K. This is an increase of \$332K (13.8%) over the previous year (\$2,399K) and revenue has grown appreciably for two years in a row as the Wellington economy emerges from the hangover of the global financial crisis. Total annual passenger numbers increased from 978,000 to 1,047,000 during this reporting period, a 7.1% increase.

Grant funding of \$3,718K was received from GWRC during the year for Trolley Bus operations, maintenance and capital works. Given the pending cessation of Trolley Bus services in June 2017 and the estimated costs of decommissioning the network (the Company expects there will be a shortfall between actual costs and GRWC grant funding to complete), the carrying value of the Trolley Bus network assets will be impaired in this financial year.

As mentioned earlier, the Company is continuing to renegotiate existing Pole user licence agreements with Telecommunications companies and this is envisaged to have further a positive financial impact for future revenue streams.

The Company continues to maintain solid cash reserves, which have been built up and retained for the completion of the Cable Car electric drive and associated components, as well as providing for any restructuring or shortfall arising from the decommissioning of the Trolley Bus network (the actual cost to complete is not known at the balance date).

These financial results are completed in accordance with the reporting standards for Public Benefit Entities. They should be read in conjunction with the associated financial statements and notes to the accounts enclosed with this annual report.

#### **Summary**

The continued safe delivery of thousands of public transport passengers per day and the complexity of the projects undertaken pays testimony to the pride and professionalism of the employees, and the hard work and dedication that they put in on a daily basis. In particular, it is the excellent employees who continue to make the Company what it is and who continue to serve the Wellington local residents and tourist visitors alike with their infectious enthusiasm and can-do attitude.

This has been a challenging year for a variety of reasons. The Cable Car electric drive project has been technically challenging and a complex installation to boot. The Trolley Bus network continues to pose challenges as the Company deals with the complexities and interference factors associated with operating an aged electrical network in the public transport sector alongside two other, commercially owned PCBUs. WCCL's staff have been happy and resilient throughout all of this and I would like to thank and congratulate my senior leadership team (Andrew Cresswell, Matthew Hardy, Gavin MacIntyre, Bruce Jensen, Stephen Ward and Daphne Squire) for their outstanding efforts and support throughout the year.

**Simon Fleisher**  
**Chief Executive**

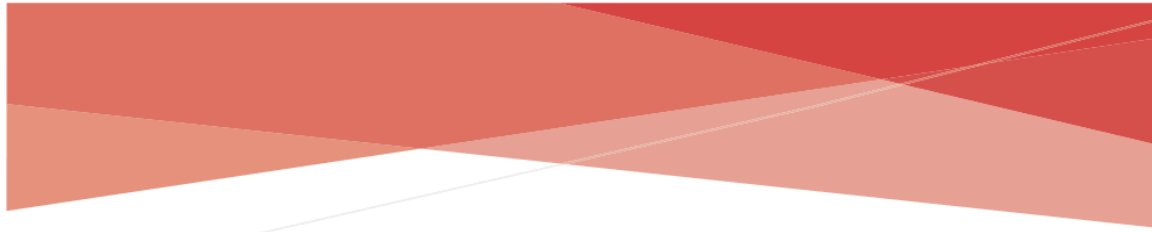
**Wellington Cable Car Limited**  
Statement of Compliance  
As at 30th June 2016

The Directors of Wellington Cable Car Limited hereby confirms that all statutory requirements in relation to the Annual Report, as outlined in the Local Government Act 2002, have been complied with.

Director ..... 

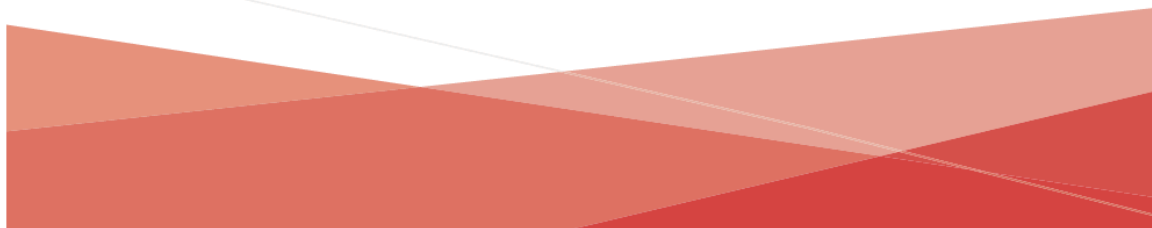
Director ..... 

Date: 9 December 2016



## **WELLINGTON CABLE CAR LIMITED**

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**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**





**Wellington Cable Car Limited**  
 Statement of Comprehensive Revenue and Expense  
 For the year ended 30 June 2016

	<i>Note</i>	<i>Actual 2016 \$</i>	<i>Budget 2016 \$</i>	<i>Actual 2015 \$</i>
<b>REVENUE</b>				
Operating Revenue	5	8,952,894	7,823,395	10,009,025
Interest Revenue		31,533	68,243	48,424
Gain on Disposal		-	-	19,130
<b>Total Operating Revenue</b>		<b>8,984,427</b>	<b>7,891,637</b>	<b>10,076,579</b>
<b>EXPENSES</b>				
Operations and general	6	4,504,458	5,598,878	5,792,740
Auditors' remuneration	7	34,477	30,300	34,040
Impairment of receivables		-	-	26,523
Directors' remuneration	8	44,000	42,672	42,672
Depreciation	15	1,162,905	395,750	367,207
Amortisation	16	19,026	-	8,901
Employees remuneration		1,317,013	1,405,859	1,204,167
Operating leases		132,966	160,273	151,022
Loss on Disposal		346,111	-	-
Impairment of Trolley Bus Network Asset	15	1,493,496	-	-
<b>Total Operating Expenses</b>		<b>9,054,452</b>	<b>7,633,732</b>	<b>7,627,272</b>
<b>SURPLUS / (DEFICIT) BEFORE TAX</b>		<b>(70,025)</b>	<b>257,906</b>	<b>2,449,307</b>
Income Tax Expense	13	(21,253)	86,214	673,148
Subvention Payment Made		-	-	-
<b>NET SURPLUS / (DEFECIT) AFTER TAX</b>		<b>(48,772)</b>	<b>171,692</b>	<b>1,776,159</b>
<b>OTHER COMPREHENSIVE REVENUE OR EXPENSE:</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE:</b>		<b>(48,772)</b>	<b>171,692</b>	<b>1,776,159</b>

Wellington Cable Car Limited  
 Statement of Changes in Equity  
 For the year ended 30 June 2016

	Note	Actual 2016 \$	Budget 2016 \$	Actual 2015 \$
<b>EQUITY AT START OF YEAR</b>		9,398,808	7,900,091	7,622,649
<b>Total Comprehensive Revenue and Expense</b>		-48,772	171,692	1776159
<b>Distribution to Owners</b>				
<b>EQUITY AT END OF YEAR</b>		<u>\$9,350,036</u>	<u>\$8,071,784</u>	<u>\$9,398,808</u>
<b>MOVEMENTS IN ACCUMULATED</b>	21			
Accumulated Comprehensive Revenue and Expense at start of year		1,963,962	465,245	187,803
Net Surplus		-48,772	171,692	1,776,159
<b>Accumulated Comprehensive Revenue and Expense at End of Year</b>		<u>1,915,190</u>	<u>636,938</u>	<u>1,963,962</u>
<b>MOVEMENTS IN ISSUED CAPITAL</b>	21			
Balance at Start of Year		7,434,846	7,434,846	7,434,846
Balance at End of Year		<u>7,434,846</u>	<u>7,434,846</u>	<u>7,434,846</u>
<b>EQUITY AT END OF YEAR</b>		<u>\$9,350,036</u>	<u>\$8,071,784</u>	<u>\$9,398,808</u>

**Wellington Cable Car Limited**  
Statement of Financial Position  
As at 30th June 2016

	Note	Actual 2016 \$	Budget 2016 \$	Actual 2015 \$
<b>CURRENT ASSETS</b>				
Cash and cash equivalents		1,806,639	962,761	1,084,396
Short term deposits		293,477	200,000	289,345
Income Tax Receivable		-		-
Trade and other receivables	10	1,382,419	500,000	2,642,765
Inventories	11	345,028	650,000	696,896
Prepayments		312,617		552
GST Recoverable		98,804	-	-
<b>Total Current Assets</b>		<b>4,238,984</b>	<b>2,312,761</b>	<b>4,713,954</b>
<b>NON-CURRENT ASSETS</b>				
Property, plant & equipment	15	7,585,784	7,098,250	8,162,897
Intangibles	16	52,793		41,279
<b>Total Non-Current Assets</b>		<b>7,638,577</b>	<b>7,098,250</b>	<b>8,204,176</b>
<b>TOTAL ASSETS</b>		<b>11,877,561</b>	<b>9,411,011</b>	<b>12,918,130</b>
<b>CURRENT LIABILITIES</b>				
GST Payable		-	68,976	248,752
Income Tax Payable		213,956	86,214	210,130
Trade and other payables	12	1,421,953	517,037	1,934,977
Employee Benefit Liabilities		111,003	100,000	103,248
Finance leases - current portion	17	-	-	3,187
<b>Total Current Liabilities</b>		<b>1,746,912</b>	<b>772,227</b>	<b>2,500,294</b>
<b>NON-CURRENT LIABILITIES</b>				
Finance leases - non-current portion	17	-	-	-
Deferred tax liability	14	780,613	567,000	1,019,028
<b>Total Non-Current Liabilities</b>		<b>780,613</b>	<b>567,000</b>	<b>1,019,028</b>
<b>TOTAL LIABILITIES</b>		<b>2,527,525</b>	<b>1,339,227</b>	<b>3,519,322</b>
<b>NET ASSETS</b>		<b>9,350,036</b>	<b>8,071,784</b>	<b>9,398,808</b>
<b>EQUITY</b>				
Contributed Equity		7,434,846	7,434,846	7,434,846
Accumulated Profits		1,915,190	636,938	1,963,962
		<b>9,350,036</b>	<b>8,071,784</b>	<b>9,398,808</b>

The accompanying notes form part of these Financial Statements and should be read in conjunction with the reports contained herein.  
For and on behalf of the Board:

Director 

Director 

Date: 9 December 2016

**Wellington Cable Car Limited**  
Statement of Cash Flow  
For the year ended 30 June 2016

	Note	Actual 2016 \$	Budget 2016 \$	Actual 2015 \$
<b>Cash flows from operating activities</b>				
Receipts from operations		10,213,240	7,775,895	9,582,561
Payments to suppliers and employees		(8,501,567)	(7,185,482)	(7,003,019)
Payments of Tax		(8,136)	-	(6,399)
Subvention Payment		(205,200)	(86,214)	
Goods and services tax (net)		(347,555)		140,487
<i>Net cash from operating activities</i>		<u>3,150,782</u>	<u>524,200</u>	<u>2,713,630</u>
<b>Cash flows from investing activities</b>				
Receipts from interest		31,533	65,743	45,411
Disposal of property, plant and equipment		-	-	19,130
Purchase of property, plant and equipment		(2,455,940)	(894,000)	(2,141,013)
Investment in term deposits		(4,132)	-	(10,976)
Matured Investment in term deposits				
<i>Net cash from investing activities</i>		<u>(2,428,539)</u>	<u>(828,257)</u>	<u>(2,087,448)</u>
<b>Cash flows from financing activities</b>				
Dividend		-	-	
<i>Net cash from financing activities</i>		<u>-</u>	<u>-</u>	<u>-</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<u>722,243</u>	<u>(304,058)</u>	<u>626,182</u>
Cash and cash equivalents as at the beginning of the year		<u>1,084,396</u>	<u>1,466,818</u>	<u>458,214</u>
<b>Cash and cash equivalents at the end of the year</b>		<u>1,806,639</u>	<u>1,162,761</u>	<u>1,084,396</u>

**Wellington Cable Car Limited**

Notes to the Financial Statements  
For the year ended 30 June 2016

**1. STATEMENT OF ACCOUNTING POLICIES**

**Reporting Entity**

These are the financial statements of Wellington Cable Car Limited. Wellington Cable Car Limited is a company wholly owned by Wellington City Council and is registered under the Companies Act 1993. It is a Council-controlled Organisation as defined by Section 6 of the Local Government Act 2002 and is domiciled in New Zealand.

The primary objective of the Wellington Cable Car Limited is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, Wellington Cable Car Limited has designated itself as a public benefit entity for Financial Reporting Purposes.

The financial statements are for the year ended 30 June 2016 and were approved by the Board of Directors on 09 December 2016.

**Basis of Preparation**

These financial statements have been prepared on the basis that the company is a going concern and has the continuing support of its shareholders. Based on the continuing financial support of its shareholders, the company would satisfy the solvency requirements of the Companies Act 1993.

**Statement of Compliance**

The financial statements of Wellington Cable Car Limited have been prepared in accordance with the reporting requirements of the Companies Act 1993 and the Local Government Act 2002.

The financial statements have been prepared in accordance with Tier 2 PBE accounting standards. The company is eligible to report as a Tier 2 reporting entity with reduced disclosures on the basis that it does not have public accountability and is not large.

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP) and they comply with PBE accounting standards.

Other accounting policies set out below have been applied consistently to all periods presented in these financial statements.

These financial statements are the first financial statements that have been presented in accordance with the new PBE Accounting Standards.

**Measurement Base**

The financial statements of Wellington Cable Car Limited have been prepared on an historical cost basis, except where modified by the revaluation of trolley bus overhead lines.

The information is presented in New Zealand dollars.

**Changes in Accounting Policies**

There have been no changes in accounting policies during the current financial year.

**Specific Accounting Policies**

In the preparation of these financial statements, the specific accounting policies are as follows:

**(a) Judgements and Estimations**

The preparation of financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses.

Where material, information on the major assumptions is provided in the relevant accounting policy or will be provided in the relevant note.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised when the revision affects only that period. If the revision affects both current and future periods, it is reflected in the current and future periods.

Judgements that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the relevant notes.

**(b) Property, Plant & Equipment**

**Recognition**

Property, plant and equipment consist of operational assets. Expenditure is capitalised as property, plant and equipment when it creates a new asset or increases the economic benefits over the total life of an existing asset and can be measured reliably. Costs that do not meet the criteria for capitalisation are expensed.

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

**Measurement**

Property, plant and equipment are initially recorded at cost.

The initial cost of property, plant and equipment includes the purchase consideration and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential and that can be measured reliably is capitalised. In accordance with IPSAS 17, borrowing costs are capitalised if they are directly attributable to the acquisition, construction, or production of a qualifying asset.

**Trolley Bus Overhead and Poles**

The Traction network is valued at cost less accumulated depreciation in accordance with IPSAS 17, and annually reviewed for impairment to ensure its carrying value is accurately reflected. Please refer to Note 24 for further explanation.

**Cable Car Assets**

The Cable Car assets comprising the Cable Car Tracks & Wires and Cable Car Equipment are valued at cost less accumulated depreciation in accordance with IPSAS 17, and annually reviewed for impairment to ensure its carrying value is accurately reflected.

**Impairment**

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment in accordance with PBE IPSAS 21 and PBE IPSAS 26. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported in the Statement of Comprehensive Revenue and Expense.

**Disposal**

Realised gains and losses arising from the disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Revenue and Expense in the period in which the transaction occurs. Any balance attributable to the disposed asset in the asset revaluation reserve is transferred to Accumulated Comprehensive Revenue and Expense.

**Depreciation**

Depreciation is provided on all property, plant and equipment, except for assets under construction (work in progress). Depreciation is calculated on a straight line basis, to allocate the cost or value of the asset (less any residual value) over its useful life. The depreciation rates of the major classes of property, plant and equipment are as follows:

Cable Car Tracks & Wires	2%
Cable Car Equipment	2%
Cable Car Equipment	10%-33%
Computer Equipment	33%
Motor Vehicles	20%
Furniture & Fixings	20%
Trolley Bus Overhead Wire System	2.5%-20%
Trolley Bus Overhead Wire System	10%
Trolley Bus Overhead Protection System	100% (Refer note 15)

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance date.

**Work-in-progress**

The cost of projects within work in progress is transferred to the relevant asset class when the project is completed. It is transferred to the relevant asset class only if it is probable that future economic benefits associated with the item will flow to Wellington Cable Car Limited and the cost of the item can be reliably measured.

**(c) Foreign Currencies**

Transactions in foreign currencies that are settled in the accounting period are translated into NZD (the functional currency) using the spot exchange rates at the dates of the transaction. Transactions in foreign currency that are not settled in the accounting period, resulting in monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are translated to NZD at the foreign exchange rate ruling at that date. Foreign exchange differences arising on their translation are recognised in the Statement of Comprehensive Revenue and Expense.

**(d) Intangible Assets**

Intangible assets comprise computer software which has a finite life and is initially recorded at cost less any amortisation and impairment losses. Amortisation is charged to the Statement of Comprehensive Revenue and Expense on a straight-line basis over the useful life of the asset.

Typically, the estimated useful lives of these assets are as follows:

Computer Software	3 years
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Realised gains and losses arising from disposal of intangible assets are recognised in the Statement of Comprehensive Revenue and Expense in the period in which the transaction occurs. Intangible assets are reviewed at least annually to determine if there is any indication of impairment. Where an intangible asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Losses resulting from impairment are reported in the Statement of Comprehensive Revenue and Expense.

**(e) Goods & Services Tax**

These financial statements have been prepared on a GST exclusive basis with the exception of accounts receivable and accounts payable which are shown inclusive of GST. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

**(f) Income Tax**

Income tax expense is charged in the Statement of Comprehensive Revenue and Expense in respect of the current year's results. Income tax on the surplus or deficit for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable revenue for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at balance date. Deferred income tax assets are recognised to the extent that it is probable that future taxable surplus will be available against which the temporary differences can be utilised.

**(g) Inventories**

Wellington Cable Car Limited's inventory comprises of items held in respect of maintaining and operating the Overhead Trolley Bus network. Any inventory items utilised in providing this service is reimbursed by Greater Wellington Regional Council at its cost to Wellington Cable Car Limited. In accordance with PBE IPSAS 12, all inventory has been valued at the lower of cost using the weighted average cost formula or net realisable value. Any inventory items that are reclaimed from the existing Overhead Network are entered into inventory at a nil cost value, and where subsequently refurbished, the refurbishment costs are included in calculating the weighted average cost of that item.

**(h) Leases**

**Finance Leases**

Assets purchased under finance leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the property are included as non-current assets in the Statement of Financial Position. Finance Leases will be capitalised at the present value of the minimum lease payments. A corresponding liability is also disclosed with lease payments being apportioned between the liability and interest payments.

The depreciation policy for depreciable assets, that are the subject of a finance lease, will be consistent with that for assets that are owned, unless there is no certainty that the lessee will take ownership by the end of the lease term, in which case the assets will be depreciated over the shorter of the estimated useful life of the asset or the lease term.

**Operating Leases**

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased items are classified as operating leases. Payments made under these leases are expensed in the Statement of Comprehensive Revenue and Expense in the period in which they are incurred. Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Statement of Comprehensive Revenue and Expense as an integral part of the total lease payment.

**(i) Statement of Cash Flow**

The Statement of Cash Flow has been prepared using the direct approach. Operating activities include cash received from all revenue sources of the company and record the cash payments made for the supply of goods and services. Investing activities relate to the acquisition and disposal of assets. Financing activities relate to activities that change the equity and debt capital structure of the company.

**(j) Related Parties**

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties also include key management personnel or a close member of the family of any key management personnel.

Directors' remuneration is any money, consideration or benefit received, receivable or otherwise made available, directly or indirectly, to a Director during the reporting period. Directors' remuneration does not include reimbursement of legitimate work expenses or the provision of work-related equipment such as cell phones and laptops.

**(k) Financial Instruments**

Wellington Cable Car Limited classifies its financial assets and financial liabilities according to the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

**Trade and other receivables**

Trade and other receivables are recorded at their fair value, less any provision for impairment. A provision for impairment is established where there is objective evidence that the company will not be able to collect all amounts according to the original terms of receivable. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted using effective interest method. Receivables with a short duration are not discounted.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits with up to three months maturity from the date of acquisition. These are recorded at their fair value.

**Short Term Investments**

Short term investments comprise an ANZ term deposit that is invested for a period of less than 12 months. This is recorded at its fair value.

**Trade and other payables**

Short term payables are recorded at face value.

**(l) Revenue**

Wellington Cable Car Limited derives revenue from the cable car passenger service with fares being the sole source of income. Additional revenue is received from projects in relation to the Traction Network to modify the network at the request of outside parties and there are also pole occupancy licences in place.

Revenue is recognised when billed or earned on an accrual basis.

**(m) Grants**

The trolley bus overhead wiring system funding is from contract payments by the Greater Wellington Regional Council. Grants are recognised as revenue when received, unless conditions apply. Any grants for which conditions apply under the grant agreement are carried as liabilities until all the conditions have been fulfilled.

**(n) Expenses**

Expenses are recognised when the goods or services have been received on an accrual basis.

**(o) Employee Benefit liabilities**

A provision for employee benefits (holiday leave) is recognised as a liability when benefits are earned but not paid.

Holiday leave is calculated on an actual entitlement basis at the greater of the average or current hourly earnings in accordance with sections 16(2) and 16(4) of the Holidays Act 2003.

**2. NATURE OF THE BUSINESS**

Wellington Cable Car Limited owns and maintains the trolley bus overhead network in the Wellington City area and some suburbs providing a facility for the use of NZBus who are contracted to provide trolley bus services by Greater Wellington Regional Council. The cost of the overhead network maintenance is funded by Greater Wellington Regional Council.

Wellington Cable Car Limited also owns and operates the Wellington Cable Car providing a passenger service and acting as a tourist attraction for the city of Wellington.

The cable car business is funded from cable car fares.

The funding agreement with the Greater Wellington Regional Council provides revenue to meet the cost of the overhead network maintenance for the Trolleybus Overhead wire system. Further revenue is derived from pole service charges levied on third parties utilising the company's poles to support telecommunication cables and other equipment. Revenue has also been derived from various pole placements arising from changes to the trolley overhead system to accommodate street and underground services changes. Management fees are also collected from third parties operating high vehicle loads and those requiring safe access in proximity to the overhead wires by having the lines de-energised.

As a result of the review of public transport services during the 2014 year where a decision was made to cease Trolley Bus services in Wellington with effect from 30 June 2017. The impacts of this decision is discussed in Note 3.

**3. CESSATION OF TROLLEY BUS SERVICES**

The planned cessation of Trolley Bus services in Wellington has a material impact on the activities of the Company. Based on current information available, operations i.e. maintenance of the overhead trolley bus network is expected to cease from 30 June 2017. As such, Wellington Cable Car Limited is currently planning for the de-commissioning of the network. The Company is working closely with Greater Wellington Regional Council and Wellington City Council on this. The precise timing and magnitude of any future changes as a result of the planned cessation have not yet been quantified or resolved. The external tender process for this project is yet to be completed, however Wellington Cable Car Limited envisages that the successful tenderer will be selected by December 2016. It is envisaged that the de-commissioning project will be funded through disposition of Overhead Network division assets, and assistance from Greater Wellington Regional Council; however as outlined in note 4 the company may be exposed to any shortfall in funding for the decommissioning.

Because of the nature of this business change and the future impact (both operationally and financially) on the Company, outlined below are the impacts on the current year financial statements:

1. As the Company expects the future cashflows arising from the decommissioning to be negative, the Board made the decision to fully impair the value of the poles and wires comprising the Overhead Network along with the Trolley Bus Overhead Protection System in the current year. The impairments for these assets total \$1,493,496 as detailed in note 15. While there may be some residual value in these assets that may be recoverable by the Company, these funds will be used to offset the decommissioning costs.
2. The carrying value of the overhead division inventory as at 30 June 2016 has been adjusted to reflect the expected realisable value in the following 12 months to 30 June 2017. As such, the Company has reduced the carrying value of the inventory by \$250,000 as at balance date as outlined in Note 11.
3. The other assets in respect of the Trolley Bus network, specifically vehicles and tools, have been retained at their current depreciated value given the Company has completed an assessment of their market value and considered the extent to which the assets will be retained and used in the Company post cessation of Trolley Bus services in June 2017.

While the announced date for termination of the trolley bus network is 30 June 2017, this is not completely certain and there is potential for the service to be retained beyond this date. This adds further uncertainty to the judgements made in assessing the carrying value of trolley bus related assets.

**4. CONTINGENT LIABILITIES**

At balance date there is one known contingent liability. This is in respect of the de-commissioning of the Overhead Network as a result of the decision to cease Trolley Bus services with effect from 30 June 2017 as outlined in note 3.

The Company has no legal liability, but expects that it will be required to remove the Overhead Network and associated components. Based on current cost estimates to de-commission, the Company may have a financial exposure of up to \$3 million, being the estimated cost less Greater Wellington Regional Council grant funding and estimated proceeds from asset disposals. (2015: \$0). The final impact and cost outcome is dependent on the scope of the work required. However, the scope of works required will only be confirmed once costs are known (tender process completed). If costs for full removal of the overhead network are excessive, there is potential for partial or staged decommissioning.

Discussions will be ongoing between Greater Wellington Regional Council, Wellington City Council the Company to determine the scope, involvement and overall management of the project. Proposed funding from Greater Wellington Regional Council is also subject to New Zealand Transport Agency approval.

**5. OPERATING REVENUE**

	2016	2015
	€	€
Cable Car revenue	2,731,469	2,399,480
GWRC revenue	3,718,251	5,101,339
Third party contract revenue	165,628	371,899
WCC revenue - Electric Drive Replacement Project	2,056,731	0
Miscellaneous revenue	280,815	289,928
GWRC revenue - Safety Protection Project	0	1,847,409
	<u>8,952,894</u>	<u>10,009,025</u>

**6. OPERATIONS AND GENERAL EXPENSES**

	2016	2015
	\$	\$
Cable car operational costs	492,482	422,674
Overhead contractor expenses	1,700,598	1,696,330
Overhead operational costs	302,992	406,412
Overhead repairs and maintenance	1,360,949	2,403,794
Miscellaneous expenses	647,437	863,331
	<u>4,504,458</u>	<u>5,792,741</u>

**7. AUDITOR'S REMUNERATION**

Amounts received or due and receivable by Audit New Zealand on behalf of the Auditor-General for:

	2016	2015
	€	€
Auditing the financial statements	34,477	34,040
	<u>34,477</u>	<u>34,040</u>

**8. RELATED PARTIES**

Wellington Cable Car Limited (100% owned by WCC) contracts various services from Wellington City Council.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect Wellington Cable Car Limited would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other Councils / Council Controlled Organisations are not disclosed as related party transactions when they are consistent with the normal operating arrangements between Councils / Council Controlled Organisations and undertaken on the normal terms and conditions for such transactions.

We are required to disclose the remuneration and related party transactions of key management personnel, which comprise the Directors, the Chief Executive, the Overhead Manager, the Cable Car Maintenance Manager and the Passenger Service Manager.

**Key management personnel**

	2016	2015
	\$	\$
Key management personnel remuneration	518,470	506,998
Full-time equivalent members	4	4
The following employees received remuneration greater		
\$100,000 - \$109,999	1	0
\$110,000 - \$119,999	0	0
\$140,000 - \$149,999	0	1
\$240,000 - \$249,999	1	1

**Directors' remuneration**

	2016	2015
	\$	\$
A Matthews (Appointed 1 April 2014)	20,000	20,000
A Wilson (Appointed 1 April 2014)	24,000	24,000
Total Directors' remuneration	44,000	44,000
Full-time equivalent members	2	2
Total Related Party Remuneration	562,470	550,998
Total Full-time equivalent members	6	6

There have been no other transactions with Directors other than Directors' remuneration.

In respect of director's remuneration, the amount stated above in respect of the 2016 discloses actual amounts paid.

It is noted that the directors' remuneration listed above for A Matthews and A Wilson is payable to Wellington City Council.

**9. FINANCIAL INSTRUMENTS**

The accounting policies for financial instruments have been applied to the line items below:

**Financial Assets**

	2016	2015
	\$	\$
Cash and cash equivalents	1,806,639	1,084,396
Short term deposits	293,477	289,345
Trade receivables	815,748	2,570,767
Other receivables	566,671	71,698
Total Financial assets	<u>3,482,535</u>	<u>4,016,506</u>

**Financial Liabilities**

	2016	2015
	\$	\$
Trade payables	773,692	679,332
Accrued expenses	648,261	1,252,565
Related party payables	-	3,080
	<u>1,421,953</u>	<u>1,934,977</u>



10. TRADE AND OTHER RECEIVABLES	2016	2015
	\$	\$
Trade receivables	395,737	2,543,483
Related party receivables	420,693	77,284
Net trade receivables	816,430	2,620,767
Accrued Income	566,671	71,898
	<u>1,383,101</u>	<u>2,692,665</u>

The above balance comprise the following :  
 Exchange: \$1,111,019 (2015: \$231,886)  
 Non-Exchange: \$270,719 (2015: \$2,410,877)

The Company has not provided for any impairment of debtors based on a review of significant debtor balances and a collective assessment of all debtors. The collective impairment assessment is based on an analysis of past collection history and write-offs.

11 INVENTORY	2016	2015
	\$	\$
Overhead division inventory valuation	587,887	696,896
Net realisable value adjustment	(259,000)	-
	<u>337,887</u>	<u>696,896</u>
Cable Car inventory	7,141	-
	<u>345,028</u>	<u>696,896</u>

In the current year the Company has adjusted the carrying value of the Overhead division inventory as a result of the planned cessation of Trolley Bus services from 30 June 2017. Please refer to note 3 for further detail in respect of the impact of this on the Company.

12. TRADE AND OTHER PAYABLES	2016	2015
	\$	\$
Trade payables	773,692	679,332
Accrued Expenses	648,261	1,292,565
Related party payables	-	3,080
	<u>1,421,953</u>	<u>1,974,977</u>

13. INCOME TAX EXPENSE	2016	2015
	\$	\$
Current year	222,141	222,719
Adjustments to current tax in prior periods	(22)	(1,510)
Deferred tax	(243,372)	451,939
	<u>(21,253)</u>	<u>673,148</u>

Reconciliation of effective tax rate:	2016	2015
	\$	\$
Surplus for the period excluding income tax	(70,026)	2,449,398
Prima facie income tax at 28%	(19,607)	685,829
Effect of non-deductible expenses	1,041,736	1,430,595
Effect of tax exempt income	(1,616,895)	(1,945,649)
Prior period adjustment	(22)	(1)
Effect of group loss offset	-	-
Deferred tax adjustment	573,635	502,374
	<u>(21,253)</u>	<u>673,148</u>

Wellington Cable Car Limited's tax liability for 2015 was satisfied by way of offset by tax losses from / subvention payment to WCC. It is expected that the tax liability for the 2016 year will be offset by tax losses from / subvention payment to WCC however no amount has been provided for this.

	2016	2015
	\$	\$
Imputation credits available for use in subsequent periods	70,226	74,565

No adjustment has been made for credits associated with the tax payable for the year ended 30 June 2016 due to the expected tax loss offset/subvention payment with Wellington City Council.

**14. DEFERRED TAX ASSETS AND LIABILITIES**

Recognised deferred tax assets/(liabilities):

	Property, plant & equipment	Provisions	Total
	\$	\$	\$
Balance, 30 June 2013	(631,623)	172,091	(459,532)
Charged to Revenue	(8,672)	(98,885)	(107,557)
Charged to other comprehensive income	-	-	-
Balance, 30 June 2014	(640,295)	73,206	(567,089)
Charged to Revenue	(457,496)	5,556	(451,939)
Charged to other comprehensive income	-	-	-
Balance, 30 June 2015	(1,097,791)	78,762	(1,019,028)
Charged to Revenue	165,109	73,306	238,415
Charged to other comprehensive income	-	-	-
Balance, 30 June 2016	<u>\$ (932,681)</u>	<u>\$ 152,068</u>	<u>\$ (780,613)</u>

15. PROPERTY, PLANT & EQUIPMENT	2016	2015
<b>Cable Car and equipment Cost</b>	\$	\$
Opening balance	5,637,124	5,341,490
Additions	-	295,634
Disposals	(690,559)	-
Closing balance	<u>4,946,565</u>	<u>5,637,124</u>
<b>Accumulated depreciation</b>		
Opening balance	1,443,272	1,327,585
Current year depreciation	116,742	115,687
Disposals	(344,448)	-
Closing balance	<u>1,215,566</u>	<u>1,443,272</u>
<b>Carrying amount</b>	<u>3,730,999</u>	<u>4,193,852</u>
<b>Cable car tracks and wires Costs</b>		
Opening balance	1,363,778	1,363,778
Closing balance	<u>1,363,778</u>	<u>1,363,778</u>
<b>Accumulated depreciation</b>		
Opening balance	436,411	409,135
Current year depreciation	27,276	27,276
Closing balance	<u>463,687</u>	<u>436,411</u>
<b>Carrying amount</b>	<u>900,091</u>	<u>927,367</u>
<b>Trolley bus overhead</b>		
<b>Cost/Valuation</b>		
Opening balance	461,333	461,333
Impairment	(461,333)	-
Closing balance	<u>(0)</u>	<u>461,333</u>
<b>Accumulated depreciation</b>		
Opening balance	11,966	-
Current year depreciation	11,533	11,966
Elimination of depreciation on impairment	(23,499)	-
Closing balance	<u>0</u>	<u>11,966</u>
<b>Carrying amount</b>	<u>-</u>	<u>449,367</u>
<b>Wire system equipment Cost</b>		
Opening balance	79,506	79,506
Transfer from WIP	1,847,409	-
Impairment	(1,847,409)	-
Closing balance	<u>79,506</u>	<u>79,506</u>
<b>Accumulated depreciation</b>		
Opening balance	54,465	47,582
Current year depreciation	798,489	6,883
Elimination of depreciation on impairment	(791,747)	-
Closing balance	<u>61,207</u>	<u>54,465</u>
<b>Carrying amount</b>	<u>18,299</u>	<u>25,041</u>
<b>Motor vehicles Cost</b>		
Opening balance	1,026,850	1,034,431
Additions	-	2,448
Disposals	-	(10,029)
Closing balance	<u>1,026,850</u>	<u>1,026,850</u>
<b>Accumulated depreciation</b>		
Opening balance	359,343	186,262
Current year depreciation	186,812	183,110
Disposals	-	(10,029)
Closing balance	<u>546,155</u>	<u>359,343</u>
<b>Carrying amount</b>	<u>480,695</u>	<u>667,507</u>
<b>Furniture Cost</b>		
Opening balance	61,238	61,238
Closing balance	<u>61,238</u>	<u>61,238</u>
<b>Accumulated depreciation</b>		
Opening balance	46,832	41,024
Current year depreciation	5,748	5,808
Closing balance	<u>52,580</u>	<u>46,832</u>
<b>Carrying amount</b>	<u>8,658</u>	<u>14,406</u>

<b>Computer equipment Cost</b>		
Opening balance	283,197	256,250
Additions	1,039	26,947
Disposals	(31,866)	-
Closing balance	<u>252,370</u>	<u>283,197</u>
<b>Accumulated depreciation</b>		
Opening balance	253,366	236,889
Current year depreciation	16,305	16,477
Disposals	(31,866)	-
Closing balance	<u>237,805</u>	<u>253,366</u>
<b>Carrying amount</b>	<u>14,565</u>	<u>29,831</u>
<b>Work-in-Progress Cost</b>		
Opening balance	1,855,525	83,847
Additions	2,424,361	1,771,679
Transfer to Wire Equipment system	(1,847,409)	-
Closing balance	<u>2,432,477</u>	<u>1,855,525</u>
<b>Accumulated depreciation</b>		
Opening balance	-	-
Current year depreciation	-	-
Closing balance	<u>-</u>	<u>-</u>
<b>Carrying amount</b>	<u>2,432,477</u>	<u>1,855,525</u>
<b>Total Property, Plant &amp; Equipment Cost</b>		
Opening balance	10,768,551	8,681,873
Additions	2,425,400	2,096,707
Disposals	(722,425)	(10,029)
Impairment	(2,308,742)	-
Closing balance	<u>10,162,784</u>	<u>10,768,551</u>
<b>Accumulated depreciation</b>		
Opening balance	2,605,655	2,248,476
Current year depreciation	1,162,905	367,207
Elimination of depreciation on impairment	(815,246)	-
Disposals	(376,314)	(10,029)
Closing balance	<u>2,577,000</u>	<u>2,605,654</u>
<b>Carrying amount</b>	<u>7,585,784</u>	<u>8,162,897</u>

**Motor Vehicles**  
 It is noted that of the total carrying value of motor vehicles owned by Wellington Cable Car Limited, \$453,126 pertains to motor vehicles utilised in the Overhead division of the Company.

**Trolley Bus Overhead Network**  
 The Trolley Bus Overhead Network assets comprise both Poles and Wires and associated network assets, specifically the Trolley Bus Overhead Protection System (included within the wire system equipment category). Wellington Cable Car Limited is unable to determine the split between poles and wires given the historical cost information when the network was acquired, however using the current replacement cost as a proxy, Wellington Cable Car Limited has calculated the split to be approximately 69% Poles and 31% Wires.

In the current year the Company has fully impaired the value of the overhead network and associated network assets as a result of the planned cessation of Trolley Bus services from 30 June 2017. Please refer to note 3 for further detail in respect of the impact of this on the Company.

**Restrictions**

There are no restrictions over Wellington Cable Car Limited's property, plant & equipment. No property, plant or equipment are pledged as security for liabilities.

**16. INTANGIBLES**

	2016 \$	2015 \$
<b>Cost</b>		
Opening balance	172,167	127,861
Acquired by direct purchase	30,540	44,306
Closing balance	<u>202,707</u>	<u>172,167</u>
<b>Accumulated amortisation</b>		
Opening balance	130,888	121,987
Current year amortisation	19,026	8,901
Closing balance	<u>149,914</u>	<u>130,888</u>
<b>Carrying amount</b>	<u>52,793</u>	<u>41,279</u>

**Restrictions**

There are no restrictions over the title of Wellington Cable Car Limited's intangible assets. No intangible assets are pledged as security for liabilities.

**17. FINANCE LEASES**

Finance leases are secured over the assets to which they pertain. Interest rates which are fixed for the term of the agreement are detailed below along with the original term.

	2016 \$	2015 \$
<b>Leases outstanding at balance date:</b>		
Telecom Rentals	-	3,187
Total	<u>-</u>	<u>3,187</u>
<b>Repayable as follows:</b>		
Less than one year	-	3,187
One to five years	-	-
Total	<u>-</u>	<u>3,187</u>

**18. OPERATING LEASE COMMITMENTS**

	2016 \$	2015 \$
<b>Non-cancellable operating lease commitments:</b>		
<b>Land and Buildings</b>		
Not later than 1 year	99,238	71,261
Later than 1 and not later than 2 years	82,552	14,870
Later than 2 and not later than 5 years	-	-
	<u>181,790</u>	<u>86,131</u>
<b>Plant and equipment</b>		
Not later than 1 year	22,333	19,446
Later than 1 and not later than 2 years	25,040	27,613
Later than 2 and not later than 5 years	-	-
	<u>47,373</u>	<u>47,059</u>
	<u>229,163</u>	<u>133,190</u>

**19. OPERATING AND CAPITAL COMMITMENTS**

	2016 \$	2015 \$
<b>Contractor</b>		
Not later than 1 year	2,700,000	2,700,000
Later than 1 and not later than 2 years	-	2,700,000
Later than 2 and not later than 5 years	-	-
	<u>2,700,000</u>	<u>5,400,000</u>

**Capital Commitments**

At balance date there are capital commitments totalling \$1,365,469 in relation to the replacement of the cable car electric drive and control systems. (2015: \$0)

**20. BORROWINGS**

**Bank overdraft**

Wellington Cable Car Limited's bank overdraft facility totals \$50,000. The current interest rate on the facility is 10.90% (2015:12.15%). The actual overdraft facility was un-drawn as at 30 June 2016 (2015: un-drawn).

**21. SHAREHOLDERS' EQUITY**

**Capital**

These shares have full voting rights and participate fully in all dividends and proceeds upon winding up.

	2016 \$	2015 \$
7,434,746 fully paid Ordinary Shares	7,434,846	7,434,846
Total Issued and Paid up Capital	7,434,846	7,434,846
<b>Accumulated Comprehensive Revenue and Expense</b>		
	<u>2016</u>	<u>2015</u>
	\$	\$
Accumulated Comprehensive Revenue & Expense Opening Balance	1,963,962	187,803
Net Surplus after tax	(48,772)	1,776,159
Available for appropriation	1,915,190	1,963,962
<b>Accumulated Comprehensive Revenue &amp; Expense Closing Balance</b>	<u>1,915,190</u>	<u>1,963,962</u>

**22. SIGNIFICANT EVENTS AFTER BALANCE DATE**

The following significant events occurred after balance date:

- On 7 June 2016 the Cable Car was taken out of service to enable the installation of a new Electric Drive and Controls system along with refurbishment of the interior of the Cable Cars. Wellington City Council assisted with the funding in relation to this project, and during this period carried out maintenance work on Cable Car Lane, including the replacement of the canopy and the Cable Car ticket booth. The Cable Car officially re-commenced operations on 12 August 2016.

**23. STATUTORY DEADLINE**

Section 67 of the Local Government Act 2002 requires delivery to shareholders and available to the public within three months of balance date. The Company has not complied with this requirement due to the significant changes within the Company and the effects of these on the presentation of these financial statements.

**24. MAJOR VARIANCES TO BUDGET**

The following are explanations in respect of the major variances between the actual and budgeted results for the year ended 30 June 2016 for the financial reports on pages 10 to 13.

**Statement of Comprehensive Revenue and Expense**

The Company achieved minor cost savings and efficiencies over a number of areas relating to operating and maintaining the Cable Car, however the major variances relate to the Overhead Network and the effects of the replacement of the Cable Car electric drive system.

The funding for the maintenance and capital works for the Overhead Network is supplied by Greater Wellington Regional Council (GWRC) and, as such, the Company does not derive a surplus on Overhead Network operations.

For the year ending 30 June 2016, the major variances relate to costs savings and deferrals in regard to the following four areas:

(a) Overhead Division Operational Expenses - operational expenses incurred were \$59m less than budgeted which consists of \$26m of internal budgetted costs where savings were obtained or costs were not required (such as an external field auditor given projects completed), and \$33m in respect of actual spend on reactive maintenance being less than that budgeted. The reduction in reactive maintenance is largely due to the improved condition of the network but also based on prior years there were less external factors and events that required maintenance work.

(b) Pole Replacements - Actual pole replacement costs were \$5.5m less than originally budgeted for the year. This variance is due to the confirmed decision to cease Trolley Bus services in June 2017 and agreement with GWRC thereon to reduce the planned pole replacement programme. Contractor resourcing constraints and external pole users further restricted the number of poles that could be replaced during the year.

(c) Impairment of the Trolley Bus Network - At balance date the Company has elected to impair the value of the Trolley Bus network asset by \$4.4m which was not budgeted for. The impairment decision has been a result of further work completed on the de-commissioning project for the Trolley Bus network and the cost estimates that the Company has been provided by its consultant during the year.

(d) Trolley Bus Overhead Protection system depreciation - For the year ended 30 June 2016 depreciation of \$7.9m was incurred in relation to the Trolley Bus Overhead Protection system (TBOP). This amount was not previously provided for given the expected life of the asset was reset post confirmation of Trolley Bus services ceasing in June 2017, being after the budget was completed. The Company also elected to fully impair the asset as at 30 June 2016 resulting in an impairment of \$1m

The replacement of the Cable Car electric drive system and controls also resulted in grant income of \$2.056m being received from WCC which has been recorded as income for which no expenditure is included in the profit and loss (given all amounts were capitalised). Further a loss on disposal of assets replaced as part of this project (totalling \$346m) was recorded in the current year which was not budgeted for.

**Statement of Changes in Equity**

The major variance between the actual position as at 30 June 2016 and that originally budgeted by the Company relates to the increased surplus for the year which is outlined above in the Statement of Comprehensive Revenue and Expense section along with the effects of the opening equity balance.

**Statement of Financial Position**

Other than the impact of the variance between the budgeted and actual surplus for the 2015/16 year which resulted in larger cash reserves than expected and associated tax payable, the major variances in the Statement of Financial Position between the actual and budgeted positions is due to trade payables and trade receivables and also the impact of the replacement of the electric drive system.

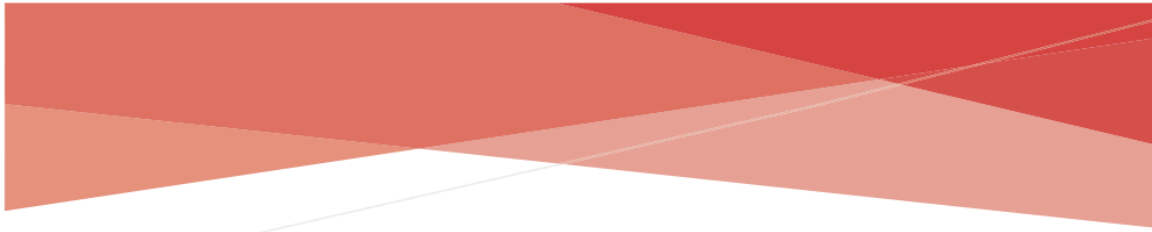
Trade payables and trade receivables are dependent largely on the timing of work completion and capital projects. For the year ended 30 June 2016, the significant project which was in progress was in respect of the replacement of the Cable Car electric drive system for which there were large payables to the Company's supplier but also Wellington City Council in respect of the grant income reimbursement for certain parts of these costs.

The replacement of the Cable Car electric drive system also has impacted on the budgeted position in respect of fixed assets, as when the 2016 budget was prepared, the project was envisaged to be completed in the 2017 year, however the timeline for this was brought forward. This also has a flow on effect to the deferred tax liability of the Company.

**Statement of Cash Flow**

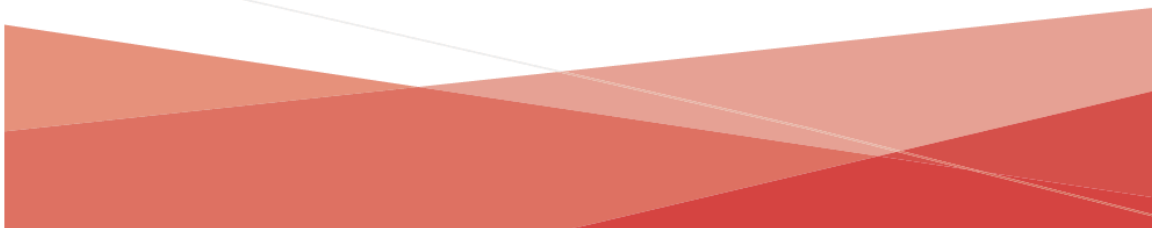
The receipts from operations are significantly higher than budgeted given the financial performance of the Company along with the grant income being received from Wellington City Council in respect of the Cable Car electric drive replacement project.

As stated above in respect of the Statement of Financial Position, the bringing forward of the electric drive replacement project into the last month of the 2016 financial year has resulted expenditure on fixed assets being higher than that originally budgeted.



## **WELLINGTON CABLE CAR LIMITED**

STATEMENT OF SERVICE PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2016



**Wellington Cable Car Limited**  
 Statement of Service Performance  
 For the year ended 30 June 2016

**Cable Car Service Performance Measures**

Performance Indicator	Measure	Target/Result	Actual - 2016	Actual - 2015
Cable car vehicles, track, tunnels, bridges, buildings and equipment are maintained to required safety standards	Approval by NZTA to be obtained each year.	Timely approval received	Achieved.	Achieved.
Cable Car service reliability	Percentage reliability	Greater than 99%	Result 99.90%. Achieved. Noting the Cable Car stopped service on 5 June as part of the electric drive system and controls upgrade.	Result 99.84%. Achieved.
Wellington Residents Satisfaction Survey	Q1: Have you used the cable car in the last 12 months?	30% of respondents have used cable car	Result 58.7%	Result 53%
	Q2: How do you rate the standard and operational reliability of the Cable Car (Good/Very good)	95% of respondents with some knowledge of the Cable Car rate it Good or Very good	Result 94.4%	Result 92%
Cable Car Service maintains Qualmark endorsement to confirm that the Cable Car Service meets the established tourism standards	Qualmark endorsement maintained	Qualmark endorsement maintained when annual requalification is required (March 2016)	Qualmark endorsement applied for and achieved in 2016.	Qualmark endorsement applied for and achieved in 2015.
Cable Car Asset Management Plan (AMP) produced and implemented	Asset Management Plan agreed and signed off	Asset Management Plan implemented and long term planning and financial implications fed into WCC and WCC planning system	Completed January 2016	In Progress - AMP to be completed by 31 October 2015
Cable Car Passenger Trips	Passenger trips as per the estimates in the table below	Passenger trip estimates achieved	Achieved - see table below	Not Achieved - see table below

**Cable Car Patronage**

**All Passenger Trips**

2015/16	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year	Full Year - 2015
Estimated Passenger Trips	186,854	268,971	365,566	189,514	1,010,905	1,005,847
Actual Passenger Trips	208,551	292,268	364,517	181,775	1,047,111	976,416

**Trolley Bus Overhead Network Performance Measures**

Performance Indicator	Measure	Target/Result	Actual - 2016	Actual - 2015
Inspection, maintenance repair and replacement of trolley bus overhead network components is successfully undertaken to ensure contracted levels of reliability are achieved	Number of network failures due to inadequate maintenance	Nil failures	None from current maintenance activities that were inadequate. WCC believes there is a more appropriate measure to be reported on which can be measured more appropriately. The new measure (hazard notices) is reported below.	None from current maintenance activities that were inadequate. WCC believes there is a more appropriate measure to be reported on which can be measured more appropriately. The new measure (power outages) is reported below.
Hazard Notices issued to WCC in respect of Network Issues	Number of hazard notices issued to WCC in respect of network issues caused by WCC or a result of inadequate maintenance by WCC.	Nil notices	Nil notices issued - Achieved	N/A
Number of power outages on the Trolley Bus Overhead Electrical Network attributable to WCC	Number of power outages occurring on the network	24 per annum	WCC believes this is not an appropriate measure and has been replaced with the measure above, being hazard notices issued.	There were 91 power outages in the 2014/15 year. This number includes outages arising from WCC, Wellington Electricity, NZ Bus and third parties. For the 2015/16 year WCC will report specifically on the stated performance indicator. <sup>1</sup>

Performance Indicator	Measure	Target/Result	Actual - 2016	Actual - 2015
Trolley Bus Overhead Network Asset Management Plan (AMP) updated and reviewed	Draft Asset Management Plan completion	Asset Management Plan agreed and planning financial implications fed into GWRC planning system	Achieved - GWRC and WCCL agreed and documented in Contract Variation CT1006 that a full update of the previously provided AMP was not required for the 2015/16 financial year; but WCCL was required to provide an initial updated financial forecast for the 2015/16 and 2016/17 years to GWRC by 30 September 2015 for discussion between the parties. WCCL provided this to GWRC on 23 September 2015.	Achieved - AMP provided to GWRC on 22 August 2014.
Trolley Bus Overhead Network Decommissioning Investigation undertaken	Trolley Bus Overhead Network Decommissioning Plan and Schedule produced for GWRC	Planning and financial implications fed into GWRC planning system	Achieved - Financial estimates completed by WCCL and provided to GWRC for inclusion in both GWRC and WCCL's business plans.	N/A - new measure for 2015/16
Trolley Bus Overhead Network Poles identified in the AMP as requiring urgent and critical replacement are programmed for replacement	Pole replacements completion	Completed in accordance with the programme	The pole replacement programme for 2015/16 was modified to 50 planned pole replacements post agreement with GWRC. 47 poles were completed during the year and a further 7 commenced but not completed due to third party work being required.	The pole replacement programme for 2014/15 was modified to 82 planned pole replacements. 15 poles were commenced but not completed due to third party work being required.
Network section replacement projects as agreed with GWRC are satisfactorily completed	Network section replacement programme completion	Replacement completed in accordance with the programme	Achieved - No new network section replacement projects were commenced in the 2015/16 year and the 2014/15 projects not completed at 30 June 2015 were completed on schedule and within the agreed budget.	Achieved.
GWRC funding and performance agreement compliance	Number of breaches of agreement	Nil breaches by WCCL. Nil complaints from GWRC	Nil breaches have been from a reporting perspective and agreed with GWRC. No penalties have been incurred.	Nil breaches have been from a reporting perspective and agreed with GWRC. No penalties have been incurred.

Reported results are based on information gathered from an internal database maintained by Wellington Cable Car Ltd. The provided information cannot be substantiated due to custom SQL scripts being required to generate detailed information, and this was unable to be generated before 30 September 2015.

**All of WCCL Activities Performance Measures**

Performance Indicator	Measure	Target/Result	Actual - 2016	Actual - 2015
Compliance with appropriate regulations and statutes	Number of adverse comments from the relevant regulatory authorities	Nil adverse comments	Achieved	Achieved
WCCL Corporate and Operational Risks are proactively identified, assessed and managed to an As Low As Reasonably Practicable (ALARP) level using "Bolton - Eliminate - Minimise" principles	WCCL Corporate and Operational Risks are proactively identified, assessed and managed	Nil Extreme Risks extant High Risks are proactively managed in accordance with "Isolate - Eliminate - Minimise" principles	Achieved - WCCL management has a risk register and monitors and manages all identified risks including regular reporting to the Board.	Achieved.
Budgetary requirements approved by the WCCL Board are met	Degree of variance from budget	Within 10% of Board approved variance	All variances approved and signed off by the Directors at the following Board meeting.	All variances approved and signed off by the Directors at the following Board meeting.
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 in accordance with delegations policy	Achieved	Achieved
WCCL can fund its long-term Cable Car capital expenditure programme	Appropriate budgeted amount set aside each year for long-term capital works programme	Sufficient financial reserves are maintained to permit funding of capital works programme through a combination of cash, external borrowings and grants / external funding	Not achieved. As part of updating the Cable Car Asset Management Plan and the required capital works to be undertaken, in the short to medium term, WCCL is currently largely funding the Electric Drive replacement which commenced in the 2015/16 year and was completed early in the 2016/17 year. In addition, WCCL is working with stakeholders (specifically NZTA/GWRC and WCC) in relation to the long term capital funding of the Company.	Not achieved. As part of updating the Cable Car Asset Management Plan and the required capital works to be undertaken, in the short to medium term, WCC will be largely funding the Electric Drive replacement project in the 2015/16 year.



AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

**Independent Auditor's Report**

**To the readers of Wellington Cable Car Limited's  
financial statements and performance information  
for the year ended 30 June 2016**

The Auditor-General is the auditor of Wellington Cable Car Limited (the company). The Auditor-General has appointed me, Mari-Anne Williamson, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the company on her behalf.

**Opinion on the financial statements and the performance information**

We have audited:

- the financial statements of the company on pages 10 to 22, that comprise the statement of financial position as at 30 June 2016, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the company on pages 23 to 24.

In our opinion:

- the financial statements of the company:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2016; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.
- the performance information of the company presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2016.

**Uncertainties in the carrying value of overhead trolley bus network assets and inventory**

Without modifying our opinion, we draw attention to note 3 on page 16 which outlines the uncertainties surrounding the cessation of the trolley bus service. These uncertainties have led to uncertainties in the carrying value of the trolley bus network assets and inventory, and related expenses during the year.

We consider the disclosures about the uncertainties to be adequate.

Our audit was completed on 9 December 2016. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities, and explain our independence.

### **Basis of opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and the performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and in the performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and the performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the company's financial statements and performance information in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board of Directors;
- the appropriateness of the reported performance information within the company's framework for reporting performance;
- the adequacy of the disclosures in the financial statements and in the performance information; and
- the overall presentation of the financial statements and the performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the performance information. Also, we did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

### **Responsibilities of the Board of Directors**

The Board of Directors is responsible for the preparation and fair presentation of financial statements for the company that comply with generally accepted accounting practice in New Zealand and Public Benefit Entity Standards Reduced Disclosure Regime. The Board of Directors is also responsible for preparation of the performance information for the company.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

The Board of Directors is responsible for such internal control as it determines is necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for the publication of the financial statements and the performance information, whether in printed or electronic form.

### **Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on the financial statements and the performance information and reporting that opinion to you based on our audit. Our responsibility arises from the Public Audit Act 2001.

### **Independence**

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in the company.



Mari-Anne Williamson  
Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand

**Wellington Cable Car Limited**  
would like to thank all its employees, sub-contractors and  
supporting staff in Wellington City Council for their hard work  
and efforts throughout the year.

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**CREDITS**

**Funding:**  
Wellington City Council  
Greater Wellington Regional Council

**Accountants:**  
AddSmart Limited

**Overhead Network Contractor:**  
Broadspectrum (NZ) Ltd

All other Vendors and Suppliers  
All Staff and Patrons



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# Our Highlights and Successes in 2015/16

## — The Z Index —



0

Predator incursions



02

Memorandums of understanding with key partners (Victoria University of Wellington and the Woodland and Wetlands Trust, Canberra)



07

Sanctuaries forming the Fenced Sanctuaries collective



20

Solar panels installed on the Visitor Centre to celebrate Karori Sanctuary Trust's 20th anniversary



23%

Reduction in Wellington City Council subsidy per visitor from 2014/15



24

Volunteer hosts help check bags for undesirable pests before visitors enter



39%

Of visitors on day trips, cruise tours and ZEALANDIA By Night (ZBN) tours were from overseas



40

Low decile schools visited ZEALANDIA, a record number and 48% more than last year



50%

Of ZEALANDIA's 70 FTE strong workforce made up of volunteers



58%

Increase in our social media audience across Facebook, Twitter and Instagram



79%

Of our total revenue generated by ZEALANDIA's own activities



96

Spotted skinks transferred to the sanctuary in January



101

Hibi adults recorded over the breeding season, the highest count ever



175

Kākāriki chicks banded



750

Kilograms of Kākā pellets fed to our kākā



1,010

Grams - heaviest tuatara in the December census



1,500

Volunteer hours spent hosting Sirocco and all his visitors



1,900

Litres of sugar water for the hibi and korimako feeders



9,478

Students, teachers and whānau worked with our Education team



10,572

ZEALANDIA Members in June 2016 - the highest ever



30,000

Hours of volunteer time given by over 400 volunteers



30,500

Kilowatt hours (nearly three average homes) per year saved due to installing LED lights



100,000th

Visitor in the 2015/16 year welcomed in April



\$107,892

Net Operating Surplus



125,849

Visitors were welcomed – a record number, 31% above target and over 25% above the previous record



500,000

Metres walked by volunteer fence monitors to check the integrity of our fence



\$4.2M

Revenue

## Achievements across all areas



Photo Credit: Kristine Zipfel

- Financial sustainability:
  - \$107,892 surplus after depreciation
  - Balance sheet repair (sale of building and repayment of loan)
- Community engagement:
  - 125,849 visitors
  - 10,572 members
  - 9,478 education visits
- Conservation & research contribution:
  - Spotted skink reintroduction
  - VUW Memorandum of Understanding progressed
  - MOU with Woodlands & Wetlands Trust, Canberra
  - Fenced Sanctuaries partnership

**ZEALANDIA**  
TE MĀRA A TĀNE



## Quarter 1 update



- A record 22,899 visitors (up 6.5% FY16)
- A record 10,752 memberships
- Gold coin Conservation Day event in September attracted over 2,500 visitors
- Operating Profit is tracking favourably to budget by \$177,000
- The Visitors Centre ownership transfer to WCC completed on 7 October
- Increase in VIP visits to ZEALANDIA
- Leaders from the Woodlands and Wetlands Trust based in Canberra visited ZEALANDIA
- Three electric vehicle charging stations were installed at ZEALANDIA
- Cultural audit commenced

**ZEALANDIA**  
TE MĀRA A TĀNE

## Tītipounamu / rifleman transfer



Photo credit: George Hobson

- A unique project involving tītipounamu transfers inside and outside the sanctuary:
  - ZEALANDIA March 2017
  - Otari Wilton's Bush March 2018
- A project involving partnership and communities:
  - We are working with GWRC on sourcing tītipounamu from Wainuiomata Mainland Island
  - WCC are a key player as kaitiaki for Otari Wilton's Bush
  - We are forming important relationship with iwi, researchers and volunteers to make this project a success

**ZEALANDIA™**  
TE MĀRA A TĀNE

## Living with Nature: Tiaki Taiao, Tiaki Tangata

Our strategy for 2016 – 2035

### Our purpose

We connect people with our unique natural heritage, and inspire actions that transform how people live with nature in our cities, towns and beyond



**A PLACE THAT TREASURES**  
HE WĀHI TAONGA



**A PLACE THAT ENGAGES**  
HE WĀHI HUIHUINGA



**A PLACE FOR LEARNING**  
HE WĀHI MĀTAURANGA



**A PLACE THAT EMPOWERS**  
HE WĀHI WHAKAMANA





**Council Controlled Organisations  
Sub-committee Meeting**

**Experience Wellington Presentation**

**- 2015-16 Annual Report – 2016-17 Quarter 1 – Earthquake Debrief -**

**14 December 2016**

Principal Funder:

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

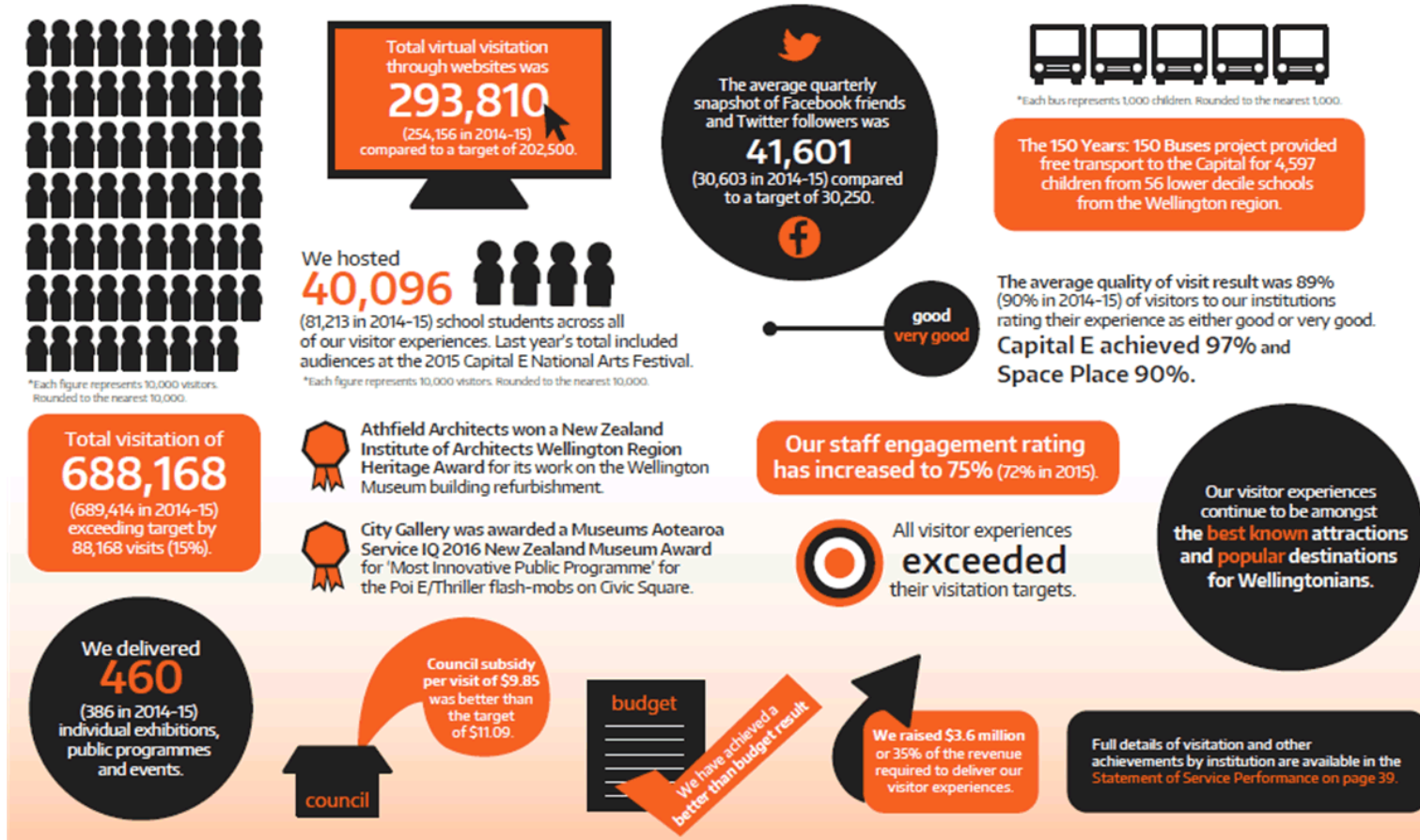
## 2015-16 Annual Report

Experience Wellington marked its 20th anniversary year with exceptionally good performance, the advancement of flagship projects and by progressing key strategies to improve participation in and accessibility to our visitor experiences.



*Audience at the Capital E National Theatre for Children's "Shu's Song" premier. Credit Stephen A'Court*

## Our Performance against 2015-16 KPIs



## The Attic



*The Attic, Wellington Museum. Credit Mark Tantrum*



## The Attic



### 20% increase in visitation to Wellington Museum

*Very impressed with the level of accessibility that was achieved in the final outcome. It included features that were specifically designed to deliver an accessibility experience.*

Council's Accessibility Advisory Group (AAG)

*This museum gives you a time-lined history of our Capital City in a building that has so much atmosphere and history itself.*

Visitor Comment

*This museum was recommended to us by staff at the hotel we were staying at. Glad we visited.*

*This place is filled with wonderful New Zealand history. The building is beautiful. Fun for all ages especially the attic.*

Visitor Comment

## The Attic



*The Attic, Wellington Museum. Credit Mark Tantrum*

- Winner, NZ Architecture Wellington region Awards, heritage section
- Finalist, NZ Architecture National Awards, heritage section
- Finalist, Arts Access Aotearoa Awards, for Arts for All
- Finalist, Best design, for wayfinding

## 1<sup>st</sup> Quarter 2016-17

Visitation ahead of Q1 target

Roxy5 Short Film Competition films re-made

*Francis Upritchard: Jealous Saboteurs* at City Gallery

Very positive bookings for MediaLab and OnTV workshops at Capital E



Preparation for exhibitions opening in Q2:

- *Cindy Sherman* at City Gallery
- *Ngā Heke* at Wellington Museum

Exhibition Tour at City Gallery during "Francis Upritchard: Jealous Saboteurs".  
Credit Mark Tantrum

## Cindy Sherman Exhibition



*City Gallery Wellington "Cindy Sherman" Exhibition Opening, 18 November 2016:  
City Gallery Wellington Foundation Chair, Alan Judge; Wellington City Mayor, Justin Lester; Director City Gallery Wellington, Elizabeth Caldwell; Governor General, Her Excellency, The Rt Hon Dame Patsy Reddy; Artist, Cindy Sherman; Director, Jane Campion; and His Excellency, Sir David Gascoigne.  
Credit Mark Tantrum*

## Earthquake Debrief

All buildings appear not to have suffered any structural damage

Staff have remained vigilant and health and safety due diligence is on-going

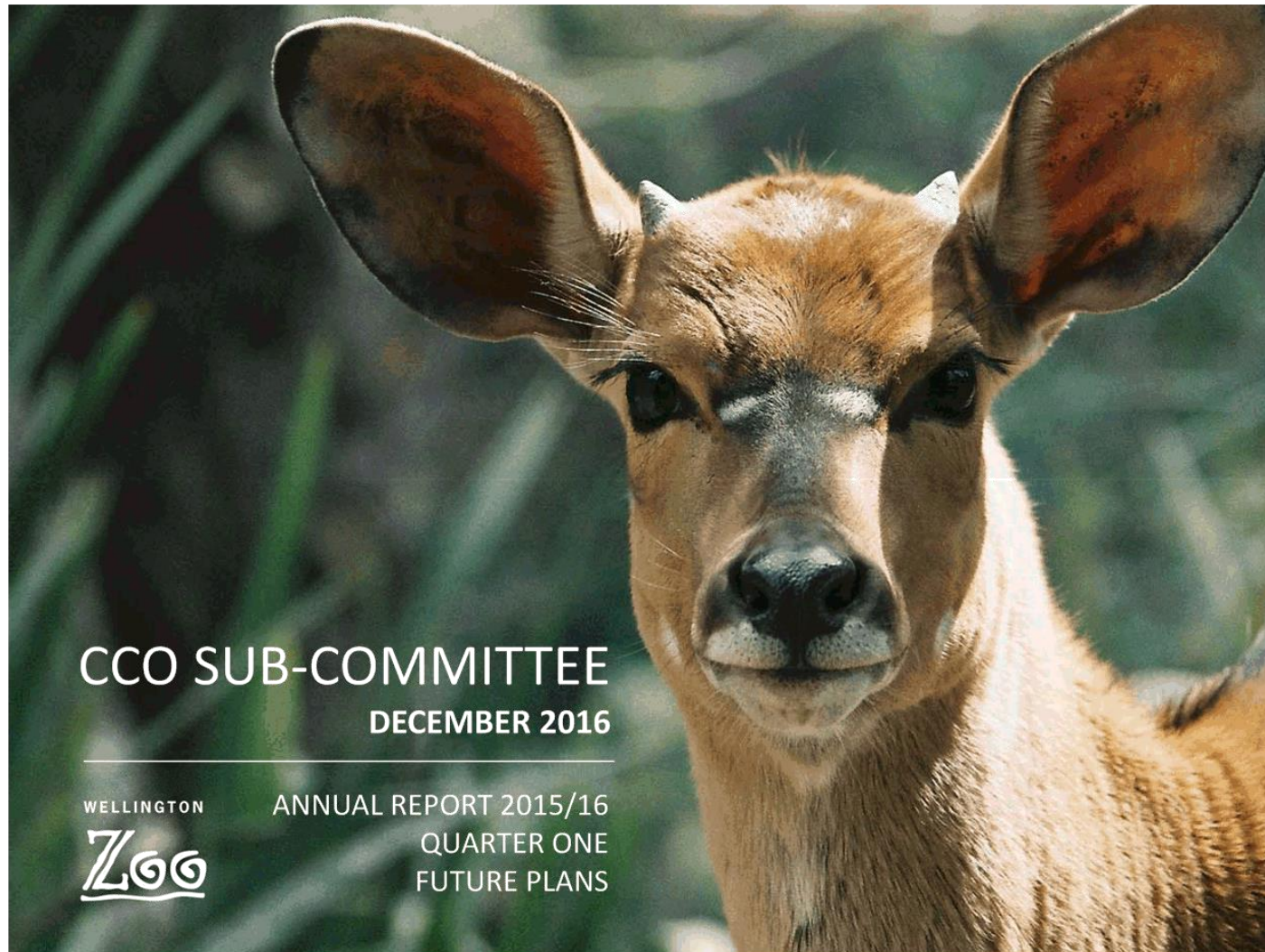
Emergency preparedness systems and procedures have been checked

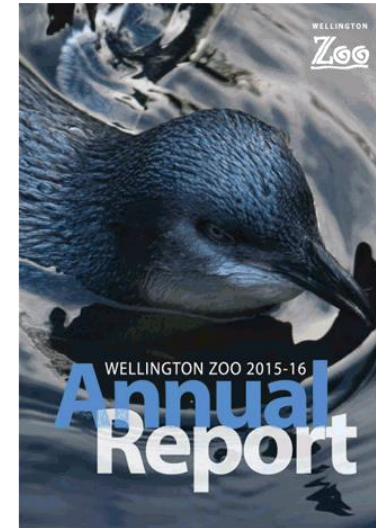
Increased focus on staff well-being

Post-earthquake impacts on visitation and revenue largely due to dent in public confidence



*Wellington Museum. Credit Tessa Baty*





**Visitor feedback and satisfaction**

We worked with Wellington City Council to determine the economic and social value created by Wellington Zoo. Using a social return on investment (SROI) model, it was found that for every \$1 of Council funding the Zoo generates economic and social value of \$2.43.

Against the 2015-16 forecast, the Wellington City Council Board's survey found that the Zoo experience was highly valued - with a 96 per cent response rate being. This response rate percentage is calculated based on the proportion of responses 7 or higher on a 10 point scale when compared to the total number of responses. We also asked for feedback on Meet the Locals He Tuku Aroha, 90 per cent of visitors rated their experience as good or very good.

We have also been participating in visitor research to see how a Zoo visit can lead to behaviour change. Zoo Action is a multi-year, multi-site research study looking at post Zoo visit responses to encourage Zoo visitors to take action for the environment. The study has progressed to the point and we are awaiting the final results.

It was found that for every \$1 of Council funding, the Zoo generates economic and social value of \$2.43.

MEASURES TARGET 2015-16 STATUS

MEASURES	TARGET 2015-16	STATUS
Number of responses to SROI survey	90%	96%
Number of responses to Meet the Locals He Tuku Aroha survey	90%	96%
Number of responses to Zoo Action survey	90%	96%

MEASURES TARGET 2015-16 STATUS

MEASURES	TARGET 2015-16	STATUS
Response rate to visitor research	90%	96%
Number of responses to Zoo Action survey	90%	96%

\* The 2015 research has not yet been published as part of the report.

**SAVE ANIMALS IN THE WILD**

Conservation is at the heart of everything we do at Wellington Zoo. We have integrated conservation across the Zoo experience and we continue to grow our field conservation efforts, our conservation learning programmes and our sustainability initiatives. This year we are thrilled to have exceeded our target with 5.7 per cent of our operating budget going directly to field conservation to help save animals in the wild.

“ We are thrilled to have exceeded our target with 5.7 per cent of our operating budget invested through contribution of staff time, resources and donations to our conservation partner organisations to help save animals in the wild. ”

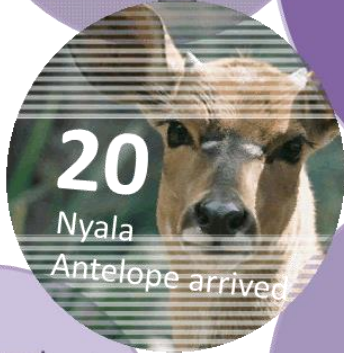
MEASURES	TARGET 2015-16	STATUS
Percentage of operating budget invested in field conservation	5%	5.7%



WELLINGTON  
**ZOO**  
QUARTER  
**ONE**

We were a voice  
to be heard at  
the International  
Primatological  
Society Congress

Together with other  
zoos, we led the  
**ASK FOR  
CHOICE**  
campaign to advocate  
for change in palm oil  
labelling



We refreshed  
the visitor  
experience in  
**The Twilight  
Te Ao Māhina**

The Nest Te  
Kōhanga  
**injured bird  
workshop**  
with DOC and  
SPCA





## FUTURE PLANS

### 2017

ANIMAL WELFARE INTERPRETIVE STORYLINE  
THE IUCN RED LIST OF THREATENED SPECIES™  
WELLINGTON ZOO CONSERVATION EXTRAVAGANZA  
WAZA-CZAW WELFARE SYMPOSIUM

### 2018

ZAA AND SEAZA CONFERENCE HOSTS

