

ORDINARY MEETING

OF

COUNCIL CONTROLLED ORGANISATIONS

AGENDA

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

MEMBERSHIP

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

Have your say!

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

AREA OF FOCUS

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

Quorum: 3 members

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1 Meeting Conduct

1.1 Apologies

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

1.2 Conflict of Interest Declarations

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

1.3 Confirmation of Minutes

1.4 Public Participation

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

1.5 Items not on the Agenda

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

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

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

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

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

2. General Business

2017/18 LETTER OF EXPECTATION TO WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY

Purpose

1. To seek the Committee's consideration of the Letter of Expectation for Wellington Regional Economic Development Agency (WREDA) in respect of 2017/18

Recommendations

That the Council Controlled Organisations:

1. Receive the information.
2. Notes that the Wellington Regional Strategy Committee will consider this Letter of Expectation at their meeting on 13 December 2016.
3. Confirms the messages in the draft Letter of Expectation.

Background

2. All council controlled organisations are required by the Local Government Act to complete a draft Statement of Intent and deliver to the shareholders by 1 March of the preceding year.
3. The Letter of Expectation is intended to assist WREDA in their preparation of their 2017/18 Statement of Intent.
4. In respect of WREDA their Letter of Expectation (LoE) is considered by the Wellington Regional Strategy Committee (WRSC), the Council has 4 representatives on the WRSC out of a total of 10. Following their consideration the Chair of WRSC will send the approved LoE to WREDA. Council's formal input into the LoE is via their representatives on the WRSC
5. Usually, the Council Committee that considers the LoE meets prior to the WRSC. However, this year the meeting of this Committee occurs the day after WRSC's consideration of the Letter of Expectation on 13 December.
6. While there can be some minor changes following this meeting any major changes to the Letter of Expectation should be communicated to the Council representatives on WRSC prior to 13 December.
7. There is a briefing for Council's representatives on WRSC at 4pm on 12 December.

Attachments

Attachment 1. WREDA Letter of Expectation

Page 9

Author	Barry Turfrey, Economic Development Unit
Authoriser	Derek Fry, Director City Growth & Partnerships

SUPPORTING INFORMATION

Engagement and Consultation

Not applicable

Treaty of Waitangi considerations

Not applicable

Financial implications

WREDA works within the financial constraints of the Council's Long Term Plan

Policy and legislative implications

Not relevant

Risks / legal

Not relevant

Climate Change impact and considerations

Not applicable

Communications Plan

Not applicable

Health and Safety Impact considered

Not relevant

Peter Biggs
Chair
Wellington Regional Economic Development Agency

Dear Peter

This letter sets out the Wellington Regional Strategy Committee's (WRSC) expectations for the Wellington Regional Economic Development Agency and its subsidiary, Creative HQ (WREDA) regarding WREDA's Statement of Intent (SOI) for 2017/18.

General

1. WREDA will deliver and report on activities that contribute directly to the outcomes in the Wellington Regional Strategy, we expect evidence of commitment to these outcomes.
2. WREDA receives substantial funding from the shareholding councils and it is expected that WREDA will grow the funding contribution from other sources. The target should be that for every \$1 contributed by the current funding councils being matched by \$1 from other sources in respect of the visitor economy and economic development
3. The KPIs in the 2017/18 SOI should have clear targets, define what success looks like and be ambitious. Such targets will be a reflection of additionality to a business as usual approach and build annually as circumstances allow.
4. We expect that WREDA will take a greater leadership role in initiating projects and programmes where there is clear market failure and a robust rationale for public intervention. This will be in contrast to supporting initiatives that are fundamentally owned and/or managed by other parties.

Specific

5. The 2016/17 SOI did not give sufficient weight to the importance of the visitor economy to the region with only a passing mention of the key projects and programmes. As significant amount funding is provided to WREDA, the 2017/18 SOI will outline the specific actions to continue to grow the visitor economy.

6. Continue with and where appropriate, improve the current international student program, to attract and retain increasing numbers of students, including international students in the region, particularly in the areas of skills shortages.
7. Specific actions and measures that support, facilitate and strongly contribute to a step change in the growth of skilled migrants particularly in the tech sector.
8. Ensure that every opportunity is taken to promote and market the Wellington region including leveraging off major and other events in Wellington City.
9. Identify, assess and promote economic opportunities that would arise from the major infrastructure projects planned across the region.
10. What actions need to be taken to put in place for a major programme of targeted inward investment for the region, including for tourism.
11. Identify opportunities to lead recovery programmes to ensure business continuity and resilience in the region following significant events such as earthquakes and flooding.
12. Continuing development of the Major Events portfolio including additional and new events.
13. The visit of the Lions and their supporters in late June and early July 2017 is a major event for Wellington and it is expected that WREDA will maximise the benefits that this opportunity offers.

Yours sincerely

LETTERS OF EXPECTATION TO COUNCIL CONTROLLED ORGANISATIONS

Purpose

1. To seek the Council Controlled Organisations sub-committee's consideration and input into the Letters of Expectation addressed to the following Council Controlled Organisations (CCOs).
 - Basin Reserve Trust
 - Karori Sanctuary Trust
 - Wellington Cable Car Limited
 - Wellington Museums Trust
 - Wellington Regional Stadium Trust
 - Wellington Zoo Trust

The letters will help to inform the CCOs 2017/18 Statements Of Intent.

Recommendations

That the Council Controlled Organisations:

1. Receive the information.
2. Confirm the messages in the draft Letters of Expectation to the following organisations:
 - a. Basin Reserve Trust
 - b. Karori Sanctuary Trust
 - c. Wellington Cable Car Limited
 - d. Wellington Museums Trust
 - e. Wellington Regional Stadium Trust
 - f. Wellington Zoo Trust
3. Note that officers will prepare final Letters of Expectation incorporating the directions of the sub-committee for signing by the Chair of the sub-committee.

Background

2. Council Controlled Organisations are required by the Local Government Act 2002 to prepare a draft Statement of Intent for the Council by 1 March of the preceding financial year. The Council sets out its expectations of its CCOs in a Letter of Expectation.
3. This report includes the draft Letters of Expectation that, when finalised, are intended to assist the entities with business planning and with the preparation of their 2017/18 Statements of Intent.
4. The letters serve to reiterate or emphasise some of the Councils enduring expectations while also alerting the entities to new Council initiatives or programmes, or expected outcomes from the entities.

5. Officers will incorporate any feedback from this sub-committee into the draft letters and the final letters will be signed by the Chair of this sub-committee.

Attachments

Attachment 1.	Basin Reserve Trust draft Letter of Expectation	Page 14
Attachment 2.	Karori Sanctuary Trust draft Letter of Expectation	Page 17
Attachment 3.	Wellington Cable Car Ltd draft Letter of Expectation	Page 20
Attachment 4.	Wellington Museums Trust draft Letter of Expectation	Page 23
Attachment 5.	Wellington Regional Stadium Trust draft Letter of Expectation	Page 26
Attachment 6.	Wellington Zoo Trust draft Letter of Expectation	Page 29

Author	Warwick Hayes, CCO Project Manager
Authoriser	Derek Fry, Director City Growth & Partnerships

SUPPORTING INFORMATION

Consultation and Engagement

Not applicable.

Treaty of Waitangi considerations

Not applicable.

Financial implications

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

Policy and legislative implications

Not relevant.

Risks / legal

Not relevant.

Climate Change impact and considerations

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

Communications Plan

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

Health and Safety Impact considered

Not relevant.

15 December 2016

Sir John Anderson
Chair
Basin Reserve Trust
PO Box 578
WELLINGTON 6140

By email: kerry.verberne@jaa.co.nz

Dear Sir John

Re: 2017/18 Statement of Intent and Wellington City Council Expectations

This letter sets out the Council's expectations of the Basin Reserve Trust for 2017/18. It is intended to assist the Trust in its business planning and with the preparation of its 2017/18 Statement of Intent.

To some degree, the Council's expectations of the Trust are enduring and this letter serves to reiterate or emphasise some of these while also alerting the Trust to new Council initiatives or programmes, or expected outcomes from the Trust. With this in mind, the Council continues to expect that the Trust will align its priorities with the Council's strategic direction and make a strong contribution towards advancing the achievement of the Council's aims as signalled in year three of the 2015-25 Ten Year Plan and through the Economic Growth Agenda and relevant Council strategies, and the Statement of Intent will reflect this.

The Trust's activities make a positive contribution to Wellington and the Council would like to see the Trust continue to take opportunities to tell its stories and to promote Wellington as a place to live, work and play.

The Trust has focussed on increasing utilisation and access to the Basin Reserve for other events and community uses. Good progress has been made and the Council would like to see the Trust continue this focus and to grow these areas.

The Basin Reserve Master Plan is underway. It is expected that the Trust and the Council will continue to work constructively together in advancing the Master Plan for the Basin Reserve. As the various Master Plan projects are completed and the Basin Reserve assets are refurbished or renewed, the Trust will work with the Council to hand over the responsibilities for the ongoing maintenance of the assets to the Council. The Trust will retain responsibility for the operational management of the assets.

During 2017 the Council will consider options with regard to the future of the Museum Stand. This is expected to be a significant decision and the Council will consult with the Trust and others in course of preparing its reports. The Council expects that the Trust will work cooperatively and constructively with the Council in relation to the process with both parties continuing to observe the 'no surprises' approach to the relationship.

Governance

The Council expects the Trust to maintain a high degree of awareness of legislation that is applicable to its activities and in particular on relevant Health and Safety legislation.

The Trust board is expected to meet best practice governance standards and, in support of this, to undertake a performance review of the overall board, individual board members and the chair. On completion of this review, the Council's Chief Executive should receive an update that describes the form the review took and the outcomes of the review in relation to the Council appointed Trustees. The review is to be completed by 30 September 2017.

Timetable

We look forward to receiving the Trust's draft Statement of Intent no later than 1 March 2017. Please refer to the reporting timetable attached for other reporting dates.

Should you have any queries or comments in regard to this letter, or wish to discuss the Council's strategies and the outcomes we are seeking in more detail, please contact Warwick Hayes on 803 8377 in the first instance.

Yours sincerely

Cr Simon Woolf
Chair, Council-controlled Organisations Sub-committee
Ph: (027) 975 3163
Email: simon.woolf@wcc.govt.nz

cc: Peter Clinton, Chief Executive, Cricket Wellington
p.clinton@cricketwellington.co.nz

Reporting Timetable

A timetable for entity highlights and reports for the remainder of the 2016/17 year and for 2017/18 follows. We expect that the board and management will work together to ensure that key documents are finalised and are submitted to the Council ahead of these timelines.

Report	Due Date	Committee Date
2nd Quarter Report (2016/17) <ul style="list-style-type: none"> Full Q2 report 	31 January 2016	22 February 2017
Draft 2017/18 Statement of Intent <ul style="list-style-type: none"> Committee to respond with feedback by 19 April 2017 	1 March 2017	12 April 2017
3rd Quarter Report (2016/17) <ul style="list-style-type: none"> Full Q3 report 	30 April 2017	24 May 2017
2017/18 Statement of Intent	30 April 2017	24 May 2017
Annual Report & Financial Statements (2017/18)		
<ul style="list-style-type: none"> Audited annual report and financial statements 	30 September 2017	15 November 2017
1st Quarter Report (2017/18) <ul style="list-style-type: none"> Full Q1 report 	31 October 2017	15 November 2017
2nd Quarter Report (2017/18) <ul style="list-style-type: none"> Full Q2 report 	31 January 2018	21 February 2018

15 December 2016

Denise Church
Chair
Karori Sanctuary Trust
PO Box 9267
Marion Square
WELLINGTON 6141

By email: denise.church@leadershipmatters.co.nz

Dear Denise

Re: 2017/18 Statement of Intent and Wellington City Council Expectations

This letter sets out the Council's expectations of the Karori Sanctuary Trust for 2017/18. It is intended to assist the Trust in its business planning and with the preparation of its 2017/18 Statement of Intent.

To some degree, the Council's expectations of the Trust are enduring and this letter serves to reiterate or emphasise some of these while also alerting the Trust to new Council initiatives or programmes, or expected outcomes from the Trust. With this in mind, the Council continues to expect that the Trust will align its priorities with the Council's strategic direction and make a strong contribution towards advancing the achievement of the Council's aims as signalled in year three of the 2015-25 Ten Year Plan and relevant Council strategies, and the Statement of Intent will reflect this.

Zealandia makes a positive contribution to Wellington and the Council would like to see the Trust continue to take opportunities to tell its stories and to promote Wellington as a place to live, work and play. The Capital Express¹ supports Zealandia in its relationship with the Woodlands & Wetlands Trust in Canberra and provides opportunities for Zealandia to tell its Wellington stories in Canberra and to leverage the Capital Express initiative.

Predator-free Wellington is a relatively new Council initiative. The Council has partnered with Greater Wellington Regional Council and NEXT Foundation to make Wellington, New Zealand's first predator-free city. Initially the focus will be on developing a plan to eradicate rats and stoats from the Miramar Peninsula. This will be followed by a strategy to extend this plan to introduced predators (excluding cats and dogs) of native birds in the entire Wellington City area. It is expected that the Trust will be restoration important contributor and advocate for the project.

It is pleasing to see the broadening and strengthening of relationships between Zealandia and other similar and complimentary activities and institutions both in New Zealand and internationally. Also pleasing is the Memorandum of Understanding with Victoria University of Wellington, as this represents another step toward building the scientific and educational capabilities based at Zealandia. It is the

¹ The Singapore Airlines service linking Wellington, Canberra and Singapore.

Council's expectation that the Trust will maintain its focus on developing complimentary relationships in conservation, science and education. The Council also expects that the Trust will continue to develop the school-age educational offerings at Zealandia and continue to provide opportunities for lower decile schools.

The Council will continue to invest in robust infrastructure that supports business and it is the Council's expectation that the Trust would consider opportunities to utilise the Council's shared service capabilities where they are fit for the purpose and scale of the Trust's activities.

Governance

The Council expects the Trust to maintain a high degree of awareness of legislation that is applicable to the activities of the Trust and in particular on relevant Health and Safety legislation.

The Trust board is expected to meet best practice governance standards and, in support of this, to undertake a performance review of the overall board, individual board members and the chair. On completion of this review, the Council's Chief Executive should receive an update that describes the form the review took and the outcomes of the review. The review is to be completed by 30 September 2017.

Timetable

We look forward to receiving the Trust's draft Statement of Intent no later than 1 March 2017. Please refer to the reporting timetable attached for other reporting dates.

Should you have any queries or comments in regard to this letter, or wish to discuss the Council's strategies and the outcomes we are seeking in more detail, please contact Warwick Hayes on 803 8377 in the first instance.

Yours sincerely

Cr Simon Woolf
Chair, Council-controlled Organisations Sub-committee
Ph: (027) 975 3163
Email: simon.woolf@wcc.govt.nz

cc: Paul Atkins, Chief Executive
paul.atkins@visitzealandia.com

Reporting Timetable

A timetable for entity highlights and reports for the remainder of the 2016/17 year and for 2017/18 follows. We expect that the board and management will work together to ensure that key documents are finalised and are submitted to the Council ahead of these timelines.

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<ul style="list-style-type: none"> Highlights & visitor numbers Full Q2 report 	5 January 2017 31 January 2016	n/a 22 February 2017
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2017/18 Statement of Intent	30 April 2017	24 May 2017
Annual Report & Financial Statements (2017/18)		
<ul style="list-style-type: none"> Performance measures 	14 July 2017	n/a
<ul style="list-style-type: none"> Consolidation template (as applicable) and draft financial statements 	17 July 2017	n/a
<ul style="list-style-type: none"> Audit clearance or audited financial statements, and draft report commentary 	8 September 2017	n/a
<ul style="list-style-type: none"> Letter of representation to Council's CFO 	13 September 2017	n/a
<ul style="list-style-type: none"> Audited annual report and financial statements 	30 September 2017	15 November 2017
1st Quarter Report (2017/18)		
<ul style="list-style-type: none"> Highlights & visitor numbers Full Q1 report 	5 October 2017 31 October 2017	n/a 15 November 2017
2nd Quarter Report (2017/18)		
<ul style="list-style-type: none"> Highlights & visitor numbers Full Q2 report 	5 January 2018 31 January 2018	n/a 21 February 2018

15 December 2016

Anthony Wilson
Chair
Wellington Cable Car Ltd
c/- Wellington City Council
PO Box 2199
WELLINGTON 6140

By email: anthony.wilson@wcc.govt.nz

Dear Anthony

Re: 2017/18 Statement of Intent and Wellington City Council Expectations

This letter sets out the Council's expectations of the Wellington Cable Car Limited for 2017/18. It is intended to assist the Company in its business planning and with the preparation of its 2017/18 Statement of Intent.

To some degree, the Council's expectations of the Company are enduring and this letter serves to reiterate or emphasise some of these while also alerting the Company to new Council initiatives or programmes, or expected outcomes from the Company. With this in mind, the Council continues to expect that the Company will align its priorities with the Council's strategic direction and make a strong contribution towards advancing the achievement of the Council's aims as signalled in year three of the 2015-25 Ten Year Plan and through the Economic Growth Agenda and relevant Council strategies, and the Statement of Intent will reflect this.

The Cable Car makes a positive contribution to Wellington and the Council would like to see the Company continue to take opportunities to tell its stories and to promote Wellington as a place to live, work and play.

The ride on the Cable Car is one that many visitors to Wellington will experience and serves as the gateway to an important visitor precinct. The Council would like to see an increased focus on the visitor experience which would include Key Performance Indicators that measure visitor satisfaction and service levels and pro-active actions that would enhance the overall experience.

The planned decommissioning of the overhead trolley bus network is both a significant body of work for the Company and a turning point in the Company's future. The company should discuss the plans and timetables for decommissioning the overhead trolley bus network, the financial implications including how these will be minimised and how any costs for the company will be funded. This should also include a discussion of the strategic options for the company in a future state that does not include the trolley bus network.

The Council expects the Company to maintain a high degree of awareness of legislation that is applicable to the activities of the Company and in particular on relevant Health and Safety legislation.

The Council will continue to invest in robust infrastructure that supports business and it is the Council's expectation that the Company would consider opportunities to utilise the Council's shared service capabilities which are fit for the purpose and scale of the Company's activities, as and when these opportunities are presented.

Timetable

We look forward to receiving the Company's draft Statement of Intent no later than 1 March 2017. Please refer to the reporting timetable attached for other reporting dates.

Should you have any queries or comments in regard to this letter, or wish to discuss the Council's strategies and the outcomes we are seeking in more detail, please contact Warwick Hayes on 803 8377 in the first instance.

Yours sincerely

Cr Simon Woolf
Chair, Council-controlled Organisations Sub-committee
Ph: (027) 975 3163
Email: simon.woolf@wcc.govt.nz

cc: Simon Fleisher, Chief Executive
simon.fleisher@wellingtoncablecar.co.nz

Reporting Timetable

A timetable for entity highlights and reports for the remainder of the 2016/17 year and for 2017/18 follows. We expect that the board and management will work together to ensure that key documents are finalised and are submitted to the Council ahead of these timelines.

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15 December 2016

Jackie Lloyd
Chair
Wellington Museums Trust
PO Box 893
WELLINGTON 6140

By email: jackie.lloydnz@gmail.com

Dear Jackie

Re: 2017/18 Statement of Intent and Wellington City Council Expectations

This letter sets out the Council's expectations of the Wellington Museums Trust for 2017/18. It is intended to assist the Trust in its business planning and with the preparation of its 2017/18 Statement of Intent.

To some degree, the Council's expectations of the Trust are enduring and this letter serves to reiterate or emphasise some of these while also alerting the Trust to new Council initiatives or programmes, or expected outcomes from the Trust. With this in mind, the Council continues to expect that the Trust will align its priorities with the Council's strategic direction and make a strong contribution towards advancing the achievement of the Council's aims as signalled in year three of the 2015-25 Ten Year Plan and relevant Council strategies, and the Statement of Intent will reflect this.

The Trust's activities make a positive contribution to Wellington and the Council would like to see the Trust continue to take opportunities to tell its stories and to promote Wellington as a place to live, work and play. The Trust's Statement of Intent should articulate its strategies for children and young people and describe how these outcomes will support the Council's strategies for Wellington. The Council also expects that the Trust will continue to develop its school-age educational offerings and continue to provide opportunities for lower decile schools.

The increased level of visitation at Space Place following the introduction of the new business model is pleasing. However, Council remains concerned that the new business model has not yet delivered the expected improvement in financial performance. The Statement of Intent should articulate the Trust's plans to reduce the trading deficits.

Governance

The Council expects the Trust to maintain a high degree of awareness of legislation that is applicable to its activities and in particular on relevant Health and Safety legislation.

The Trust is expected to meet best practice governance standards and, in support of this, to undertake a performance review of the overall board, individual board members and the chair. On completion of this review, the Council's Chief Executive should receive an update that describes the form the review took and the outcomes of the review. The review is to be completed by 30 September 2017.

Timetable

We look forward to receiving the Trust's draft Statement of Intent no later than 1 March 2017. Please refer to the reporting timetable attached for other reporting dates.

Should you have any queries or comments in regard to this letter, or wish to discuss the Council's strategies and the outcomes we are seeking in more detail, please contact Warwick Hayes on 803 8377 in the first instance.

Yours sincerely

Cr Simon Woolf
Chair, Council-controlled Organisations Sub-committee
Ph: (027) 975 3163
Email: simon.woolf@wcc.govt.nz

cc: Pat Stuart, Chief Executive
pats@experiencewellington.org.nz

Reporting Timetable

A timetable for entity highlights and reports for the remainder of the 2016/17 year and for 2017/18 follows. We expect that the board and management will work together to ensure that key documents are finalised and are submitted to the Council ahead of these timelines.

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2017/18 Statement of Intent	30 April 2017	24 May 2017 (thereafter to be approved by Council)
Annual Report & Financial Statements (2017/18)		
<ul style="list-style-type: none"> Draft performance measures 	10 July 2017	n/a
<ul style="list-style-type: none"> Draft financial statements 	12 July 2017	n/a
<ul style="list-style-type: none"> Audited financial statements and draft commentary 	14 August 2017	n/a
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15 December 2016

John Shewan
Chair
Wellington Regional Stadium Trust
PO Box 2080
WELLINGTON 6011

By email: john.shewan@hotmail.com

Dear John

Re: 2017/18 Statement of Intent and Wellington City Council Expectations

This letter sets out the Council's expectations of the Wellington Regional Stadium Trust for 2017/18. It is intended to assist the Trust in its business planning and with the preparation of its 2017/18 Statement of Intent.

To some degree, the Council's expectations of the Trust are enduring and this letter serves to reiterate or emphasise some of these while also alerting the Trust to new Council initiatives or programmes, or expected outcomes from the Trust. With this in mind, the Council continues to expect that the Trust will align its priorities with the Council's strategic direction and make a strong contribution towards advancing the achievement of the Council's aims as signalled in year three of the 2015-25 Ten Year Plan and through the Economic Growth Agenda and relevant Council strategies, and the Statement of Intent will reflect this.

The Stadium makes a positive contribution to Wellington and the Council would like to see the Stadium continue to take opportunities to tell its stories and to promote Wellington as a place to live, work and play.

In terms of reporting against the Statement of Intent, the Council appreciates the Trust supplying a six monthly report to aid the Council's monitoring and expects that the Trust will continue this practice. The Council expects that this would include reporting on the status of upgrade programmes funded by the Council.

The Council supports the Trust's programme of investment in the Stadium and expects that the Statement of Intent will discuss its capital projects and include an update of the Stadium Master Plan.

Governance

The Council expects the Trust to maintain a high degree of awareness of legislation that is applicable to its activities and in particular on relevant Health and Safety legislation.

The Trust is expected to meet best practice governance standards and, in support of this, to undertake a performance review of the overall board, individual board members and the chair. On completion of this review, any matters of concern should be drawn to the attention of the Chief Executives of the settlor councils.

Timetable

We look forward to receiving the Trust's draft Statement of Intent no later than 1 March 2017. Please refer to the reporting timetable attached for other reporting dates.

Should you have any queries or comments in regard to this letter, or wish to discuss the Council's strategies and the outcomes we are seeking in more detail, please contact Warwick Hayes on 803 8377 in the first instance.

Yours sincerely

Cr Simon Woolf
Chair, Council-controlled Organisations Sub-committee
Ph: (027) 975 3163
Email: simon.woolf@wcc.govt.nz

cc: Shane Harmon, Chief Executive
sharmon@stadiumtrust.org.nz

Dave Humm, Chief Financial Officer, Greater Wellington Regional Council
dave.humm@gw.govt.nz

Reporting Timetable

A timetable for entity highlights and reports for the remainder of the 2016/17 year and for 2017/18 follows. We expect that the board and management will work together to ensure that key documents are finalised and are submitted to the Council ahead of these timelines.

Report	Due Date	Committee Date
2nd Quarter Report (2016/17) <ul style="list-style-type: none"> Full Q2 report 	31 January 2016	22 February 2017
Draft 2017/18 Statement of Intent <ul style="list-style-type: none"> Committee to respond with feedback by 19 April 2017 	1 March 2017	12 April 2017
3rd Quarter Report (2016/17) <ul style="list-style-type: none"> Full Q3 report 	30 April 2017	24 May 2017
2017/18 Statement of Intent	30 April 2017	24 May 2017
Annual Report & Financial Statements (2017/18)		
<ul style="list-style-type: none"> Audited annual report and financial statements 	30 September 2017	15 November 2017
1st Quarter Report (2017/18) <ul style="list-style-type: none"> Full Q1 report 	31 October 2017	15 November 2017
2nd Quarter Report (2017/18) <ul style="list-style-type: none"> Full Q2 report 	31 January 2018	21 February 2018

15 December 2016

Craig Ellison
Chair
Wellington Zoo Trust
200 Daniell St
Newtown
WELLINGTON 6021

By email: craig.raniera@gmail.com

Dear Craig

Re: 2017/18 Statement of Intent and Wellington City Council Expectations

This letter sets out the Council's expectations of the Wellington Zoo Trust for 2017/18. It is intended to assist the Trust in its business planning and with the preparation of its 2017/18 Statement of Intent.

To some degree, the Council's expectations of the Trust are enduring and this letter serves to reiterate or emphasise some of these while also alerting the Trust to new Council initiatives or programmes, or expected outcomes from the Trust. With this in mind, the Council continues to expect that the Trust will align its priorities with the Council's strategic direction and make a strong contribution towards advancing the achievement of the Council's aims as signalled in year three of the 2015-25 Ten Year Plan and relevant Council strategies, and the Statement of Intent will reflect this.

Wellington Zoo makes a positive contribution to Wellington and the Council would like to see the Zoo continue to take opportunities to tell its stories and to promote Wellington as a place to live, work and play. The Council expects that the Trust will continue to develop its school-age educational offerings at the Zoo and continue to provide opportunities for lower decile schools.

Governance

The Council expects the Trust to maintain a high degree of awareness of legislation that is applicable to its activities and in particular on relevant Health and Safety legislation.

The Trust is expected to meet best practice governance standards and, in support of this, to undertake a performance review of the overall board, individual board members and the chair. On completion of this review, the Council's Chief Executive should receive an update that describes the form the review took and the outcomes of the review. The review is to be completed by 30 September 2017.

Timetable

We look forward to receiving the Trust's draft Statement of Intent no later than 1 March 2017. Please refer to the reporting timetable attached for other reporting dates.

Should you have any queries or comments with regard to this letter, or wish to discuss the Council's strategies and the outcomes we are seeking in more detail, please contact Warwick Hayes on 803 8377 in the first instance.

Yours sincerely

Cr Simon Woolf
Chair, Council-controlled Organisations Sub-committee
Ph: (027) 975 3163
Email: simon.woolf@wcc.govt.nz

cc: Karen Fifield, Chief Executive
karen.fifield@wellingtonzoo.com

Reporting Timetable

A timetable for entity highlights and reports for the remainder of the 2016/17 year and for 2017/18 follows. We expect that the board and management will work together to ensure that key documents are finalised and are submitted to the Council ahead of these timelines.

Report	Due Date	Committee Date
2nd Quarter Report (2016/17)		
<ul style="list-style-type: none"> Highlights & visitor numbers Full Q2 report 	5 January 2017 31 January 2016	n/a 22 February 2017
Draft 2017/18 Statement of Intent	1 March 2017	12 April 2017
<ul style="list-style-type: none"> Committee to respond with feedback by 19 April 2017 		
3rd Quarter Report (2016/17)		
<ul style="list-style-type: none"> Highlights & visitor numbers Full Q3 report 	5 April 2017 30 April 2017	n/a 24 May 2017
2017/18 Statement of Intent	30 April 2017	24 May 2017
Annual Report & Financial Statements (2017/18)		
<ul style="list-style-type: none"> Performance measures 	14 July 2017	n/a
<ul style="list-style-type: none"> Consolidation template (as applicable) and draft financial statements 	17 July 2017	n/a
<ul style="list-style-type: none"> Audit clearance or audited financial statements, and draft report commentary 	8 September 2017	n/a
<ul style="list-style-type: none"> Letter of representation to Council's CFO 	13 September 2017	n/a
<ul style="list-style-type: none"> Audited annual report and financial statements 	30 September 2017	15 November 2017
1st Quarter Report (2017/18)		
<ul style="list-style-type: none"> Highlights & visitor numbers Full Q1 report 	5 October 2017 31 October 2017	n/a 15 November 2017
2nd Quarter Report (2017/18)		
<ul style="list-style-type: none"> Highlights & visitor numbers Full Q2 report 	5 January 2018 31 January 2018	n/a 21 February 2018

REVIEW OF ANNUAL REPORTS FOR COUNCIL CONTROLLED ORGANISATIONS FOR THE YEAR ENDING 30 JUNE 2016

Purpose

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

Recommendations

That the Council Controlled Organisations Sub-committee:

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

Background

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

Discussion

6. Audited annual reports have been received from the following entities (with the exception of Wellington Cable Car Ltd) for consideration by the sub-committee and are attached as appendices:
 - Basin Reserve Trust

- Karori Sanctuary Trust
- Wellington Cable Car Limited (unaudited)
- Wellington Museums Trust
- Wellington Regional Economic Development Agency Limited
- Wellington Regional Stadium Trust
- Wellington Zoo Trust

7. The annual reports have been reviewed by officers to assess any risks or issues and where any significant issues were identified these have been discussed with the relevant entity.
8. Representatives of the entities covered in this report will attend the sub-committee meeting to present both the annual report and first quarter report for the entities, and answer any questions from the sub-committee. The first quarter reports (to 30 September) are presented under the cover of a separate sub-committee report.

9. **BASIN RESERVE TRUST**

EXECUTIVE SUMMARY	
<p>During the year ended 30 June 2016, the Basin Reserve hosted two high profile international cricket matches, a Test Match against Australia and a One Day International against Pakistan. Additionally, the Robbie Williams Concert in late October drew 10,500 fans at a normally quiet time of year.</p> <p>The ground and facilities received favourable feedback from the promoter of the Robbie Williams concert and the playing surface continues to receive excellent reviews from New Zealand Cricket and the International Cricket Council. That said, it has been noted that winter play over the cricket block is slowly diminishing the quality of play achievable for domestic and international cricket. The Trust is working to alleviate the stress upon the cricket block while maintaining continued community use of the ground.</p> <p>Community uses during the year included St Marks school football training and cross-country. The Phoenix Academy completed their temporary use of the ground in the first quarter and Old Boys University RFC continued use the Basin Reserve as its home venue. The Trust also continued its already positive collaborative relationship with Westpac Stadium by providing practice facilities for international cricket matches held at Westpac Stadium.</p> <p>Post year-end, work on the Master Plan commenced with the maintenance programme for the RA Vance stand. The refurbishment of the Ground's Keeper's cottage was completed about this time last year.</p>	

SUMMARY FINANCIALS						
* Variance (Actual minus Budget). ✓ Favourable variance to budget ✗ Unfavourable variance to budget						
FINANCIAL PERFORMANCE					Budget	Variance
	30-Jun-13	30-Jun-14	30-Jun-15	30-Jun-16	30-Jun-16	30-Jun-16
Total Revenue	634,559	632,564	708,579	859,322	885,600	(26,278) ✗
Operating Expenses	562,205	613,296	714,681	778,988	798,440	(19,452) ✓
EBITDA	72,354	19,268	(6,102)	80,334	87,160	(6,826) ✗
Net Profit after tax and dephn	(200,744)	(182,844)	(93,050)	(11,879)	6,060	(17,939) ✗
FINANCIAL POSITION						
Total Assets	1,047,043	840,562	805,047	901,135	866,500	34,635

SUMMARY FINANCIALS

Total Liabilities	99,162	75,525	133,060	241,027	145,500	95,527
Equity	947,881	765,037	671,987	660,108	721,000	(60,892) ✗
CASH FLOWS						
Total Net Cash Flows	40,498	27,952	(61,983)	61,162	72,500	(11,338) ✗
Opening Cash	41,816	82,314	110,266	48,283	100,000	(51,717)
Closing Cash	82,314	110,266	48,283	109,445	172,500	(63,055)

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

- Total revenue was short of budget by \$26.3k (3%) mainly due to the Trust's expectation that it would host two international test matches, however only one test and one one-day international were hosted. Also, the budget included \$50.0k of revenue from naming rights which did not eventuate. That shortfall from the naming rights was partly offset by the profit generated from the LED screen sale (\$26.5k).
- Operating expenses before depreciation were under budget by \$19.5k (2.4%) due to reduced event running expenses (one international Test Match budgeted vs. One Day International match hosted).
- The remaining variances relate largely to debtors exceeding budget as a result of a timing difference relating to the sale of the LED screen. Bank and cash balances are slightly lower than budgeted due mainly to the lower opening cash balance.

KEY PERFORMANCE INDICATORS *(The tables contain a selection of KPIs and not a complete list)*

✓ Favourable variance to budget ✗ Unfavourable variance to budget

30 JUNE		2013	2014	2015	2016
Number of Events					
Cricket	Actual	20 ✓	22 ✓	13 ✓	34 ✓
	Target	15	12	10	11
Other Sports	Actual	1 ✗	9 ✓	27 ✓	25 ✓
	Target	6	6	10	12
Community	Actual	1 ✗	2 ✓	18 ✓	18 ✓
	Target	2	2	2	4
Number of Event Days					
Cricket	Actual	32 ✗	41 ✓	28 ✓	49 ✓
	Target	34	32	26	27
Other Sports	Actual	1 ✗	6 ✓	21 ✓	25 ✓
	Target	6	6	10	12
Community	Actual	1 ✗	2 ✓	18 ✓	36 ✓
	Target	2	2	2	4
Utilisation					
Attendance	Actual	32,878 ✗	30,664 ✓	22,506 ✗	49,778 ✓
	Target	34,800	28,000	29,800	27,300
Practice days	Actual	n/a	93 ✓	71 ✓	101 ✓
	Target	n/a	70	70	71
Financial Metrics					
Council grant as % of revenue	Actual			79% ✓	70% ✓
	Target			65%	69%
Event income	Actual		\$164,500	\$127,250 ✓	\$196,500 ✓
	Target			\$121,500	\$100,000
Non-event income as % total	Actual			82% ✓	77% ✓
	Target			79%	75%

KEY PERFORMANCE INDICATORS *(The tables contain a selection of KPIs and not a complete list)*

The Trust exceeded its operational performance measures:

- Other sports event days were well ahead of budget partially as a result of the Wellington Phoenix using the ground for training. The Phoenix Academy's use of the ground will diminish following the completion of their training facilities at Martin Luckie Park, whilst, the Old Boys University Rugby Club have continued to use the Basin Reserve as its home venue.
- Community event days were much higher than anticipated as a result of the St Mark's School use of the grounds as a venue for football training and cross-country events. Ground staff were able to maximise the opportunities for high performance cricket, community cricket and other events. The long hot summer also helped to reduce the number of cancelled events.
- Attendance figures were above target by 22,478 (82%) as a result of the successful Robbie Williams concert (10,500 fans), and two high profile international cricket matches against Australia and Pakistan (4 event days were sold-out).
- The ODI against Pakistan was the first international ODI hosted by the Basin Reserve for many years and was hosted with the co-operation of the Wellington Regional Stadium Trust. At this stage, the Trust's discussions with Wellington RFU indicate that the Old Boys University RFC has sourced an alternative ground so the Trust has planned its autumn and winter programme on the basis that senior club rugby will not be played at the Basin Reserve. The cricket schedule for 2017/18 will reflect this with earlier use of the Basin Reserve for first class cricket.

OUTLOOK

Key activities and issues anticipated in 2016/17 include:

- The Master Plan is well underway with the project to refurbish the RA Vance Stand expected to be completed ahead of the South Africa Test in mid-March 2017.
- Engineers are assessing and will report on the seismic performance, ground conditions and the physical condition of the Museum Stand during 2017. Following this advice we anticipate a report will be prepared for Council to consider options for its future.

10. KARORI SANCTUARY TRUST

ACTIVITY SUMMARY

The Karori Sanctuary Trust (or Zealandia) had a very successful year marked by its highest ever visitation (125,849) and a financial performance that reflects its visitation success and confirms a significant turnaround in the Trust's financial standing. The Trust reported a surplus before interest and depreciation of \$673k and a surplus after depreciation of \$108k. This is the first time since building the Visitor Centre that the Trust has reported a surplus after depreciation.

Zealandia's visitation achievement of 125,849 visitors was the first time it had exceeded 100,000 visitors in a year and was 31% above its target for the year, and more than 25% above its previous record set in 2014/15.

Over 10,000 visitors enjoyed a guided sanctuary tour and more than 4,000 were guided by torchlight on a Zealandia by Night tour. Volunteers guided over 6,000 international visitors on day tours including a growing number of cruise ship passengers that visit Wellington.

Zealandia welcomed 9,478 education visitors (including Learning Experiences Outside the Classroom (LEOTC), tertiary, early childhood and school holiday programmes in 2015/16 – 13% above target and 2,588 more than the previous year.

In 2015/16 the Hutt Mana Charitable Trust provided transport for 1,183 students, teachers and whanau from 17 lower decile schools to visit Zealandia on one of its education programmes. Zealandia's 400+ strong volunteer network provided the workforce equivalent of 35 fulltime people.

Be.Accessible upgraded Zealandia from bronze to silver status in response to its efforts to improve the accessibility of its facilities and the valley.

The Trust strengthened its relationship with Victoria University of Wellington with the signing of a Memorandum of Understanding aimed at establishing an interdisciplinary urban ecology research centre at Zealandia in partnership with the University.

The Nature Connections initiative is a collaborative project which helps local and regional partners to coordinate in the delivery of visitor experiences. Zealandia is also becoming more globally connected having signed a MOU with the Woodland and Wetlands Trust in Canberra and hosted a delegation from Singapore Wildlife Reserves and also developing closer links with the Royal Society for the Protection of Birds in the UK.

SUMMARY FINANCIALS

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

FINANCIAL PERFORMANCE					Budget	Variance*
(\$000)	30-Jun-13	30-Jun-14	30-Jun-15	30-Jun-16	30-Jun-16	30-Jun-16
Total Revenue	2,749	3,444	3,374	4,223	3,608	615 ✓
Op. Exp. before Deprn. & Int.	2,945	3,379	3,300	3,550	3,287	263 ✗
Earnings before Deprn & Int.	(196)	65	74	673	320	353 ✓
Net Surplus (Loss)	(1,917)	(1,373)	(293)	108	(823)	931 ✓
FINANCIAL POSITION						0
Total Assets	17,169	15,588	15,366	15,322	14,627	696 ✓
Total Liabilities	11,538	11,331	11,403	11,251	11,486	(235) ✗
Equity	5,630	4,257	3,964	4,072	3,141	931 ✓
CASH FLOWS						0
Total Net Cash Flows	(331)	(246)	150	302^	120	182 ✓

SUMMARY FINANCIALS

Opening Cash	1,066	735	489	389	489	(100)
Closing Cash	735	489	639	691	609	82

^ This figure is restated to account for a \$450k term deposit made by the Trust during the year.

Revenue grew 25% to \$4.22m and the Trust's first net operating surplus of \$107,892 in 2015/16. Major contributors were the increase in memberships, up almost 10% to 10,572 in 2015/16; visitor numbers up 31% on plan; and strong performances from the Trust's retail, functions and café businesses which all made significant contributions to the bottom-line result.

At year end, the Trust's balance sheet still held the Visitor Centre and its loan to Council. However, the sale of the Visitor Centre to Council was completed on 7 October and the Trust repaid its \$10.34m Council loan concurrently. A generous bequest from long-time supporter, Peter Lapsley, has meant that the Trust will be debt-free by 2018/19.

KPI DASHBOARD (The tables contain a selection of KPIs and not a complete list)

✓ Achieved ✗ Not Achieved.

30 JUNE	2012	2013	2014	2015	2016	2016
Measure	Actual	Actual	Actual	Actual	Actual	Target
Non-financial						
Visitors	87,897 ✗	82,749 ✗	99,213 ✓	97,543 ✓	125,849 ✓	95,947
Membership units	4,830 ✗	4,527 ✗	n/a*	n/a*	n/a*	n/a*
Individual members			10,919 ✓	9,680 ✗	10,572 ✓	10,200
Students & education visits	6,556 ✗	8,121 ✓	8,048 ✗	6,890 ✗	9,478 ✓	8,378
Satisfaction rating	92% ✓	93% ✓	93% ✓	91% ✗	99% ✓	92%
Volunteer numbers	>400 ✓	428 ✓	450 ✓	>400 ✓	417 ✓	>400
Financial						
Full cost to Council per visitor					\$11.34 ✓	\$16.28
Average subsidy per visit	\$0.45 ✓	\$4.23 ✗	\$8.82 ✓	\$8.97 ✓	\$6.95 ✓	\$9.12
Average revenue per visit	\$29.13 ✓	\$28.69 ✓	\$25.64 ✗	\$25.52 ✗	\$26.03 ✓	\$25.90
Non-Council donations/funding					\$402k ✓	\$250k

Conservation	Actual	Target
Restore missing species to the wild in accordance with the Restoration Strategy		
Number of new animal species transferred	1 ✓	1
No. animal species being actively managed (supplementary fed, nestbox management, banding etc.) assuming 1 new species transferred/annum	9 ✓	9
No. animal species being monitored (assuming 1 new species transferred/annum)	12 ✓	12
Percentage of transferred animal species (17) regarded as self-sustaining (assuming ongoing management)	76% ✓	76%
Improve the population status of nationally threatened species present		
Number of threatened species present (excluding species held for advocacy or temporarily e.g. takehe, kakapo)	4 ✓	4
Number of threatened species actively managed	3 ✓	3
Percentage of threatened species actively managed that increase or are regarded as self-sustaining	3 ✓	3

KPI DASHBOARD <i>(The tables contain a selection of KPIs and not a complete list)</i>		
Manage species held for captive breeding purposes to ensure they remain healthy and breed successfully		
No. species held for captive breeding	2 ✓	2
No. species breeding successfully	2 ✓	2
Monitor animal pest status, control mice & successfully respond to any incursions		
Mice maintained at levels below or similar to previous years (abundance per 100 trap nights)	2.7 ✓	<10
No. invasive mammalian species actively searched for (e.g. by audits)	7 ✓	7
Percentage incursions successfully eradicated	0 ✓	100
No. biosecurity incursions	0 ✓	0
Monitor plant pest status and reduce distribution of environmental weeds (currently 123) within and near the fence perimeter		
No. species actively controlled or surveyed	51 ✓	44
No. species where control has achieved a decline to low levels of infestation	85 ✓	52
<p>On the back of a record year for visitor numbers and a very strong financial performance, the Trust has met all its Key Performance Indicators and its conservation targets.</p>		

ISSUES & OUTLOOK
No issues to report.

11. WELLINGTON CABLE CAR LIMITED

EXECUTIVE SUMMARY	
<p>The company enjoyed a strong year in terms of passenger numbers and passenger revenue. Passenger numbers exceeded 1 million again after two years below this figure and passenger revenue exceeded the prior year figure by 13.8%.</p> <p>Electric drive project: On 7 June 2017 (3 weeks before year end) the Cable Car was closed down for the replacement of its electric drive and control system and the refit of the cable cars. The service reopened on 18 August. The Council contributed \$2.5m to the \$4.0m cost of this project. The balance was funded by the company.</p> <p>Decommissioning overhead network: The Trolley Bus services are scheduled to cease permanently at the end of June 2017 and the company will decommission the 80km network over the ensuing 12 month period. The company has been actively planning for the works during 2015/16 and planning is ongoing due to the complex nature of the network and the involvement of other affected parties. The decommissioning project has been signalled for some time in the company's Statement of Intent. However more reliable financial information is now coming to hand and is required to be recorded in the company's financial statements. This has also delayed Audit New Zealand's sign-off of the financial statements (which is still not available at the time of writing).</p> <p>Overhead network financial implications: The company's unaudited financial statements record the write-down in value of the overhead network of \$1.5m and a further contingent liability of \$3.0m in relation to the cost of its future decommissioning.</p>	

SUMMARY FINANCIALS (Unaudited)						
* Variance (Actual minus Budget). ✓ Favourable variance to budget ✗ Unfavourable variance to budget						
FINANCIAL PERFORMANCE					Budget	Variance
(\$000)	30-Jun-13	30-Jun-14	30-Jun-15	30-Jun-16	30-Jun-16	30-Jun-16
Total Revenue	6,647	7,979	10,077	8,984	7,892	1,093 ✓
Operating Expenses	6,418	7,653	7,627	9,054	7,634	(1,421) ✗
Operating Surplus/(Deficit)	229	327	2,449	(70)	258	(328) ✗
Net Surplus/(Deficit)^	254	(0)	1,776	(49)	172	(220) ✗
FINANCIAL POSITION						
Total Assets	9,928	9,811	12,918	11,878	9,411	2,467 ✓
Total Liabilities	2,305	2,189	3,519	2,528	1,339	1,188 ✗
Equity	7,623	7,623	9,399	9,350	8,072	1,278 ✓
CASH FLOWS						
Total Net Cash Flows	672	(890)	626	722	(304)	1,026 ✓
Opening Cash	677	1,348	458	1,084	1,467	(383)
Closing Cash	1,348	458	1,084	1,806	1,163	644
^ after tax and subvention payments						
<p>Cable Car revenue was \$2.7m, up \$332k (13.8%) on the previous year while passenger numbers increased 7.1% over the previous year to 1,047,000 and total revenue exceeded budget by \$1.1m. This is a good performance by the company's flagship trading activity.</p> <p>The company's SOI budget did not account for the network decommissioning project which is the main contributor to the variances between budget and actual for the year to 30 June 2016.</p> <p>The company has recorded the impact of the decommissioning of the trolley bus network in terms of</p>						

SUMMARY FINANCIALS (Unaudited)

accelerated depreciation, asset value write-downs and a loss on disposal of assets which caused operating expenditure to exceed budget by \$1.4m. As a result, the company recorded an operating deficit of \$70k versus a forecast operating surplus of \$258k (negative variance of \$328k). After tax and subvention payments the net deficit for the year was \$49k versus a forecast surplus of \$172k (negative variance \$220k).

KPI DASHBOARD (The tables contain a selection of KPIs and not a complete list)

✓ Achieved ✗ Not Achieved.

30 JUNE		2012	2013	2014	2015	2016
Total Passengers	Actual	1,067,634 ✗	1,060,458 ✗	957,483 ✗	976,416 ✗	1,047,000 ✓
	Target	1,109,000	1,092,700	1,084,400	1,005,847	1,010,905
Fare Income^ (\$000)	Actual	2,014 ✗	2,172 ✗	2,178 ✗	2,399	2,731
	Target	2,077	2,223	2,355	n/a	n/a
Average revenue/trip^	Actual	\$1.91	\$2.03	\$2.05	\$2.51	\$2.80

^ This is not a KPI

ISSUES & OUTLOOK

Metlink public transport network: The company has been considering the long term future of the Cable Car. In preparation it has prepared a business case that considers whether the Cable Car becomes part of the Metlink public transport network. This would allow the company to benefit from public transport subsidies from central and local government. This issue is considered important for the future of the Cable Car.

Decommissioning the overhead network: The company has now quantified a potential funding gap between the expected costs to decommission the overhead trolley bus network and Greater Wellington Regional Council's contribution to this cost. The financial statements (under notes 3 and 4) record a \$3.0m contingent liability attributed to this funding gap.

The company has advised that the forecast funding gap is a conservative estimate and arises from a financial commitment made by the Greater Wellington Regional Council and the estimated cost of decommissioning the network.

Audit New Zealand: At the time of writing, the company's auditor had not provided its audit certificate for the financial statements and annual report to 30 June 2016. However the certificate is expected to be issued imminently but is also expected to contain a Matter of Emphasis in relation to the decommissioning of the overhead network.


12. WELLINGTON MUSEUMS TRUST

EXECUTIVE SUMMARY

In the 2015/16 year, the Trust exceeded its visitation targets and met most of its service delivery targets in terms of repeat visitation, visitor satisfaction and resident awareness. The Trust's trading performance was sound and its cash position remains strong.

During the year, the Trust delivered 460 individual exhibitions, public programmes and events across its various institutions and many of these are highlighted in the Trust's annual report. Some of the Trust's key achievements for the year include.

- All visitor experiences exceeded their visitation targets.
- Space Place at Carter Observatory exceeded its targets for visitation.
- The Attic at Wellington Museum opened on 14 November 2015 to mark the 150th anniversary of Wellington as capital city of New Zealand.
- City Gallery's position as New Zealand's premier contemporary art space was enhanced by standout exhibitions.
- Capital E in partnership with the Miramar Events Trust launched the first Roxy5 Short Film Competition.
- The Cable Car Museum led the Trust's trading performance by exceeding its gross revenue target by 11%.
- The Trust reported a true surplus of \$34,928 and an overall surplus of \$262,428 following a change in accounting policy requiring the inclusion of grants totalling \$227,500 for projects which have not yet taken place.
- The Trust refreshed its brand and adopted the new trading name Experience Wellington and implemented the Council's living wage initiative.



SUMMARY FINANCIALS

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

FINANCIAL PERFORMANCE					Budget	Variance
(\$000)	30-Jun-13	30-Jun-14	30-Jun-15	30-Jun-16	30-Jun-16	30-Jun-16
Total Revenue	11,682	11,340	12,832	12,162	11,347	815 ✓
Op. Exp. before Depreciation	11,298	10,729	12,025	11,432	11,074	358 ✗
Depreciation	377	603*	511	467	426	41 ✗
Net Surplus	7	8	296	262^	(153)	415 ✓
FINANCIAL POSITION						
Total Assets	5,371	6,035	8,300	7,173	4,571	2,602 ✓
Total Liabilities	1,387	2,043	4,011	2,435	1,171	1,264 ✗
Equity	3,984	3,992	4,288	4,738	3,400	1,338 ✓
CASH FLOWS						
Total Net Cash Flows	(515)	1,027	2,014	(1,344)	72	(1,416) ✗
Opening Cash	540	25	1,053	3,066	92	2,974

SUMMARY FINANCIALS

Closing Cash	25	1,053	3,066	1,722	165	1,557
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^Due to a change in accounting policy requiring the inclusion of grants totalling \$227,500 for projects which have not yet taken place. Previously these grants were held in Revenue in Advance until the purpose of the grant was fulfilled and the associated expenditure incurred.

Overall the Trust reported a true surplus of \$34,928 and an overall surplus of \$262,428 following a change in accounting policy requiring the inclusion of grants totalling \$227,500 for projects which have not yet taken place. Previously these grants were held in Revenue in Advance until the purpose of the grant was fulfilled and the associated expenditure incurred. The year-end surplus includes the \$140,891 cash deficit at Space Place which is funded by Council and an additional \$100,000 provided by Council to enable the Trust to align with the Council's Living Wage policy.

The Trust's year-end cash position which is significantly higher than forecast due to the change in policy and is largely offset by the increase in trade and other payables.

Total revenue of \$12.05 million (\$12.7 million in 2014-15) was available for the Trust's operations inclusive of Council's operating grant of \$6.685 million. The Trust raised \$3.6 million or 35% of total revenue (excluding the Council's rental subsidy of \$1.7 Million). This compares to \$4.1 million or 39% of total revenue in 2014-15 which included wind-fall revenue from a bequest to City Gallery Wellington and the benefit of an insurance claim.

The Trust's main non-Council sources of revenue continue to be from trading activities \$2.0 million (\$2.1 million in 2014-15); contracts (Creative New Zealand and Ministry of Education) \$0.82 million (\$1 million in 2014-15); and fundraising which includes grants from community trusts, donations and personal giving, and cash sponsorships \$0.6 million (\$0.8 million 2014-15). Total expenses were \$11.9 million compared to \$12.5 million in 2014-15.

The difference in both revenue and expenses, between the 2015-16 year and 2014-15 is largely the result of the biennial Capital E National Arts Festival which was presented in March 2015.

KPI DASHBOARD *(The tables contain a selection of KPIs and not a complete list)*

✓ Achieved ✗ Not Achieved.

VISITS		2012	2013	2014	2015	2016
30 JUNE						
Total Visits	Actual	607,613 ✗	649,021 ✓	601,743 ✓	689,414 ✓	688,169 ✓
	Target	612,550	620,000	562,073	583,123	600,000
City Gallery	Actual	115,363 ✗	161,681 ✓	150,289 ✓	169,943 ✓	178,228 ✓
	Target	143,000	143,000	143,000	140,000	150,000
*Wellington Museum	Actual	102,894 ✓	98,605 ✓	112,536 ✓	124,955 ✓	133,470 ✓
	Target	92,700	93,800	94,000	90,000	120,000
Capital E	Actual	95,009 ✓	100,329 ✗	59,265 ✓	111,273 ✓	79,120 ✓
	Target	93,500	102,000	52,000	80,000	62,300
*Cable Car	Actual	238,345 ✓	235,866 ✓	229,960 ✓	237,099 ✓	241,638 ✓
	Target	226,888	227,000	220,998	220,998	221,000
Space Place	Actual	50,976 ✗	48,820 ✗	47,318 ✗	42,633 ✗	52,838 ✓
	Target	52,300	50,000	50,000	50,000	44,500
*Naim St. Cottage	Actual	2,736 ✓	1,825 ✗	2,375 ✓	3,511 ✓	2,875 ✓
	Target	2,081	2,100	2,075	2,125	2,200

**The aggregation of these facilities is referred to as Museums Wellington in parts of the Trust's reporting.*

KPI DASHBOARD *(The tables contain a selection of KPIs and not a complete list)*

The Trust's aggregate visitation performance continues a trend since 2009 of gradual increases in total visits. The Cable Car Museum is the Trust's single largest destination by visitor numbers (2016: 241,638) and visitation at this facility is significantly influenced by visitors to Wellington (e.g. the cruises and/or other events or attractions that bring visitors to the city). Growth trends over the past few years are now evident at City Gallery and Wellington Museum. Capital E is showing signs of recovering its visitation to pre-closure levels. After 5 years of falling below its visitation targets Space Place comfortably exceeded its 2015-16 visitation target and was 24% better than the prior year.

Levels of visitor satisfaction remain high across the institutions and repeat visitation continues at good levels. The Trust's average repeat visitation is 44% versus its target of 30%. The leading institution is City Gallery at 73% repeat visitation. The average repeat visitation for City Gallery for the past 5 years is 72%.

30 JUNE	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2016 Target
Council subsidy per visit (\$)	13.82* ✗	12.46 ✓	13.30 ✓	9.36 ✓	9.85 ✓	11.09
City Gallery	16.79	12.43 ✓	13.32 ✓	12.15 ✓	11.53 ✓	14.16
Museums Wellington	4.93	4.64 ✓	5.48 ✓	4.54 ✓	4.29 ✓	5.03
Capital E	12.42	13.35 ✗	16.21 ✓	11.71 ✓	16.02 ✓	20.81
Space Place	5.89 ✗	7.37 ✓	7.21 ✗	7.32 ✓	8.89 ✓	10.16

* excl. Space Place

30 JUNE	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2016 Target
Average spend per visit (\$)	2.81* ✓	2.95 ✗	2.66 ✗	2.83 ✗	2.51 ✗	2.61
City Gallery	1.49	0.51 ✗	0.60 ✗	0.57 ✗	1.18 ✗	1.51
Museums Wellington	2.37	2.38 ✓	1.84 ✓	1.93 ✓	1.97 ✓	1.36
Capital E	4.32	5.72 ✗	5.69 ✗	5.31 ✗	3.20 ✗	4.65
Space Place	10.39 ✗	9.65 ✗	8.10 ✗	10.19 ✓	8.39 ✗	12.88

30 JUNE	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2016 Target
Non-Council revenue (\$)	3,170,840	3,480,008	2,948,574	3,789,688	3,049,374	2,988,000
City Gallery	435,663	420,929	426,141	478,809	609,542	545,000
Museums Wellington	717,448	1,000,400	670,623	759,614	671,532	569,000
Capital E	1,064,833	1,197,922	1,086,742	1,599,436	1,023,489	1,034,000
Space Place	640,866	610,301	516,689	557,853	539,519	674,000
Sub-letting, interest & other	312,030	250,456	248,379	393,976	205,292	166,000

ISSUES & OUTLOOK

The Cindy Sherman exhibition at City Gallery is the first major exhibition requiring an entry fee since the successful Yayoi Kusama: Mirrored Years exhibition which was hosted in Sep-2009 to Feb-2010. The Cindy Sherman exhibition has only just opened at City Gallery and is also expected to be successful.

The new operating model at Carter Observatory has achieved an initial increase in visitation but revenue is still challenged. This operating model will continue to need careful management to

minimise the Council's underwrite of its operating losses.

13. WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LIMITED

ACTIVITY SUMMARY

Tourism and marketing

WREDA is funded by WCC and other partners to market Wellington as a visitor destination particularly for Australian visitors. In 2015/16 a number of marketing campaigns were run including *It's never just a weekend in Wellington* and *Inspired by Wellington* for the Australian market. The success of these and other campaigns were demonstrated by a strong year in the visitor economy, in particular;

- Fastest growing region for domestic guest nights, up 7.5% compared with NZ as a whole at 4.1%
- Commercial guest nights exceed 3m, an increase of 5.3% on the previous year
- Australian direct arrivals 160,000, up 11.5% on the previous year compared with NZ at 5.8%
- International direct arrivals 217,000, up 13.2% on the previous year, compared with NZ at 9.6%
- Digital visits to WellingtonNZ exceeded 3m, an increase of 14%, 1.7m were unique visitors
- The strong tourism market and the event program contributed to a hotel occupancy rate 78.2%, up 3.2% on the previous year
- Capital Connection (Wellington – Canberra- Singapore) commenced in late September

Economic development

- Lighting Lab is about accelerating potential high growth ventures into reality, \$3.8m was raised for these ventures.
- The Destination Wellington program supported the WOW exhibition in Seattle which provided opportunities to market Wellington as a centre for tourism, creativity, education and design.
- Assisted Concentrix (formerly Minacs) in selecting Wellington as their new delivery centre over Adelaide, the number of jobs may rise to 300
- Awarded contract to provide the Government's Business Partner Programme providing business mentoring services
- WREDA along with tertiary and other organisations partnered in the Wellington International Student Program resulted in enrolments up 9% to 7,456

Venues and Events

- 322 performances attracting 380,000 patrons, 22% from outside the region, performances of note included WOW, Disney on Ice, the Blue Man Group and a world premiere event for the Royal NZ Ballet
- 286 conventions, 240,000 attendees
- WOW set record sales, 54,600 attendees, 65% from out of Wellington, the economic benefit to Wellington was \$21m.
- Two major concerts secured at the Stadium, Keith Urban/Carrie Underwood in December

along with Guns n Roses in early 2017

Item 2.3

SUMMARY FINANCIALS

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

FINANCIAL PERFORMANCE				Budget	Variance
(\$000)				30-Jun-16	30-Jun-16
		30-Jun-15	30-Jun-16	30-Jun-16	30-Jun-16
Total Revenue	--	15,880	24,542	23,313	1,229
Total Expenses	--	15,981	24,556	23,208	(1,348)
Net Surplus	--	(101)	(14)	105	(119)
FINANCIAL POSITION					
Total Assets	--	4,735	5,072	4,290	782
Total Liabilities	--	3,205	3,557	2,453	(1,104)
Equity	--	1,530	1,515	1,746	(231)
CASH FLOWS					
Net Cash Flow	--	1,486	307	(77)	(384)
Opening Cash	--	165	1,651	1,928	(277)
Closing Cash On Hand	--	1,651	1,958	1,851	(107)

* WREDA was established in December 2014, thus the 2014/15 financials are part year only

Comments

- Revenue and expenditure were up on budget due to increased partner revenue received for specific projects, particularly marketing.
- Total Assets and Liabilities are both higher than budget reflecting the timing of receipts and payments.

KPI DASHBOARD (The tables contain a selection of KPIs and not a complete list)

✓ Achieved ✗ Not Achieved.

30 JUNE		2014	2015	2016
Value of shareholdings in 3rd party companies received by WREDA in return for services provided (1)	Actual	--	--	\$1.4m ✓
	Target	--	--	\$1.4m
Increase in number of jobs in the region (2)	Actual	--	--	+7,050 ✓
	Target	--	--	+2,000
Attract screen production to Wellington with a value of: (3)	Actual	--	--	\$84m ✓
	Target	--	--	\$20m
Visitor spend, increase over previous year (4)	Actual	--	--	+11.0% ✓
	Target	--	--	+4.0%
Number of direct Australian visitors increase over previous year (5)	Actual	--	--	+11.2% ✓
	Target	--	--	+2.0%
Increase in international guest nights (6)	Actual	--	--	-3.9% ✗
	Target	--	--	+4.0%
Maintain Wellington's share of the convention market (7)	Actual	--	--	16% ✓
	Target	--	--	16%
Venues utilisation (8)	Actual	--	--	56.3% ✓
	Target	--	--	56.0%

KPI DASHBOARD *(The tables contain a selection of KPIs and not a complete list)*

Sources:

- (1) WREDA's audited financial statements
- (2) Annual Labour Survey
- (3) Internal WREDA estimate
- (4) MBIE regional tourism estimates
- (5) Statistics NZ
- (6) MBIE
- (7) Convention activity survey
- (8) Internal WREDA reporting

Comments

- WREDA achieved the majority of its KPIs for the year apart from the international guest night statistics (sourced from MBIE). However, the supporting statistics indicate this should be an increase. International visitors spend was up 10.8% and international arrivals up 11.5% for the year.
- Some of the targets were originally set at a conservative level in the 2016/17 SOI. This has been addressed and reporting from Q1 onward (2016/17) will acknowledge the updated targets.

ISSUES & OUTLOOK

- Concentrix to continue with the expansion of their operations in Wellington
- Capital Connection (Wellington – Canberra- Singapore) commenced in late September
- WREDA moves to one premise in the new year
- Potential impact of the earthquake on local tourism

14. WELLINGTON REGIONAL STADIUM TRUST

ACTIVITY SUMMARY

During the year ended 30 June 2016, the Stadium hosted 59 major event days confirming its position as New Zealand's busiest stadium. Attendance was 571,034 – the highest since the Rugby World Cup 2011. The events calendar offered a diverse range of sports and entertainment with highlights throughout the year, including a Super Rugby final, concerts by Elton John and AC/DC, a four night showing of the Royal Edinburgh Military Tattoo, a Chappell-Hadlee cricket match between the two top ODI teams in the world (Australia & NZ) and a rugby test sell-out between the All Blacks and Wales.

The Stadium has surpassed 8.8 million patrons since opening and between November 2015 and February 2016 Wellington hosted 960,000 commercial guest nights – an 8% increase on the previous summer. The biggest single driver of the increase was the Royal Edinburgh Military Tattoo which brought an estimated 45,000 visitors to the region. The two concerts brought a further 30,000 to the region.

Rugby: The financial year began with hosting the Hurricane's first home Super Rugby final to a sell-out crowd of 35,896 which was a great start to the 2015/16 financial year for the Trust. The 2016 Super Rugby season then saw the Hurricanes exceeding their prior season records by hosting a quarter-final, a semi-final and the final. As with the 2015 season, the final was held in the current financial year – so provides another strong beginning to the year. The 2015/16 financial year finished with the All Blacks versus Wales test match which hosted another sell-out crowd of 35,951.

The new look rugby sevens tournament (a Saturday/Sunday family focussed format with entertainment for children) saw 25,140 fans attend the two day competition.

Football: The Wellington Phoenix played 11 home games at the Stadium including The Save The Nix campaign which drew their largest crowd of 13,000 and perhaps helped the Club go on to receive a four-year extension of its licence.

Rugby League: The Stadium hosted two rugby league matches – the first between the New Zealand Warriors and the St George Illawarra Dragons in front of a crowd of 15,902. The next match was a home game for the Canterbury Bulldogs versus the Warriors.

Cricket: The Stadium hosted two international cricket matches. The Blackcaps took on Australia in a Chappell-Hadlee ODI in front of a crowd of 20,000 and played Pakistan to win the T20 series and post the highest T20 score achieved at the Stadium in front of 15,000 fans.

Concerts: Elton John and AC/DC concerts each played to 30,000 strong audiences and the Royal Edinburgh Military Tattoo saw 2,500 performers take to the field and play to a crowd of 80,000 over four nights in February.

Community Events: Alongside the economic contribution, Westpac Stadium continued to support the community, hosting training days for the New Zealand Defence Force, and the Fire Service, among 11 community events.

SUMMARY FINANCIALS

Highlights

- \$2.08 million surplus against budget of \$240k
- Event revenues of \$8.6 million
- Total revenue \$15.85 million, 2.0m above budget
- Bank borrowings down to \$4.0 million, \$6.0m ahead of plan

SUMMARY FINANCIALS

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

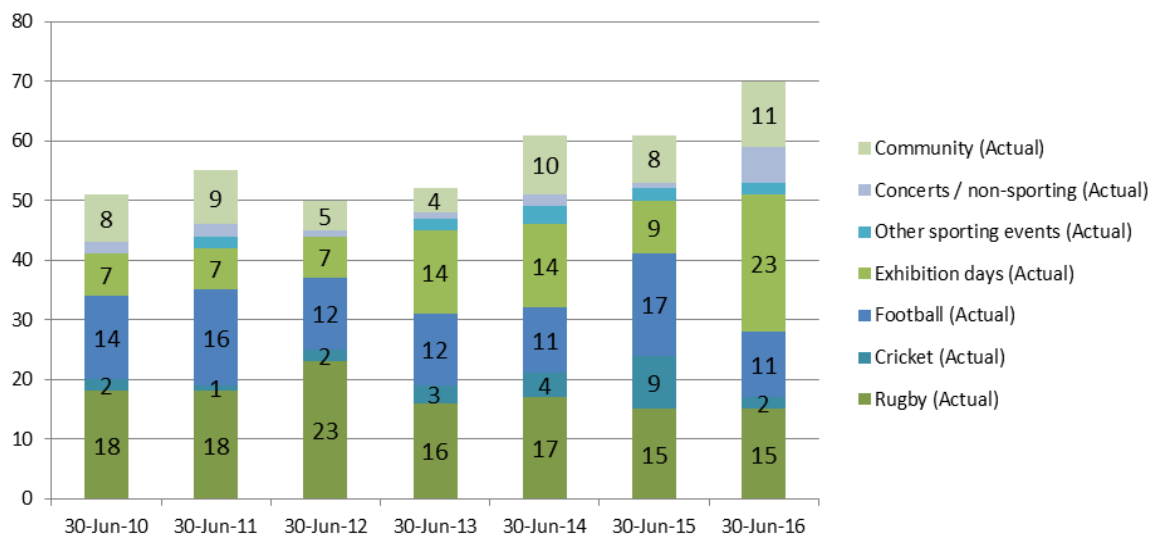
FINANCIAL PERFORMANCE					Budget	Variance*
(\$000)	30-Jun-13	30-Jun-14	30-Jun-15	30-Jun-16	30-Jun-16	30-Jun-16
Total Revenue	16,702	16,333	17,298	15,852	13,780	2,072 ✓
Opex before Interest & Depn	9,504	9,799	10,642	9,718	9,000	718 ✗
Interest & Depn	4,136	4,292	4,563	4,053	4,540	(487) ✓
Net Surplus	3,062	2,242	2,093	2,081	240	1,841 ✓
FINANCIAL POSITION						
Total Assets	96,950	99,743	102,868	96,426	100,280	(3,854)
Bank borrowings	7,930	10,890	7,500	4,000	10,400	(6,400)
Total Liabilities	18,348	18,899	18,432	9,909	16,210	(6,301)
Equity	78,602	80,844	84,436	86,517	84,070	2,447 ✓
CASH FLOWS						
Net Cash Flow	632	(1,472)	(25)	(3,663)	(180)	(3,483) ✗
Opening Cash	976	1,608	136	4,332	1,210	n/a
Closing Cash On Hand	1,608	136	111	669	1,030	n/a

The Trust's event revenues for the year were boosted by unbudgeted events such as the Super Rugby final in 2015 and other events achieving better results than expected. The additional cost of hosting these events is also reflected in the variance to budget. Net surplus for the year of \$2.1m comfortably exceeded the Trust's target of \$0.2m due largely to the increased event programme and changes to the expected timing of the Stadium Master Plan expenditure resulting in savings against budget for depreciation and interest costs.

With some of the capital expenditure delayed the Trust was able to repay borrowings of \$3.5m. This positions the Trust well for the planned capital works as borrowings will increase again in the current financial year when work on the Trust's three key projects begins. The Trust's SOI is forecasting it will spend \$6.76m on fixed assets in 2016/17. Over the next three years, the Trust will invest \$14.33 million in the Stadium, supported by a further \$5.0 million from Council.

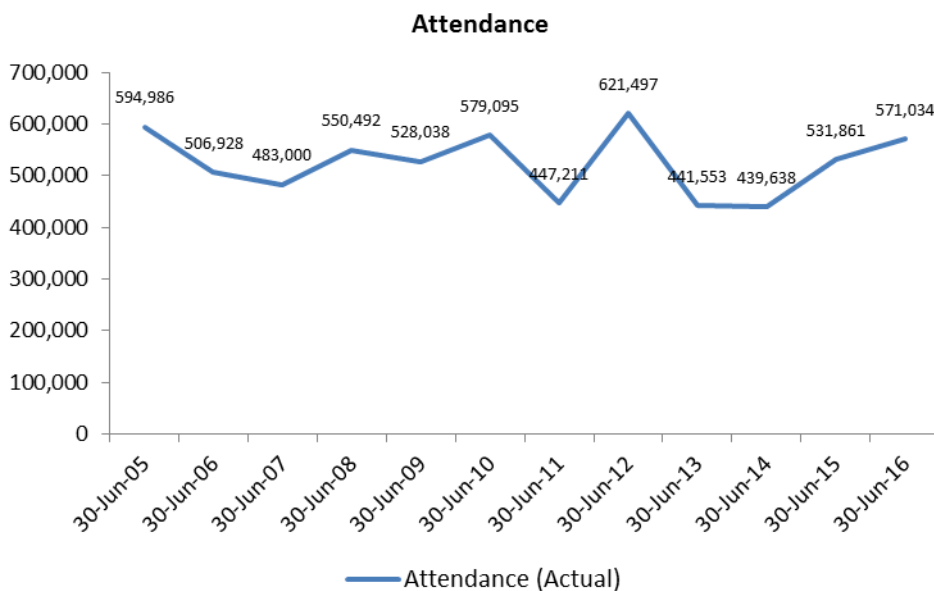
EFFECTIVENESS INDICATORS

Events Calendar



EFFECTIVENESS INDICATORS

The unbudgeted Super Rugby final in 2015 (attendance 35,896) and the two sell-out concerts (combined attendance 58,726) and the Royal Edinburgh Military Tattoo (attendance 81,963 over 4 nights) during the year highlight the importance of major events in increasing the utilisation of the Stadium – not to mention other economic benefits for Wellington.



The Trust hosted a record number of exhibitions in 2015/16 which continues to add to the Stadium’s reputation as New Zealand’s premier multi-purpose venue. Also, the Trust tries to incorporate as many community events as possible each year and was able to host 11 community days over the period, including the NZ Defence Force and Fire Service training.

ISSUES & OUTLOOK

The Trust has three capital projects for the upcoming year:

- Full replacement of the Stadium turf. This is due to commence in December 2016.
- The implementation of the connected venue project, which aims to provide free high-density Wi-Fi throughout the venue.
- The Trust is in the design stages of a \$10m upgrade of the internal concourse.

Council will provide \$5m funding for the concourse upgrade project. The turf replacement and ‘connected stadium’ projects will be funded by the Trust from operating cash flows and other funding sources. The total investment over the next 3 years will be \$14.33 million.

The Trust has a strong upcoming events calendar

- A-League season: Oct-2016 – Apr-2017
- Mitre 10 Cup: Aug – Oct 2016
- Super Rugby: Mar – Aug 2017
- Keith Urban & Carrie Underwood: 3 Dec 2016
- Gun ‘N Roses: 3 Feb 2017
- All Whites vs Fiji: 28 Mar 2017

- NZ vs South Africa ODI cricket: 25 Feb 2017
- British & Irish Lions: Jun – Jul 2017

15. WELLINGTON ZOO TRUST

ACTIVITY SUMMARY

The Wellington Zoo Trust enjoyed another strong year. In the year to 30 June 2016, the Zoo generated revenue equivalent to 60% of its operating costs through visitation and Zoo products and meet or exceeded 22 of the 24 targets it set for itself for the year. The Trust's annual report provides a thorough review of its many achievements. The following are some selected highlights.

The Zoo celebrated its 110th birthday during the year and is continuing its birthday celebrations through until April 2017 with a range of surprises (e.g. the 100th visitor each day receives free entry) and special activities planned for the summer school holidays.

The Zoo welcomed a record 260,809 visitors for the year, which was 11% above its target for the year. Since the start of the Zoo Capital Programme in 2006, visitation to Wellington Zoo has increased by 53%. Meet the Locals He Tuku Aroha was opened in October 2015. This was the last of the 10 year Zoo Capital Programme which began in 2006.

Wellington Zoo was a finalist and winner of a number of awards during the year, with the standout being named the Supreme Winner for the 2015 Wellington Regional Business Awards.

The Zoo welcomed many new animals during the year and said farewell to others, notably after 40 years was Lanky the Pelican, and Sam & Temba the Chimpanzees were also long term residents. Over 3,670 Wellington Zoo visitors were able to enjoy over 1,280 hours of contact time with animals across the Zoo.

Wellington Zoo provided 11,413 students with Learning Experiences Outside The Classroom (LEOTC) and continued to receive positive feedback from the New Zealand Council for Educational Research on behalf of the Ministry of Education as to how the Zoo delivers its LEOTC programmes. The Zoo's school holiday programme remained popular with over 1,700 children attending its programmes over the four school holiday periods.

The Warehouse Wellington Zoofari partnership helped 1,650 students at 17 low-decile schools from Wellington and Tasman visit Wellington Zoo and enjoy some hands-on nature-based learning experiences. The successful partnership between Wellington Zoo and The Warehouse was supported by NZ Bus and the Interislander providing free transport for the schools to reach the Zoo. The partnership has already raised \$14,000 for next year's Zoofari.

The Zoo's field conservation efforts exceeded its target by almost double, with 5.7% of the Zoo's operating budget (target 3.0%) invested through the contribution of staff time, resources and donations to conservation partner organisations to help save animals in the wild. All staff can take one week of annual conservation leave to help save animals in the wild.

The Nest Te Kohanga treated over 434 native birds and reptiles, including 33 native species which are considered threatened by DOC. The patients were brought to the Zoo by the SPCA, DOC, Zealandia, community groups and members of the community and 57% of these native patients were successfully treated and released back to the wild.

SUMMARY FINANCIALS

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

FINANCIAL PERFORMANCE (\$000)	30-Jun-13	30-Jun-14	30-Jun-15	30-Jun-16	Budget 30-Jun-16	Variance* 30-Jun-16
Total Revenue	6,414	6,008	7,756	7,201	6,303	898 ✓
Total Expenses	6,320	5,936	6,703	6,817	6,303	514 ✗
Net Surplus	94	72	1,053	384	0	384 ✓
FINANCIAL POSITION						
Total Assets	2,537	2,527	3,967	3,842	2,170	1,672 ✓
Total Liabilities	1,720	1,638	2,025	1,516	1,207	309 ✗
Equity	817	889	1,942	2,326	963	1,363 ✓

SUMMARY FINANCIALS

CASH FLOWS						
Net Cash Flow	489	106	1,519	(170)	21	(155) ✗
Opening Cash	1,342	1,831	1,937	3,492	2,032	1,424
Closing Cash	1,831	1,937	3,456	3,322	2,053	1,269

A review of the Trust's financial statements to 30 June 2016 highlights the following points.

- Revenue of \$7.2m was \$898k (14%) better than budget. In addition to its operating grant from Council, the Trust's revenue includes admissions revenue of just under \$3.0m (up \$137k on 2014/15), unbudgeted capital grants and donations of \$241k, and sales revenue of \$403k (up \$64k on 2014/15).
- Expenses of \$6.8m were \$0.5m over budget, but include \$167k of vested capital grants and donations.
- The Trust ended the year with an operating surplus of \$384k which was comfortably ahead of budget but did not match the prior year surplus of \$1.0m.
- Restricted funds include Trusts and Capital grants that are tagged for specific projects, provision for Animal Transfers, and the Trust's allocation to the Conservation Fund.
- The Trust's closing cash on hand of \$3.3m includes capital grants and other restricted funds of \$2.0m.

KPI DASHBOARD *(The tables contain a selection of KPIs and not a complete list)*

✓ Achieved ✗ Not Achieved.

30 JUNE		2014	2015	2016
Visitors [^]	Actual	227,434 ✓	225,927 ✗	260,809 ✓
	Target	216,890	230,111	234,714
Average Income per visitor (ex WCC grant)	Actual	\$14.01 ✗	\$15.37 ✓	\$14.90 ✓
	Target	>\$14.82	>\$14.25	>\$14.86
Ratio of Trust generated income as % of WCC grant	Actual	117% ✗	126% ✓	138% ✓
	Target	118%	119%	124%
Average WCC subsidy per visitor	Actual	\$11.94 ✓	\$12.20 ✗	\$10.79 ✓
	Target	<\$12.52	<\$11.98	<\$11.99
Full cost to Council per visitor	Actual	n/a	\$20.54 ✗	\$19.01 ✓
	Target	n/a	<\$20.06	<\$21.19
Students participating in LEOTC sessions	Actual	11,500	12,380 ✓	11,413 ✓
	Target	10,000	10,000	10,000

The Zoo enjoyed a strong year in terms of visitation and educational engagement and the Trust's financial KPIs were all achieved as a result of the strong operational performance.

ISSUES & OUTLOOK

No issues to note.



Attachments

Attachment 1.	Basin Reserve Trust 2015-16 Annual Report	Page 57
Attachment 2.	Karori Sanctuary Trust 2015-16 Annual Report	Page 81
Attachment 3.	Wellington Cable Car Ltd 2015-16 Annual Report (unaudited)	Page 125
Attachment 4.	Wellington Museums Trust 2015-16 Annual Report	Page 173
Attachment 5.	Wellington Regional Economic Development Agency Ltd 2015-16 Annual Report	Page 245
Attachment 6.	Wellington Regional Stadium Trust 2015-16 Annual Report	Page 323
Attachment 7.	Wellington Zoo Trust 2015-16 Annual Report	Page 351

Author	Warwick Hayes, CCO Project Manager
Authoriser	Derek Fry, Director City Growth & Partnerships

SUPPORTING INFORMATION

Engagement and Consultation

Not applicable.

Treaty of Waitangi considerations

Not applicable.

Financial implications

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

Policy and legislative implications

Not relevant.

Risks / legal

Not relevant.

Climate Change impact and considerations

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

Communications Plan

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

Health and Safety Impact considered

Not relevant.

BASIN RESERVE TRUST
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016



BASIN RESERVE TRUST
ANNUAL REPORT
For the year ended: 30 June 2016

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BASIN RESERVE TRUST
ENTITY INFORMATION
For the year ended: 30 June 2016

Legal name

Basin Reserve Trust ("the Trust")

Type of entity and legal basis

The Trust is incorporated in New Zealand under the Charitable Trusts Act 1957 and also registered with the Charities Commission, registration number CC29029. The Trust was established by the Wellington City Council ("WCC") and Cricket Wellington ("CW") and is a Council Controlled Organisation ("CCO") as defined by Part 1, section 6 of the Local Government Act 2002.

The Trust's purpose or mission

The primary objective of the Trust is to manage, administer, plan, develop, maintain, promote and operate the Basin Reserve for recreational activities and for the playing of cricket, for the benefit of the inhabitants of Wellington.

Structure of the Trust's operations, including governance arrangements

The Trust comprises a Board of four Trustees who oversee the governance of the Trust. The Trustees delegated the daily operation of the Trust to CW pursuant to a Management Agreement dated 13 August 2013. The Trust's financial affairs are managed by an external Accountant, who also attends Trustee meetings and partakes in financial discussions.

Main sources of the Trust's cash and reserves

Operating grants received from the WCC are the primary sources of funding to the Trust. The terms under which this funding is provided are contained in a Management Deed dated 16 March 2005.

Contact details

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Wellington

Phone: (04) 384-3171

BASIN RESERVE TRUST
STATEMENT OF SERVICE PERFORMANCE
For the year ended: 30 June 2016

The Trust is pleased to note all of its operating targets, except one, were met in 2015/16, some by a considerable margin. In particular, the at-ground attendance was significantly higher than in previous seasons and this largely reflected several key events during the summer. This was achieved despite the challenge posed by an aging venue, namely the sometimes unreliable infrastructure, limited capacity and the ongoing question relating to the viability of the Museum Stand. The Trust is hopeful that all of these issues can be addressed and solved through the Basin Redevelopment Masterplan.

The Basin Reserve hosted two high profile international cricket matches, a Test Match against Australia and a One Day International against Pakistan. On four occasions during these matches, the "sold out" sign was put up. Additionally, the Robbie Williams Concert in late October saw an additional 10,500 spectators through the turnstile at a time of year that is usually quiet.

Given the increased demands placed upon the ground, it is with satisfaction that the Basin Reserve has been able to work within budget parameters. However it should also be noted that the peak attendances placed considerable strain upon the Basin Reserve's aging infrastructure. This highlighted several items for attention that will be addressed through the Basin Reserve's Masterplan work.

The playing surface continues to receive excellent reviews from New Zealand Cricket and the International Cricket Council. Overall the New Zealand Cricket Players Association continues to rank the Basin Reserve at the top of New Zealand's cricketing venues, joined by the recently developed Hagley Oval in Christchurch.

The ground and the facilities also received very favourable feedback from the promoter of the Robbie Williams concert.

The Basin Reserve continues to provide an invaluable service to the community and again St Marks School have accessed the ground as a football training and cross-country venue. The Phoenix Academy completed their temporary use of the ground in the 1st quarter, while other council venues were brought online for the Phoenix. Old Boys University Rugby Football Club have continued to use the Basin Reserve as its home venue for the top senior sides. While the Trust welcomes community use of the ground, it has been noted by independent experts that winter play over the cricket block is slowly diminishing the quality of play achievable for international and domestic cricket. Therefore the Trust is working with rugby to alleviate the stress upon the cricket block and ensure continued community use of the ground.

The Trust is also pleased to note that all the administrative targets were also met, but unfortunately not all of the financial targets were met. There was one financial target that was not met and that was that the Results were not within Budget due to the Trust recording a small deficit of \$12,000 as opposed to a targeted surplus of \$6,000.

The Trust's Statement of Intent for the year ended 30 June 2016 was adopted in May 2015 and the main objectives of the Trust are as follows:

1. To contribute to the WCC's vision of Creative Wellington - Innovative Capital - positioning Wellington as an affordable, international competitive city;

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BASIN RESERVE TRUST
STATEMENT OF SERVICE PERFORMANCE
For the year ended: 30 June 2016

2. To manage, administer, plan, develop, maintain, promote and operate the Basin Reserve for recreation and leisure activities and for the playing of cricket for the benefit of the inhabitants of Wellington;
3. To establish a long term policy for the further development of the value of the Basin Reserve as a recreational facility and as a facility for the playing of cricket, other sports and as a venue for other community based activities;
4. To preserve and enhance the significant and recognised heritage value of the Basin Reserve;
5. To comply with all legislative and regulatory provisions relating to its operation and performance including statutory and general Council objectives for Council Controlled Organisations, and to acknowledge the Council's contribution where appropriate.

PERFORMANCE MEASURES

1.0 Administrative

As outlined in the Statement of Intent, the Trust had three key administrative targets for the year ended 30 June 2016:

- Achieve targets within allocated budgets
- Comply with financial, technical and regulatory standards
- Carry out an Asset Management Plan

The administrative measure of achieving targets within budgets is ensuring that budgets are set within the required timeframes and also that the Annual Report is finalised within a set timeframe. The regulatory standards that the Trust is set to comply with are the Charitable Trusts Act 1957 and the Local Government Act 2002.

Whilst these two targets are addressed as good business practice, the Trust has in particular focused on the Asset Management of the ground. Given the relative age of the infrastructure, its openness to the public and the sometimes harsh Wellington climate, constant attention to 'wear and tear' is necessary. The Trust has worked hard over the past 12 months to streamline and follow best practice processes. This now sees the Trust proactively managing the condition of the assets, while staying within its allocated budget. Over the next few years it is expected that the Masterplan work will supersede some of this work as upgraded facilities are handed back to the Trust with comprehensive management plans. By way of example, the RA Vance Stand refurbishment addresses deferred maintenance items, with the intention of bringing the facility back to a "as new" level.



BASIN RESERVE TRUST
STATEMENT OF SERVICE PERFORMANCE
 For the year ended: 30 June 2016

	30 June 2016	30 June 2015
Administrative	Target	Actual
<i>Achieve targets within allocated budgets</i>	Achieved	Achieved
<i>Comply with financial, technical and regulatory standards</i>	Achieved	Achieved
<i>Asset management plan carried out</i>	Achieved	Not Applicable

2.0 Operating

The Operating Measures for the Trust are by far the most visible, and generally speaking these are the ones upon which the Trust is evaluated in the public eye. Broadly speaking, these measures can be broken into three areas: events, customer satisfaction and Council investment.

- × Events:
 - Number of events and event days - cricket.
 - Number of events and event days - other sports.
 - Number of events and event days - community
 - Numbers attending events (total)
 - Practice facility usage
- Customer Satisfaction:
 - Hirer satisfaction with venue and events
 - Playing surface to be maintained to an international standard
- Council Investment:
 - Council Subsidy per visitor

In terms of the Event Measures, total attendance and number of events are the most easily understood. These measures simply summarise all events staged at the ground and the number of spectators attending these events. For high profile ticketed events such as Concerts, International and Domestic Cricket, accurate data is gained from the ticketing agents. These types of events represent approximately 90% of our total annual attendance. For smaller 'open to public' events such as club rugby, we make an estimate of attendance based on head counts.

The Trust's performance measures also recognise the number of event days, as distinct from simply the number of events. By and large, this reflects events such as Cricket Test Matches spanning multiple days, and more accurately represents the Basin reserve's usage rates. In addition to these standard measurements, the Trust also records usage of the venue's Cricket Practice Facilities. Following considerable investment in these practice facilities over the years, it is important to gauge their level of use. Of note, this figure also includes international cricket practices for matches at Westpac Stadium. With no Practice Facilities of its own, Westpac Stadium contracts the Basin Reserve Trust to provide these facilities on its behalf. This is perhaps a good example of the close and positive relationship between the two venues.

BASIN RESERVE TRUST
STATEMENT OF SERVICE PERFORMANCE
For the year ended: 30 June 2016

Working alongside the simple metrics of events and attendance, the Trust is focussed upon attaining a high level of customer satisfaction from its users. To assess customer satisfaction, the Trust relies upon a range of sources. For international and domestic cricket, online reporting tools provide an accurate and measurable review of the venue's performance both on and off the field. For other events, the Trust has relied upon feedback from two non-independent sources and feedback was not received on all events, which is a deficiency in the result.

In terms of on-field service, the Basin Reserve continues to be recognised as the premier cricket venue in the country. The outfield drainage received an upgrade several years ago and offers an excellent playing surface for both cricket and other sports. The Cricket block itself is world renowned for its pace and bounce, key aspects for delivering high quality cricket entertainment to the public. However, as noted earlier, the Trust needs to address the sometimes competing demands of summer and winter use, in order to preserve the Basin Reserve's status. Off-field, the aging facilities present a challenge, and one that will be addressed in the coming years through the Basin Reserve Masterplan.

	30 June 2016	30 June 2015
Operating - Number of Events:	<u>Target</u>	<u>Actual</u>
Cricket	11	34
Other Sports	12	25
Community	4	18
Operating - Number of Event Days:		
Cricket	27	49
Other Sports	12	25
Community	4	36
Numbers attending events (total)	27,300	49,778
Practice facility usage	71	101
Hirer satisfaction with venue and events	Achieved	Achieved
Playing surface to be maintained to an international standard	Achieved	Achieved
Council subsidy per visitor	<\$6.00	\$ 7.00

BASIN RESERVE TRUST
STATEMENT OF SERVICE PERFORMANCE
For the year ended: 30 June 2016

3.0 Financial

Financial measures for the Trust largely reflect its ability to work within a budget defined by the Council grants and event hire. These two areas represent the vast majority of the Trust's income and as such it works hard to ensure achievement of the below objectives:

- Results within Budget
- Capital expenditure within Budget
- Council % of Revenue Ratio
- Event Income
- Non Event Income as a % of Total Income
- Business Plan developed

In terms of the Trust working within budgets, it was disappointing that the Trust did not achieve this target as the Trust recorded a small Deficit of \$12,000 as opposed to a target of a Surplus of \$6,000. Of interest, the Trust notes that the proportion of income from Council Grants decreased this year, largely as a result of additional event hire income. The Robbie Williams Concert in October 2015 was a welcome addition to the Basin Reserve's calendar and this income enabled several venue improvements. Underpinning this, the Trust has spent considerable time developing its business plan and improving its planning processes. This has allowed the Trust to take a proactive approach to management of the ground and attraction of events.

Pleasingly, the Trust has secured international cricket fixtures for the next two upcoming summers, which provides an improved level of certainty for future planning.

	30 June 2016	30 June 2015
Financial	Target	Actual
<i>Results within Budget</i>	Achieved	Not Achieved
<i>Capital expenditure - within Budget</i>	Achieved	Achieved
<i>Council % of Revenue ratio</i>	69%	70%
<i>Event Income</i>	\$100,000	\$196,500
<i>Non-Event Income as a % of Total Income</i>	75%	77%
<i>Business Plan developed</i>	Achieved	Achieved

BASIN RESERVE TRUST
STATEMENT OF COMPLIANCE AND RESPONSIBILITY
For the year ended: 30 June 2016

SUMMARY OF ANNUAL PERFORMANCE

The Trust is pleased to note all of its operating targets, except one, were met in 2015/16, some by a considerable margin. In particular, the at-ground attendance was significantly higher than in previous seasons and this largely reflected several key events during the summer.

The Basin Reserve hosted two high profile international cricket matches, a Test Match against Australia and a One-Day International against Pakistan. On four occasions during these matches, the "sold-out" sign was put up. Additionally, the Robbie Williams Concert in late October saw an additional 10,500 spectators through the turnstile at a time of year that is usually quiet.

Given the increased demands placed upon the ground, it is with satisfaction that the Basin Reserve has been able to work within budget parameters. However it should also be noted that the peak attendances placed considerable strain upon the Basin Reserve's infrastructure. This highlighted several items for attention that will be addressed through the Basin Reserve's Masterplan work.

The playing surface continues to receive excellent reviews from New Zealand Cricket and the International Cricket Council.

The Basin Reserve continues to provide an invaluable service to the community and again St Marks School have accessed the ground as a football training and cross-country venue. The Phoenix Academy completed their use of the ground in the 1st quarter, which has resulted in the Basin Reserve easily meeting its targets. It should be noted however, that the Phoenix Academy's use of the ground will diminish following completion of their training facilities at Martin Luckie Park.

The Trust is also pleased to note that all the administrative targets were also met, but unfortunately not all of the financial targets were met. There was one financial target that was not met and that was that the Results were not within Budget due to the Trust recording a small deficit of \$12,000 as opposed to a targeted surplus of \$6,000.

COMPLIANCE

The Board and management of the Basin Reserve Trust ("the Trust") confirm that all statutory requirements of the Local Government Act 2002 regarding financial and operational management have been complied with.

RESPONSIBILITY


The Board and management of the Trust accept responsibility for the preparation of the Annual Financial Statements and the judgements used in them.

BASIN RESERVE TRUST
STATEMENT OF COMPLIANCE AND RESPONSIBILITY
For the year ended: 30 June 2016

The Board accepts responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the financial reporting and performance information of the Trust.

In the opinion of the Board and management, the Annual Financial Statements for the year ended 30 June 2016 fairly reflect the financial position, results of operations and service performance achievements of the Trust.


Sir John Anderson
Chairman
Date: 15th September 2016


Peter Clinton
Chief Executive
Cricket Wellington
Date: 16th September 2016



BAŞIN RESERVE TRUST
STATEMENT OF FINANCIAL PERFORMANCE
For the year ended: 30 June 2016

	Notes	Actual 2016	Budget 2016	Actual 2015
		\$	\$	\$
Revenue				
Council funding	1	592,707	605,000	557,078
Grants other		8,292		
Sales of goods and services	2	255,132	277,100	146,214
Interest revenue		3,191	3,500	5,287
Total Revenue		859,322	885,600	708,579
Expenses				
Depreciation of property, plant and equipment	7	92,213	81,100	86,948
Costs related to providing goods and services	3	663,567	682,750	590,601
Other expenses	4	115,421	115,690	124,080
Total Expenses		871,201	879,540	801,629
Surplus/(Deficit) for the Year		(11,879)	6,060	(93,050)

Explanations of major variances against budget are provided in note 15

BASIN RESERVE TRUST
STATEMENT OF FINANCIAL POSITION
As at 30 June 2016

	Notes	Actual 2016	Budget 2016	Actual 2015
Assets		\$	\$	\$
Current Assets				
Bank accounts and cash	5	109,445	172,500	48,283
Debtors and prepayments	6	181,406	86,000	111,680
Total Current Assets		290,851	258,500	159,963
Non-Current Assets				
Debtors and prepayments	6	12,075	-	-
Property, plant and equipment	7	598,209	608,000	645,084
Total Non-Current Assets		610,284	608,000	645,084
Total Assets		901,135	866,500	805,047
Liabilities				
Current Liabilities				
Creditors and accrued expenses	8	162,319	145,500	133,060
Income received in advance		10,000	-	-
Unearned income		68,708	-	-
Total Current Liabilities		241,027	145,500	133,060
Total Liabilities		241,027	145,500	133,060
Total Assets less Total Liabilities		660,108	721,000	671,987
Trust Equity				
Contributed capital	9	100	100	100
Accumulated surpluses	9	660,008	720,900	671,887
Total Trust Equity		660,108	721,000	671,987

Explanations of major variances against budget are provided in note 15

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[Signature]

BASIN RESERVE TRUST
STATEMENT OF CASH FLOWS
For the year ended 30 June 2016

	Note	Actual 2016	Budget 2016	Actual 2015
		\$	\$	\$
Cash Flows from Operating Activities				
Receipts of council funding		585,303	522,700	480,190
Receipts of grants other		8,292	-	-
Receipts from sale of goods and services		259,283	272,100	125,164
Interest receipts		3,191	3,500	5,287
Payments to suppliers and employees		(761,364)	(640,800)	(657,146)
GST (net)		1,130	(35,000)	2,374
Net Cash Flows from Operating Activities		95,835	122,500	(44,131)
Cash Flows from Investing and Financing Activities				
Payments to acquire property, plant and equipment		(34,673)	(50,000)	(17,852)
Net Cash Flows from Investing and Financing Activities		(34,673)	(50,000)	(17,852)
Net Increase/(Decrease) in Cash for the Year		61,162	72,500	(61,983)
Add opening bank accounts and cash		48,283	100,000	110,266
Closing Bank Accounts and Cash	5	109,445	172,500	48,283

Explanations of major variances against budget are provided in note 15

BASIN RESERVE TRUST
STATEMENT OF ACCOUNTING POLICIES
For the year ended: 30 June 2016

ACCOUNTING POLICIES APPLIED

BASIS OF PREPARATION

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

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

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

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

GOODS AND SERVICES TAX

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

INCOME TAX

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

SIGNIFICANT ACCOUNTING POLICIES

Revenue

Grants

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

Sale of goods

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

Sale of services

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



BASIN RESERVE TRUST
STATEMENT OF ACCOUNTING POLICIES
For the year ended: 30 June 2016

Donated Assets

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

Interest revenue

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

Administration and overhead costs

These are expensed when the related service has been received.

Bank accounts and cash

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

Debtors

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

Property, plant and equipment

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

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

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

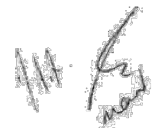
For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

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

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

Creditors and accrued expenses

Creditors and accrued expenses are measured at the amount owed.



BASIN RESERVE TRUST
STATEMENT OF ACCOUNTING POLICIES
For the year ended: 30 June 2016

Budget figures

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

Tier 2 PBE Accounting Standards applied

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

CHANGES IN ACCOUNTING POLICIES

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



BASIN RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended: 30 June 2016

1 Council funding	2016	2015
	\$	\$
Operational grant - WCC	367,500	355,000
Turf Management grant - WCC	225,207	202,078
Total council funding	592,707	557,078

2 Sales of goods and services	2016	2015
	\$	\$
Ground hire income	196,500	127,250
Concession income	30,384	18,408
Signage	1,000	-
Picket fence income	70	478
Miscellaneous income	27,178	78
Total sales of goods and services	255,132	146,214

3 Costs related to providing goods and services	2016	2015
	\$	\$
Building expenses	58,710	44,659
Ground expenses	367,536	351,028
Occupancy expenses	135,995	119,004
Event running expenses	101,286	75,830
Picket fence expenses	40	80
Total costs related to providing goods and services	663,567	590,601

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BASIN RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 30 June 2016

4 Other expenses	2016	2015
	\$	\$
Audit fee for the financial statement audit	13,090	12,710
Management fee	68,000	56,000
Marketing	20,588	13,295
Other administrative expenses	13,743	42,075
Total other expenses	115,421	124,080

5 Bank accounts and cash	2016	2015
	\$	\$
Cash on hand	165	165
Cheque account	39,792	5,039
Savings accounts	69,488	43,079
Total bank accounts and cash	109,445	48,283

6 Debtors and prepayments	2016	2015
	\$	\$
Gross debtors	187,946	106,770
Provision for impairment	-	-
Net debtors	187,946	106,770
Prepayments	5,535	4,910
Total debtors and prepayments	193,481	111,680

BASIN RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended: 30 June 2016

7 Property, plant, and equipment

	Plant	Furniture & Fittings	Drainage Works	Leasehold Improvements	Total
	\$	\$	\$	\$	\$
Carrying amount at 1 July 2014	9,723	25,272	69,934	609,251	714,180
Additions	11,372	-	-	6,480	17,852
Disposal (net of accumulated depreciation)	-	-	-	-	-
Depreciation expense	(8,729)	(5,868)	(8,696)	(63,655)	(86,948)
Carrying amount at 30 June 2015	12,366	19,404	61,238	552,076	645,084
Carrying amount at 1 July 2015	12,366	19,404	61,238	552,076	645,084
Additions	26,220	1,814	-	17,504	45,338
Disposal (net of accumulated depreciation)	-	-	-	-	-
Depreciation expense	(13,979)	(6,021)	(8,696)	(63,517)	(92,213)
Carrying amount at 30 June 2016	24,607	14,997	52,542	506,063	598,209

The land and buildings that the ground is situated on are owned by the WCC and are occupied under a lease agreement with them.

8 Creditors and accrued expenses

	2016	2015
	\$	\$
Creditors	116,564	96,325
Accrued expenses	45,755	36,735
Total creditors and accrued expenses	162,319	133,060

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K. Ford

BASIN RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended: 30 June 2016

9 Equity	2016	2015
	\$	\$
Contributed capital:		
Balance at 1 July	100	100
Balance at 30 June:	100	100
Accumulated surpluses:		
Balance at 1 July	671,887	764,937
Surplus/(deficit) for the year	(11,879)	(93,050)
Balance at 30 June:	660,008	671,887
Total equity	660,108	671,987

10 Commitments

There were no operating or capital commitments as at 30 June 2016 (2015 Nil).

11 Contingencies

There were no contingent liabilities or assets as at 30 June 2016 (2015 Nil).

12 Related-party transactions

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 the Trust would have adopted in dealing with the party at arm's length in the same circumstances.

Related-party transactions significant to the Trust requiring disclosure:

1. WCC made a grant of \$367,500 (2015 \$355,000) to the Trust as a contribution towards the costs of operating the Trust.
2. WCC made a grant of \$225,207 (2015 \$202,078) to the Trust as a contribution towards the costs of Turf Management.
3. The Trust paid WCC the sum of \$10,000 (2015 \$10,000) as a contribution for the Karori Park operation.

BASIN RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended: 30 June 2016

13 Trustee fees

In the year to 30 June 2016, the Trustees did not receive any remuneration in regard to their duties as trustees (30 June 2015 Nil).

14 Events after the balance date

There were no significant events after the balance date.

15 Explanations of major variances against budget

Explanations for major variances from the Trust's budgeted figures in the 30 June 2016 statement of intent are as follows:

Statement of financial performance

1. When the budget was agreed it was envisaged that the Trust would host two international test matches, whereas the Trust actually hosted only one test and one one day international and hireage rates were greatly lower than those envisaged.
2. However the reduction in international ground hire income was more than offset by more domestic cricket and other event hire income than budgeted for.
3. Also when the budget was agreed it was envisaged that a naming rights sponsor would be found by September 2015 and that this would result in \$50,000 of sales of services revenue, but this did not eventuate.
4. The reduced income from naming rights was partially offset however by the profit generated from the sale of LED screen of \$26,500 in this financial year.
5. More was spent in this financial year on building repairs and maintenance than was envisaged when the budget was agreed.

Statement of financial position

1. Debtors are higher than budgeted for due to the amount invoiced for the sale of the LED screen only becoming receivable as services are provided to the Trust.
2. Bank and cash balances are lower than budgeted for due to an underestimation of the opening cash balance.

Statement of cash flows

1. As disclosed above the opening cash balance was underestimated when the budget was set.

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AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Basin Reserve Trust's financial statements and performance information for the year ended 30 June 2016

The Auditor-General is the auditor of Basin Reserve Trust (the Trust). 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 Trust on her behalf.

Opinion on the financial statements and the performance information

We have audited:

- the financial statements of the Trust on pages 9 to 19, that comprise the statement of financial position as at 30 June 2016, the statement of financial performance 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 Trust on pages 2 to 6.

In our opinion:

- the financial statements of the Trust:
 - 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 the Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) Standard.
- the performance information of the Trust presents fairly, in all material respects, the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust's objectives for the year ended 30 June 2016.

Our audit was completed on 16 September 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 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 Trust'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 Trust'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;
- the appropriateness of the reported performance information within the Trust'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

The Board are responsible for the preparation and fair presentation of financial statements for the Trust that comply with generally accepted accounting practice in New Zealand. The Board are also responsible for preparation of the performance information for the Trust.

The Board's responsibilities arise from the Local Government Act 2002 and the Basin Reserve Trust Deed.

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

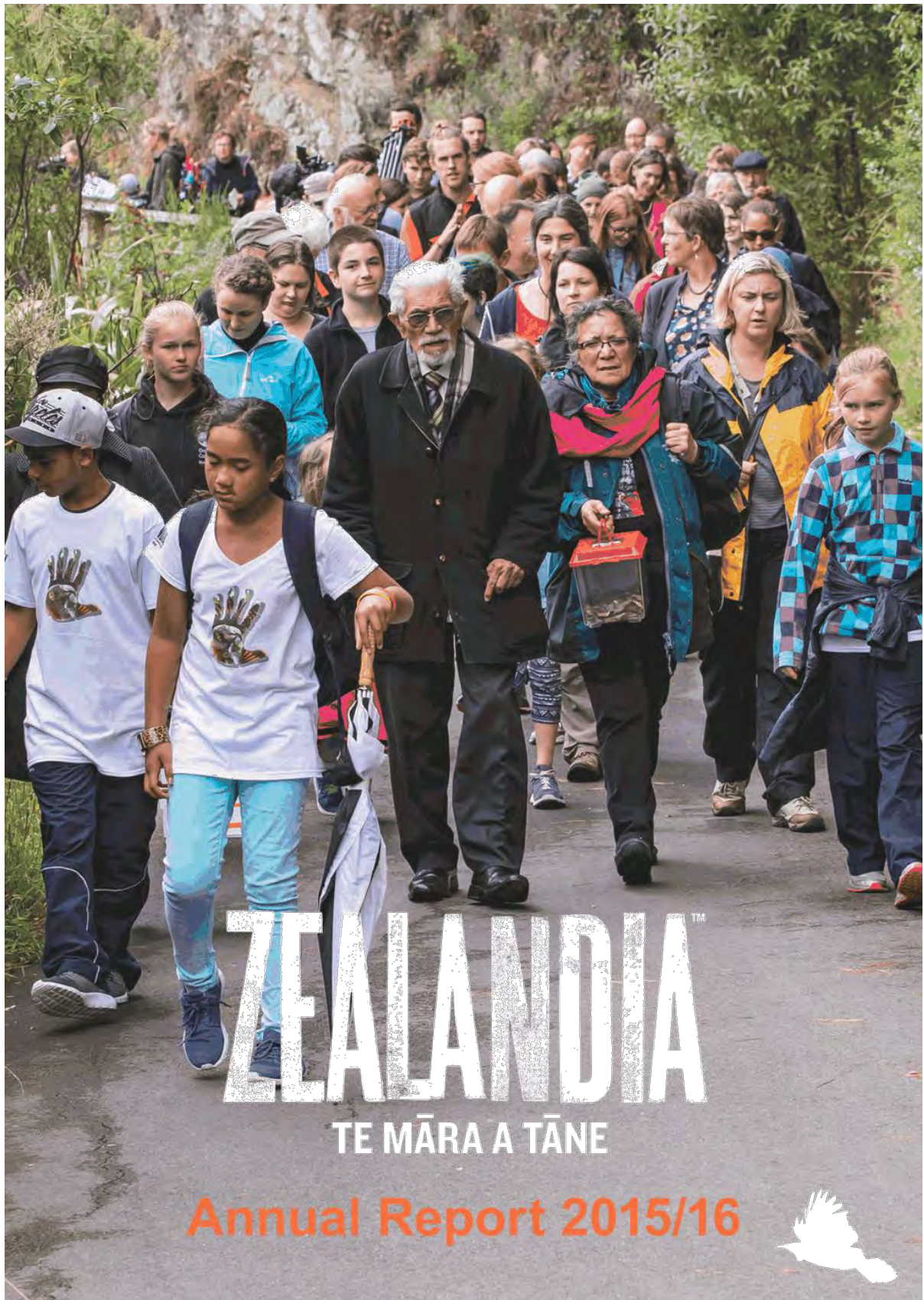
Independence

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 Trust.



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



ZEALANDIA Annual Report 2015 / 2016

Welcome to the Karori Sanctuary Trust's Annual Report for the financial year ending 30 June 2016. This report meets our quarterly reporting requirements for Wellington City Council. This year we have taken our first step towards an Integrated Reporting approach. Integrated Reporting seeks to demonstrate the interconnectedness of all activity across an organisation in creating value through the various types of organisational resources or 'capital'. In this report we begin by highlighting in particular the significant contribution made by ZEALANDIA's human capital: Our People.

(This annual report was project managed by Sarah O'Sullivan, Executive Assistant to the Chief Executive; content was provided by the ZEALANDIA team; and layout design by volunteer Caroline Cameron.)

Cover & Reverse Cover Images: Introducing one of our newest arrivals. Photo credit Janice McKenna.

People power was the force behind a new phase of reptile conservation with the transfer of the first spotted skinks into ZEALANDIA. In January 2016, a big team including ZEALANDIA staff, volunteers, researchers, iwi, youth ambassadors, community members and Department of Conservation staff moved 96 skinks from Matiu/Somes Island to two sites in the valley. On the day, more than 100 people turned out to welcome the new arrivals.

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Turning 21: A Year to Celebrate People and Nature



Bringing spotted skinks into ZEALANDIA.
Photo credit: Janice McKenna.



Minister Barry brings her friend Jayden to meet Tāne the tuatara. Photo credit: ZEALANDIA.

It is traditional for families to celebrate a 21st birthday. Even though the 21st no longer carries the legal significance of past times, it still celebrates early achievements and signifies the beginning of a new and exciting life stage.

So it is with considerable pride that the ZEALANDIA Board and Management invite you to join us in celebrating ZEALANDIA's 21st birthday year and the achievements of 2015/16 – a very good year for people, for conservation, and for ZEALANDIA as a flourishing community enterprise.

ZEALANDIA's vision is all about connecting nature and people. The year set new landmarks: nearly 126,000 visits to the sanctuary, up more than 25% on the previous high point. We reached our highest ever number of members. At the same time, we achieved best ever financial results – a surplus of over \$107,000 after depreciation, a healthy level of working capital, and a 34% increase in ZEALANDIA earned revenue. These all reflect our position as a healthy and resilient organisation, well prepared for the exciting opportunities we face as we turn 21.

ZEALANDIA's conservation gains, both in the sanctuary and for Wellington, continue to strengthen and extend beyond the boundaries. Highlights this year included the

arrival of spotted skinks at ZEALANDIA, our highest ever hihi count, and supporting 1,436 young people from low decile (1-3) schools to experience the sanctuary valley. Connecting further, we farewelled 10 kākā to live at the Cape Sanctuary in Hawkes Bay, we welcomed leaders from New Zealand's Fenced Sanctuaries to the second workshop for this new collective group, and we confirmed partnerships with Victoria University and with Canberra's Woodlands and Wetlands Trust. These are good examples of how we are already using our organisational strength and our networks to make a difference locally, nationally and globally.

While Wellington's outstanding summer and our friend Sirocco the kākāpō both helped, our results come through the hard work of our staff and volunteers, and the generous support of our members, supporters and partner organisations. Our Guardians have given wise counsel. A sign of our strength as a community enterprise is the energy and input given in 2015/16 by over 400 volunteers, equivalent to 35 full-time people. We thank them all, and recognise in particular Peter Lapsley, whose lifetime commitment of practical volunteering at the sanctuary endures through the gift of a significant legacy. An outstanding attribute shared by our wide supporter team is their passionate belief that the contributions we make today will make a difference for generations to come.

ZEALANDIA Annual Report 2015 / 2016



Sirocco being released at ZEALANDIA.
 Photo credit: Ali Little.



A wildlife-themed art workshop during the ZEALANDIA School Holiday Programme. Photo credit: ZEALANDIA.



Sirocco inside his enclosure at ZEALANDIA.
 Photo credit: Ali Little.



Students survey a Wainuiomata Catchment stream.
 Photo credit: George Hobson.

We highly value the strong working relationship with our major funder, Wellington City Council, and we thank Councillors, Management and staff for their interest and input over the year. We are delighted that Council approved our proposal for their purchase of the Visitors Centre, enabling the Trust to fully repay the building loan. This exchange is being finalised as this report is written. Along with our 2015/16 financial performance, this firmly underscores our enduring sustainability as a vibrant contributor to Wellington.

Final thanks go to the Management team, and to trustees, whose efforts over the year have been unstinting. We thank Ian Phillips and Russ Drewry for their able service as Acting Chief Executives from July to November 2016. We salute you all as conservation and community champions.

We are now underway with our second generation of ZEALANDIA impact, and excited about putting into practice our new strategy Living with Nature. We hope that you will feel inspired by our new initiatives and will join us on our journey.



Paul Atkins

Paul Atkins
 Chief Executive



Denise Church

Denise Church
 Chair

Living with Nature: Our New 2016 – 2035 Strategy

A 500-year journey calls for bold steps – that's why ZEALANDIA's strategy needs to be for a next generation of making a difference for nature and people. Earlier this year, we went out to have conversations about the next 20 years with our members, volunteers, staff, Guardians and colleague organisations. Thanks go to all of them for contributing inspiring and wide ranging ideas. We received one consistent message: **Be bold: develop a highly ambitious view of what ZEALANDIA can do to transform how we live with nature.**

The founding vision for the sanctuary was: **A world-class conservation site portraying our natural heritage that captures people's imagination, understanding and commitment** and that vision remains today. Our strategy for 2016-2035 Living with Nature, which will be finalised shortly, will help us interpret that vision for the next 20 years, and identify the broad themes we will focus on.

Our Place in Transformation 2016 – 2035

ZEALANDIA will be **a place that transforms** biodiversity, people and knowledge, and through this transform our capacity for living with nature

A place that treasures

- Restoring our valley and its extending halo of biodiversity
- Building our organisation's capacity to drive transformation

A place that engages

- Creating inspiring, accessible experiences
- Forming strong and enduring local, national and global partnerships based on shared goals

A place for learning

- Embracing Mātauranga Māori and other knowledge frameworks
- Being a hub where people of all ages can learn, create new knowledge, and share their insights and understanding

A place that empowers

- Equipping people with experience and skills for a nature rich future
- Inspiring change through example and shared passion for action



Treasuring the sanctuary valley is the foundational theme. Much restoration work remains to be done within the sanctuary, and this will remain a key focus for our efforts. But we are now called not only to restore the sanctuary valley as a treasured exemplar but to harness our knowledge, energy and networks, and work with others to transform how we live with nature in our cities and towns. ZEALANDIA will need to reach out into the halo, wider Wellington and beyond.

Already we have a powerful platform in Wellington including our Nature Connections partners, Wellington City Council's biodiversity action plan and support, and committed communities, schools, and universities. Adding impetus to this are the new commitments to Predator Free New Zealand, and Predator Free Wellington.

We are up for the challenge and we believe that by putting Living with Nature into action, ZEALANDIA can make a game-changing difference over the next generation of our 500-year journey.

***A treasured valley is the heart and foundation of
ZEALANDIA's future local, national and global contribution.***

Our Highlights and Successes



Connecting: Our Visitors, Supporters and Networks


Our Visitors

A successful summer campaign with eye-catching publicity around the city and a well-coordinated programme of events saw a big increase in visitors to the sanctuary. Nearly three thousand people came to see Sirocco, New Zealand's ambassador kākāpō, while he was in residence at ZEALANDIA; 3,250 joined our Easter Egg Hunt; and nearly 5,000 people visited on our Open Weekend. The great summer weather, combined with lots of exciting events happening in the city, contributed significantly to the numbers visiting ZEALANDIA. For example, the Military Tattoo event in February brought an additional 85,000 visitors to the city, and there was a marked increase in the number of cruise ships visiting Wellington during the season.

Over 10,000 visitors enjoyed a guided sanctuary tour and our exhibition. Our ZEALANDIA by Night (ZBN) tour had its best year with over 4,000 visitors being guided by torchlight through the valley to experience some of our rare nocturnal species. Volunteers guided over 6,000 international visitors on day tours, including a growing number of cruise ship passengers who make a stop in Wellington. The commitment, energy and passion of the guides, staff and volunteers who have worked to develop and deliver our innovative tour products has made a significant contribution to the 99% satisfaction rating received from visitors.

The proposition of ZEALANDIA as a '100% pure', 'unique', 'green' experience closely matches the expectations of many tourists visiting New Zealand. The Wellington Regional Economic Development Agency (WREDA) and Tourism NZ are actively promoting ZEALANDIA and working with us to help design future offerings. As our international visitor numbers increase, these partnerships will provide even greater opportunities for us to tell our story to a global audience. The ability to encourage cruise ship passengers and other new arrivals towards ZEALANDIA has also been aided by a new map at the top of the Cable Car, as well as directions from Wellington City Ambassadors and Volunteer Hosts when large numbers of cruise ship passengers are in town.

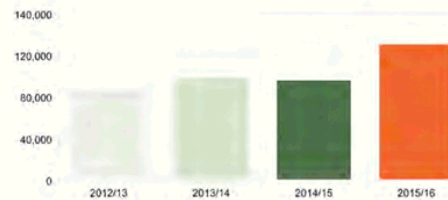
We had **125,849** visitors in 2015/16 – 31% above our target for the year and more than 25% above the previous record set in 2014/15.



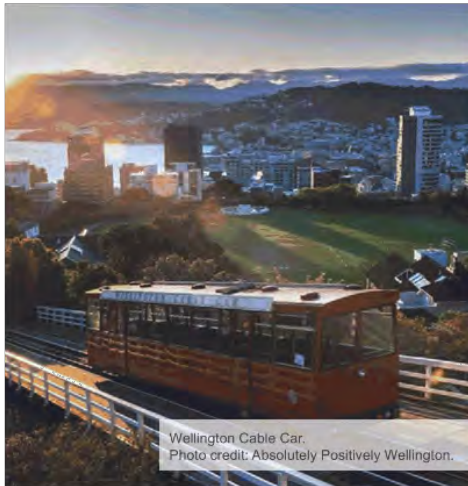
ZEALANDIA's partnerships with Wellington tourism operators are an important part of our success in attracting more international and domestic visitors. These partnerships are developed through our strategic alliance with WREDA and our regional tourism operator Positively Wellington Tourism. The i-SITE team and volunteer Wellington City Ambassadors are great on-the-ground advocates for visiting the sanctuary. They greet and help manage the peak visitation periods when cruise ships are visiting, often encouraging visitors to catch our free shuttle to ZEALANDIA, some travelling via the Cable Car to experience another of Wellington's attractions. ZEALANDIA staff are involved in annual Wellington City Ambassador "speed dating" training sessions and have weekly contact with the i-SITE sales team to support them to encourage visitors to experience ZEALANDIA.

"I enjoyed the whole experience and especially the inspiration... I left Zealandia thinking every city and town should have such places...Well done to all those who now work there, paid employees and volunteers, and those who have previously done so. A highlight of our cruise to New Zealand. We will be back."
 - ZEALANDIA Visitor.

Total Visitation - Year on Year



ZEALANDIA Annual Report 2015 / 2016



More Accessibility for Everyone



We have continued working with Be. Accessible to further improve the accessibility of our facilities and valley. Last year we reached Bronze status, and this year auditor, Sandie Waddell, awarded us Silver status. We achieved this by making our website easier to navigate and ensuring that accessibility information at ZEALANDIA was more prominent. We improved signage and trained staff about how best to assist people with accessibility challenges. ZEALANDIA aims to achieve Gold status next year. We plan to asphalt the entire red track, making it easier for all our visitors to enjoy ZEALANDIA's natural beauty. Guidance and feedback from the Be. Accessible team has been invaluable.

ZEALANDIA aims to provide an inclusive and accessible experience for everyone. Thousands of families who may not have otherwise visited, joined us for Open Weekend in May. Rata café hosts free story-telling sessions every month for under-5's and parents with buggies can visit the sanctuary for \$10 with 'Buggies Go Bush' every Wednesday morning. Members are able to bring up to five non-members with them for half-price admission, and students, seniors, and children receive discounted admission. We support local schools, kindergartens, and community groups who have shared goals by donating passes to help their fundraising and give members of the wider community a chance to visit.

Our Special Visitor: Sirocco



Sirocco, our special visitor at ZEALANDIA.
Photo credit: All Little.

"We have been fortunate in seeing some of the worlds most endangered animals in wild, mountain gorillas, rhino, pandas in Chengdu and Hector dolphins, just to name a few. So seeing one of THE most endangered species was extremely exciting and special. (Sirocco) knew he was the centre of attention and it was a privilege to meet this charismatic bird, sorry, ambassador!"
- ZEALANDIA Visitor.

Sirocco swooped in for another visit: 2,881 people came to ZEALANDIA to see him between August and September 2015. Acting as guides and kākāpō handlers, 51 volunteers contributed 1,500 hours.

On Sirocco's arrival, ZEALANDIA hosted a media evening and there were a number of one-on-one encounters with star-struck dignitaries. The cameras were certainly rolling. Australian photographic artist Leila Jeffreys had an intimate photo-shoot with Sirocco; images from this have been published in her acclaimed book Birdland. Renowned National Geographic photographer Joel Sartore photographed Sirocco for National Geographic's Photo Ark project. The Moe Show produced a lively TV segment with Sirocco and local children.

Sirocco is more than just an enigmatic ambassador for kākāpō and celebrity, with a wide fan base and active Twitter presence. As a travelling 'spokesbird' he is a tangible reminder of how important it is to save our special taonga – not only kākāpō but other endangered species. He touches people's hearts. He is the People's Parrot.



Sirocco was also the focus of ZEALANDIA's Wellington on a Plate event, Kākāpō and Kai, attended by 80 guests over two nights. Guests enjoyed a two-course dinner featuring native ingredients like pikopiko, karengo, kawakawa, supplejack and horopito. The meal was accompanied by a talk about these plants and of course, a tour to see Sirocco, the Very Important Parrot.

Other VIP Visitors

ZEALANDIA continues to receive a large number of requests to host national and international dignitaries who wish to participate in the unique experience of one of our guided tours. This year we have welcomed visitors including the American Ambassador, Mark Gilbert; Iran's Ambassador, Jalaladin Namini Miyanji; Iran's Minister of Foreign Affairs, Dr Mohammad Javad Zarif; Mike Barclay, CEO of Wildlife Reserves Singapore; Bill Oddie, former Goodie and British birding celebrity; Steve Winter, National Geographic Photojournalist; Julian Dennison, actor in *Hunt for the Wilderpeople*; and Nehe Milner-Skudder, *All Black*.

Educating and Engaging the Next Generation



At ZEALANDIA we want to foster young people's passion for the natural world. At ZEALANDIA we run school day trips, sleepovers, kid's night walks, educational outreach, holiday programmes and ambassador programmes and other fun events like Easter Egg hunts. The Education team also engages with other youth groups including Scouts and Early Childhood Education, as well as tertiary groups.

We had 9,478 education visitors (including Learning Experiences Outside the Classroom (LEOTC), Tertiary, Early Childhood, School Holiday Programme) in 2015/16 – 13% above target and 2,588 more than the previous year.

ZEALANDIA is committed to engaging with students from all backgrounds, especially those who are under-represented in conservation, education and action, giving them outstanding access to, and contact with, our country's unique flora and fauna. In 2015/16 the Hutt Mana Charitable Trust provided transport for 1,183 students, teachers and whanau from 17 lower decile schools to visit ZEALANDIA on one of our education programmes.



In November 2015, 43 students, leaders and parents from Masterton Intermediate School had a sleepover experience at ZEALANDIA. During their night tour, students encountered tuna (eels), tuatara, kiwi, pāteke and takahē. Feedback was very positive. This was one of 50 different school and non-profit groups to experience Education Night Tours and Sleepovers in 2015/16.

"I can't wait to go home and tell mum how exciting this is!"
- Student

In February 2016, 58 students from Glenview School visited ZEALANDIA free of charge through the Hutt Mana Bush Explorers programme. Glenview is a Green Gold Enviro-school and ZEALANDIA's Education team have worked closely with them to protect native biodiversity. Very few of these 5 to 11 year old students had visited ZEALANDIA before or spent time in the bush.



Our Education Outreach programme involves clusters of schools and communities that are working to make their local areas safe for Wellington's native biodiversity. Through tracking and trapping programmes, we aim to engage students' hearts and minds in their own neighbourhoods, helping them make a difference and feel a sense of ownership by setting up a mini ZEALANDIA in their own schools. In 2015/16 1,767 students from 36 schools were involved.



ZEALANDIA trading card game developed by the Education team.

The Education team has continued to develop some outstanding resources for teachers and other educators throughout the year. One of these resources is the ZEALANDIA Trading Card Game, an appealing collectable that features a range of native species. The team, with support from WWF New Zealand, has also developed the freely available 'Can we make New Zealand pest-free?' online resource that enables teachers who do not have access to ZEALANDIA to be part of this ambitious initiative.

ZEALANDIA's connections with WWF-New Zealand, the Department of Conservation, Forest & Bird, Wellington City Council and Greater Wellington Regional Council continue to grow, and we play a key role in the Wellington Region Environmental Educators Forum (WREEF) which leads the way in environmental education collaborations nationally. WREEF representatives from 20 organisations meet periodically and gain significant benefits through online forums where educators share regional calendars and information networks.

This year ZEALANDIA hosted a number of international visitors and university groups. These groups visited us to learn about biodiversity and nature restoration, to understand more about eco-tourism in a nature conservation context, and for a host of other reasons. Below are just a few examples of these visits:

Twenty biology major students from Mount St Mary's College (New York) and Ohio Northern University visited to gain an understanding about our habitat restoration and increasing biodiversity. They attended a seminar with Education and Conservation staff, a guided walk, and weeded an area previously planted by students from Te Aro School.

"Everyone was very accommodating at ZEALANDIA – I felt that every student's question was answered sincerely and thoughtfully – just a wonderful experience – Thanks!"
-Teacher.

Eco-tourism students from Elon University, USA were hosted by volunteer and Guardian, Roy Sharp. During their trip to New Zealand they experienced different types of adventure-based learning with a focus on understanding the special niche each activity has in the overall tourism market. Roy also played host to 10 students from Winona State University, Minnesota USA, who learned about leadership and the importance of culture and context in organisational development.

ZEALANDIA has continued to provide an important resource for Victoria University of Wellington courses. Approximately 40 Conservation Biology students started their academic year with a series of lectures in our upstairs exhibition space. Conservation Ranger Neil Anderson gave an introductory talk about what we do and how we do it at ZEALANDIA with a focus on research opportunities.

Communications and Media

The 2015/16 year saw ZEALANDIA's reputation as a major conservation organisation further enhanced with over 70 stories appearing in local, national, and international news outlets. The articles included conservation activities, business stories, and tourism features. Highlights included a mention in The Guardian and a National Geographic photoshoot and documentary.

Our social media presence grew significantly with a 64% increase in Facebook fans, a 25% increase in Twitter followers, and a 175% increase in Instagram followers. Over the past 12 months, we have been ranked on TripAdvisor consistently between 4th and 5th of 200+ attractions in Wellington, and received positive feedback through all channels, such as this five-star Facebook review in December:

"We LOVED this stunning place, teeming with New Zealand native wildlife and the birds were happily singing all around us!! I especially loved how the wildlife was in its natural environment and predator free. I grew up on a bush clad farm in South Canterbury and I saw species I never thought I would see in the wild, such as the Tuatara, Saddleback/Tieke, Stitchbird/Hīni, and Whitehead/Popokotea. We were pleasantly surprised to see guides dotted around the track who were very friendly and knowledgeable. It was number 1 on my list of things we did on our short visit to Wellington this weekend and I will definitely be back."

-Kelly on Facebook.

In 2016 we began development of a new website and Customer Relationship Management database to enable us to provide a greatly improved service to our members and visitors. The new website will be launched at the beginning of the 2016/17 financial year and will include online membership renewals, donations, an online shop, and refreshed content as well as being mobile-friendly.



Kererū at ZEALANDIA.
Photo credit: Chris Helliwell.

Our Research Partners and Advisors



Since 2014, Dr Rachael Shaw, a postdoctoral research fellow at Victoria University, has been studying the behaviour and cognitive abilities of wild toutouwai (North Island robin). These small song birds are endemic to New Zealand and evolved without mammalian predators. As a result, they are bold, curious and pretty fearless – making them ideal volunteers for cognition research in the wild. By discovering how these birds learn and interact with their environment, Dr Shaw hopes to develop strategies that can help vulnerable species learn to recognise and avoid threats they may encounter once they move outside the protection of ZEALANDIA’s fence.

Photo credit: ZEALANDIA.

Research is a central component of ZEALANDIA’s mission to improve our understanding of New Zealand ecosystems. In 2015/16 the sanctuary hosted over 10 researchers covering topics that range from the success of the spotted skink transfer to the dispersal and survival of kākārīki outside the fence. This work not only adds to the body of scientific knowledge but also helps support evidence-based species management at ZEALANDIA. Hosting researchers at ZEALANDIA from a wide range of disciplines will be ever more crucial as we seek to understand and apply the learnings from ZEALANDIA in the broader conservation landscape.

We have enjoyed a long and close relationship with Victoria University of Wellington as they supported us from the start with researchers embarking on exciting new research projects inside the sanctuary. This year we further strengthened the relationship by signing a Memorandum of Understanding aimed at establishing an interdisciplinary urban ecology research centre at ZEALANDIA in partnership with the University, to foster the development of new knowledge and establish the research centre as an internationally-recognised knowledge hub in this fast-evolving area.



Denise Church and Grant Gullford signing an MOU.
 Photo credit: Victoria University of Wellington.

A Thought Leaders Reference Council has been established to support our second-generation (2016-2035) strategy aimed at enriching and extending ZEALANDIA’s impact and contribution to New Zealanders living with nature. The Council consists of national and international leaders from across disciplines who will:

- advise the CEO and Board about ZEALANDIA’s research programmes and key areas for influence and engagement.
- participate in ZEALANDIA conferences, seminars, speaking tours and research residencies; and
- provide introductions to other influential thought leaders.

This Council currently includes Ruud Klienpaste (“The Bugman” and ecological consultant), Dr Timothy Beatley (American sustainable city researcher and author), Professor Iain McCalman (Australian author, historian and social scientist), Dr James Buwalda (strategy and innovation advisor), and Professor Bruce Clarkson (University of Waikato’s Deputy Vice-Chancellor Research, one of NZ’s foremost authorities on ecological restoration). The Council is chaired by Emeritus Professor Charles Daugherty.

Networks for Nature: Local, National and Global



The natural world is inherently interconnected – something we must emulate if we are to have a positive, landscape-scale impact, and achieve our targeted conservation outcomes both inside and beyond the ZEALANDIA fence. Our partnerships and collaborations locally, nationally and internationally are fundamental to the achievement of shared goals and we continue to extend our networks for this purpose.

One of the important collaborative projects we are part of is Nature Connections, which helps us coordinate with local and regional partners to deliver outstanding visitor experiences based on Wellington's rich nature stories. Nature Connections' Wellington's Wild Things 2015/16 campaign challenges families to get outside (less screen time and more green time) and find ten unique "Wild Things" hidden around the Greater Wellington region. The response to the campaign has been a huge success, with over 6,800 collaborating followers.

The Wellington Zoo continues to be an important and close partner, caring for our wildlife and playing a crucial role in the shared goal of conservation outreach and education across Wellington. Within the zoo, The Nest Te Kōhanga provides essential specialist wildlife healthcare for ZEALANDIA, and hosted Puffin, our female takahē,

for two weeks in September with tendon issues due to old age. Te Kōhanga has increasingly been treating kākā chicks from outside the sanctuary and ZEALANDIA is often used as a safe release site for these birds.

We are also collaborating more closely with local community groups and other mainland sanctuaries through the "Seven Sanctuaries" initiative. Zero Invasive Predators (ZIP) and Conservation Volunteers New Zealand (CVNZ) both have onsite offices and we benefit greatly from the opportunity to discuss and share information about New Zealand conservation and restoration.

ZEALANDIA is also becoming more globally connected. We signed an MOU with the Woodland and Wetlands Trust in Canberra and hosted a delegation from Singapore Wildlife Reserves, who are interested in developing a snake-proof fence. We are developing closer links with the Royal Society for the Protection of Birds in the United Kingdom, a long established conservation organisation, to work together to further improve the ZEALANDIA experience.

Our Support Partners, Sponsors and Donors:

As a community-based organisation, ZEALANDIA relies on the generous support of a wide range of individuals and organisations from within our extended community. Their ongoing support through grants, donations, subscriptions, technical advice and other in-kind donations is absolutely critical to ZEALANDIA's success and we would like to thank all our major sponsors and supporters.

Our close partnership with Wellington City Council is one of those pivotal relationships. The Council provides financial support through an annual grant, and we enjoy an increasingly close working relationship across all aspects of Council planning for increased tourism, creating our city as a desirable place to live, and as an internationally leading, nature-rich capital. During this year we have actively worked alongside our Council colleagues to finalise details of the sale of ZEALANDIA's Visitors Centre, allowing us to repay the loan on this building and moving us closer to being debt-free.

Donations and sponsorship appeals continue to be important to the sanctuary. ZEALANDIA could not have built its fence or taken on many of its conservation projects without the generosity of others supporting our

500-year vision. In 2015/16, the sanctuary raised over \$80,000 that directly supported the translocation of the spotted skink, installation of the electric vehicle charging stations and the solar panel project. These donations and over \$200,000 of bequests make so much possible. One generous donor has allowed the Education team to work in the community, engaging with 1,767 students in their own schools and communities. This sponsorship has also allowed the Education team to visit other educators and improve their programmes.

Grants received from other trusts have also been significant, enabling activity such as:

1. The Hutt Mana Charitable Trust grant provided transport funding that allowed 1,183 students to visit ZEALANDIA through the Hutt Mana Bush Explorers programme. This programme allows low decile students from low decile schools to have a unique experience within the valley.
2. The Trust House Foundation grant enabled ZEALANDIA to purchase 45 traps and housing along with material to produce tracking tunnels to allow schools to set up their own sanctuaries. These traps increase the halo while teaching students life-long environmental stewardship.

We wish to offer our sincere thanks to the following for their generous support in 2015/16:

Principal Funder and Strategic Partner

Absolutely Positively
Wellington City Council
Me Heke Ki Pōneke

Strategic Partners



Founding Supporters

NZ Lotteries Grants Board	Keith Taylor Charitable Trust
Todd Corporation & Todd Foundation	The Fletcher Trust
Greater Wellington Regional Council	The Community Trust of Wellington

Kākā (Gold) Supporters

Russell McVeagh	New Zealand Community Trust
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Tūi (Silver) Supporters

The Holdsworth Charitable Trust	W.N Pharazyn Charitable Trust
R&D Evans Charitable Trust	Stout Trust

Hihī (Bronze) Supporters

Noel & Joanna Todd	Ministry of Tourism
The Kinsky Family Trust	The Fleming Family
Karori Brooklyn Community Trust/The Lion Foundation	Nature Heritage Fund
Trusthouse	The Pacific Development & Conservation Trust
	Pub Charity

Community Supporters

The Rotary Club of Karori	Forest & Bird
Karori Lions Club	The Combined Rotary Clubs of Wellington

Business Supporters

GO Wellington	Fletchers Construction
Tuatara Breweries	The Dominion Post
Centaman System	Designworks
Kaimira Estate Wines	Steam & Sand
Beca	

Other Supporters

Ngāti Kuia	WWF-New Zealand
Ngāti Pāoa	Ernst & Young
Te Kawerau ā Maki	Massey University
Ngāti Manuhiri	Waikato University
Ngāti Tahu	Landcare Research
Ngāti Toa	Wellington Zoo
Ngāti Koata	Museum of Wellington Te Papa Tongarewa
Te Ahi Awa ki Whakarongotai	Techsoup/Microsoft
Port Nicholson Block Settlement Trust	Wellington Botanical Society
MetService	Birds New Zealand (OSNZ)
Ministry of Education	PricewaterhouseCoopers
Woolyarns Ltd	Harbour City Security
Dorothy L Newman Charitable Trust	Hyve Communications
Endangered Species Foundation	A.J Wills
Sally Gray	Hutt Mana Charitable Trust
Weta Digital	Greater Wellington Regional Council

Business Goes Bush & Corporate Members

Bolton Hotel	Kenex Knowledge Systems
Tregaskis Brown	Intergen
	Leadership Matters Ltd



A staff member at work on a quad bike at ZEALANDIA. Photo credit: Kristine Zipfel.



Outreach Education Wainuiomata. Photo credit: Bill Beale.

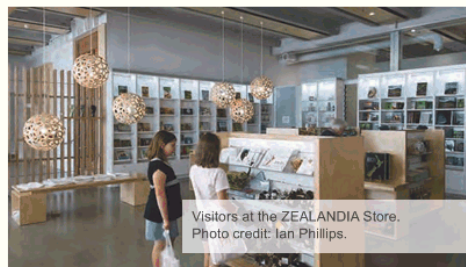


Visitors walking in ZEALANDIA. Photo credit Chris Helliwell.

Bequests

Bequeathing a gift is one of the ways people can support ZEALANDIA. These special donations allow us to continue our work for generations to come.

Peter Lapsley was a committed and passionate Foundation Member of the Karori Sanctuary project. He volunteered for many years and enjoyed attending lectures. A much loved member of the team, his frank views about matters of the day and his quick, enquiring mind always made for interesting tea breaks. Peter was diagnosed with cancer in 2014 and sadly passed away in March 2015. Another facet of Peter's big-hearted nature then revealed itself. In his final months he had planned to make gifts from his estate to a number of projects that he had supported and believed in. Peter's generosity enabled us to complete the first phase of our refurbishment of the top floor exhibition space, and also to pay-off a significant lump sum on the remaining loan for the sanctuary fence. We would like to acknowledge and thank Peter and his whānau for their generosity in choosing to support ZEALANDIA.



Enjoying Our Visitors Centre

With over 125,000 visitors this year, our Visitors Centre has provided a welcoming and vibrant hub for people to meet, eat and learn.

"The friendly welcoming staff had lots of great information about the many birds and wildlife we got to see."

-ZEALANDIA Visitor.

Rata Café offers modern cuisine with a conscience and a native twist. Our ethos is working with what nature provides to make delicious food and drink that is not only sustainable, but gives back to the earth. Bees from our donated beehive are now producing organic honey as well as pollinating local flora. We plan to plant a community orchard opposite 31 Waiapu Road in 2016/17, to provide fresh fruit for locals. A small group of volunteers ensure that the tables have interesting arrangements of native plants.

Rata has 12 Conscious Consumers badges and we are on track to achieve another. We are carbonZero certified and all our revenue goes back into conservation efforts

at ZEALANDIA. We compost all food waste, napkins and coffee grinds to grow organic produce in our vegetable garden. If we cannot grow it ourselves, we try to source it locally. All other waste is recycled where possible, and we use biodegradable packaging and planet-friendly cleaning products. We also use organic milk, free range eggs, chicken and pork, and sustainably-sourced seafood to create our delicious seasonal menus.

At the ZEALANDIA Store we have sourced local and New Zealand made products that offer a range of attractive gifts and mementos for visitors.

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ZEALANDIA function spaces have been enjoyed by government departments, and local and international businesses. ZEALANDIA continues to be a uniquely desirable setting for weddings.

"It was an absolutely lovely wedding day and we owe you guys a huge thank you. The food was absolutely delicious, you have to let the chef know he did such a wonderful job. Everybody praised the food and thoroughly enjoyed every bit of it. You have to also thank the staff who were so helpful and attentive throughout the evening. The whole place looked magical and it was exactly as we had imagined it. So thank you ever so much for facilitating this. We are happy and would highly recommend this to others."

-ZEALANDIA Wedding Guest.

Function spaces available	Capacity (people)
Heritage Lawn	200 - 300
Hihi Room	12
Visitor Centre Foyer	50 - 80
Rata Café and Balcony	130
Exhibition Area	180 - 200
Historic Boatshed	20 - 30

Our ability to utilise the top floor exhibition space as a functions venue has opened up opportunities for larger events. ZEALANDIA first used this space for our annual Volunteer Appreciation Dinner in December when 140 volunteers attended. We seated 180 people for a Royal Society Lecture with birding celebrity Bill Oddie.

ZEALANDIA also hosted several important launches and announcements:

- Launch of the Endangered Species Foundation
- Appointment of Nicola Toki as DOC Threatened Species Ambassador
- Announcement by Conservation Minister Maggie Barry of \$11.2 million for kiwi conservation
- Announcement of project to sequence the genomes of every living kākāpō (a world-first for an entire species)
- Signing of MOU between ZEALANDIA and Victoria University of Wellington
- Signing of MOU between ZEALANDIA and Woodlands and Wetlands Trust

Other groups have utilised our spaces for workshops, seminars, conferences, AGMs and university courses.

Evening seminars at the Visitors Centre:

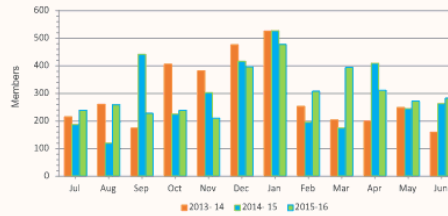
- Making History with Mary O’Keeffe and John Morrison
- A Little Bird Told Me with Paul Forrest
- Pāteke at ZEALANDIA with Katie Sheridan
- Fantails of Wellington City with Nyree Fea
- Hihi Recovery Group Update with Victoria Franks, Kate Lee and Dr John Perrott
- Engineering Conservation with Michael Kerr

The ZEALANDIA Team

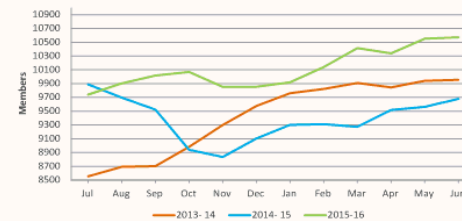
Our Members

ZEALANDIA now has over 10,500 members – our highest number ever. Our members are involved in every element of the organisation: visiting, volunteering, supporting our holiday programmes, and contributing generously to fundraising efforts and spreading the word about all the work we do. ZEALANDIA gained an average of 302 members per month during the year and increased membership retention to 74%. Member visits increased in 2015/16 to 25,920, 27% more than last year. Members enjoy exclusive access to the valley during our members-only extended summer opening hours. Our members provide an absolutely vital underpinning for ZEALANDIA and we thank them for their continuing support.

New Members Year on Year



Total Members Year on Year



Our Volunteers



The ANZ volunteer team.
Photo credit: Shwetal Naik.

As a community-based organisation, ZEALANDIA's volunteers are our lifeblood. Thanks to their commitment and dedication ZEALANDIA is a world leader in ecological restoration. Over 400 volunteers dedicated in excess of 30,000 hours in 2015/16, doubling our workforce and taking on crucial tasks such as weekly fence checks, track maintenance, bird feeding and monitoring, guiding, and biosecurity control.

ZEALANDIA's 225 hectares requires significant upkeep, this includes monitoring and maintaining over 32 km of tracks, our 8.6 km fence, and various bridges, drains, and buildings. This effort would be impossible without the regular help of volunteers who do everything from changing tap washers to clearing vegetation; acting as biosecurity guards to monitoring, feeding and banding many of our birds.

Volunteer guides shared their knowledge and enthusiasm during 1,000 free guided Walk and Talks, helping raise awareness of our unique conservation challenges while inspiring and delighting visitors.

Corporate volunteer groups provide much needed assistance to our teams enabling projects like track maintenance to be completed in a greatly reduced time. In February a corporate group from ANZ helped the team build a new set of steps on the Round the Lake track. They carried all the raw materials up to the site (no easy feat), and constructed the stairs. Thanks to their help, the track remains safe and accessible for visitors and volunteers.

"Our guide, Wayne, was full of knowledge and was passionate about it. We learnt SO MUCH on our tour. Wayne was absolutely wonderful, kind and funny and he deepened our understanding of the sanctuary... by ourselves we would not have been able to appreciate the sanctuary as much as we do now. Wayne gave me one of the best tours in my life... He is an absolute treasure."
-ZEALANDIA Visitor.

The Schaef Award



Faye Schaef began as a ZEALANDIA volunteer in 1999 and was a very active member of the Hihi Team. She passed away in 2015 and this new award recognizes her tremendous contribution to ZEALANDIA. The Faye Schaef trophy (a replica of the Slow Rise sculpture on the Round Lawn) is awarded to a volunteer who exhibits the qualities and characteristics that Faye embodied: kindness, generosity, modesty, dedication, friendliness and approachability.

At the 2015 annual Volunteer Appreciation Dinner the Schaef Award was presented to Judi Lapsley Miller. Judi's particular passion is kākā; she has worked with the Conservation team to help lead the kākā programme for many years. Judi was also instrumental in establishing and encouraging the Sanctuary Storytellers group – this volunteer group of photographers, writers, proofers and designers has produced some excellent material for ZEALANDIA, sharing their passion for nature with local, national and international audiences. They produced our 2016 calendar, raising almost \$4,000 for ZEALANDIA. Judi has been a tireless supporter and promoter of ZEALANDIA volunteers and a member of the Volunteer Advisory Group.

This Volunteer Advisory Group continue to help identify areas where the volunteer experience can be improved. The group led a volunteer survey, the first in a number of years, to gauge volunteer satisfaction and help us learn more about the profile and motivations of our volunteers. The 200 plus responses indicated a strong connection among volunteers with ZEALANDIA's mission, and feeling of accomplishment and contribution to an important cause through their volunteering. Communication was identified as an area for improvement. Achieving even greater levels of satisfaction and enjoyment for all volunteers who contribute to ZEALANDIA will be a focus for the coming year and we are initiating a significant project to achieve a far greater level of integration of volunteers within our organisational structure. The project will draw from the approaches of leading volunteer-based organisations internationally, advice from local experts and from our own volunteer community.

Our Management and Staff



ZEALANDIA is fortunate to attract outstanding staff, and this year's great results are testament to the passion, dedication and hard work of all ZEALANDIA staff.

The first five months of 2015/16 saw Russ Drewry and Ian Philips sharing the role of Acting Chief Executive while the search process and appointment of a new Chief Executive was completed. As mentioned earlier, we are very grateful to them for stepping-in at this crucial time. Paul Atkins joined us as Chief Executive in November 2015.

At the end of this year we farewelled two colleagues who have been part of the ZEALANDIA family for a combined period of over 30 years.

Raewyn Empson, Manager Conservation, Research, Learning and Experience, first came to the Karori Sanctuary on secondment from the Department of Conservation to plan and implement the pest eradication within the sanctuary. She never left. Raewyn's conservation skills and experience are the stuff of legend and whilst wishing her all happiness in her retirement, we are also delighted that she is now frequently back in the valley as a volunteer!

Matu Booth, our Lead Ranger for Conservation, was employed by Raewyn in 2000 and became a key leader in the Conservation team, amassing a significant body of knowledge about the myriad of species within our ecosystems. We congratulate Matu on his appointment as the new Manager at Waikanae's Nga Manu Nature Reserve in June 2016.



We welcomed Raewyn and Matu's successors, Danielle Shanahan and Jo Ledington, to the team in early 2016/17.

Looking ahead, we are developing exciting new opportunities for staff to further their professional development. This will include staff exchanges with partner organisations such as the Woodlands and Wetlands Trust in Canberra.

Our Apprentices and Interns

Ashley Joy joined the ZEALANDIA whānau in 2012 as part of the Gateway programme encouraging secondary school students to obtain additional National Certificate of Educational Achievement credits in a work-based environment. He became our Sanctuary Care apprentice in 2014. This allowed him to continue to develop and work towards a Level 4 Diploma in Horticulture which he has recently completed. Ashley is now a Ranger at ZEALANDIA and will help mentor and train our next apprentice.

"Ever since my apprenticeship started I've noticed my confidence and knowledge growing. I love being in a place where contagious knowledge and passion oozes out of everyone and am so grateful for the skills I've learned such as tour guiding, managing volunteer groups, preparing projects, and for the support I've had from everyone."
-Ashley Joy.



ZEALANDIA values the reciprocal benefits interns bring. Through organisations such as Live New Zealand and the Higher Education Consortium for Urban Affairs (HECUA), tertiary students come to ZEALANDIA and gain hands-on training in educational work, valley maintenance and conservation field work. In return, ZEALANDIA gains committed volunteers for periods of up to three months. They bring new ideas and fresh focus to our teams. In the last year, we hosted 8 interns in education and conservation.

Governance: the Board and Guardians

The Karori Sanctuary Trust Board is responsible for governance of the Trust's activities. The Board met monthly over the 2015/16 year, including a strategy meeting and tour of "Meet the Locals" at Wellington Zoo. Significant work included appointment and induction of Paul Atkins as Chief Executive in November 2015, development of ZEALANDIA's 2016-2035 strategy, and progression of the proposal (now approved by Wellington City Council) to sell the Visitors Centre to Council and fully repay the building loan. The Board reviewed and revised the terms of reference for the Audit and Risk Committee.

Trustee Professor Charles Daugherty ONZM retired from the Board in December after more than six years of significant contribution. We are delighted that Charles retains active links with ZEALANDIA as Chair of the newly established Thought Leaders Council. In early 2016, we welcomed new trustees Professor David Bibby CNZM and Russell Spratt, who bring diverse experience and networks to the Board.

The Board maintained a regular practice of self-review and will undertake a Board evaluation process in late 2016.

ZEALANDIA's Guardians provide a long-term strategic perspective on the sanctuary's evolution. The Guardians meet quarterly and are briefed by the Board Chair and the Chief Executive. This year, the Guardians worked closely with the Board on changes to the Trust Deed to reflect the new process for Council appointment of Trustees. The Guardians also focused on key directions and options for the 2016 – 2035 strategy. Professor Roy Sharp joined the Guardians in October 2016 as a member elected Guardian, and Hannah Buchanan joined the Guardians in early 2016 as nominated representative of the Tenth Trust.

The Board is grateful for the support and counsel of the Guardians during the year and in particular the significant input made by Guardians Chair Jim Lynch.

ZEALANDIA Annual Report 2015 / 2016

Nature at Our Place:

Our Conservation Successes

There were no predator animal incursions detected during the last year, a huge credit to the many fence-checking volunteers who work constantly with the Sanctuary Care team to ensure our most important asset is intact and functioning. A huge 'bait-out' effort, led by the Conservation team but involving many staff and volunteers from across the organisation, was incredibly successful. As a result, mice are being maintained at very low numbers inside the sanctuary.

Among the sanctuary's unsung heroes are the weed team who work tirelessly grid-searching the valley with a host of helpers looking for 44 high-priority environmental weeds. The impact of the weed control over many years has shown an impressive impact, 49 species have declined to very low levels of infestation.

The Conservation team is often busy coordinating the management of the species that have been reintroduced into the sanctuary, with some outstanding and ongoing successes. For example, ũeke are now regularly found outside of the sanctuary, as are kākāriki and kākā.

The valley's tuatara continue to thrive, 10 years after the first translocation. A census carried out in December counted 69 animals, of which 21 were juveniles, and revealed some of the heaviest individuals ever recorded.



Maud Island frogs being transferred. Photo credit: Janice McKenna.

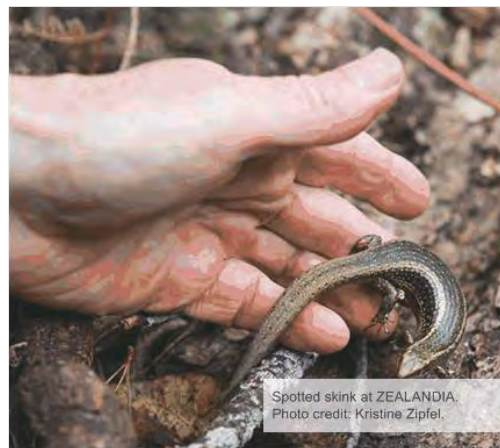


Tuatara at ZEALANDIA. Photo credit: digitaltrails.

Maud Island frogs are breeding successfully. In March ZEALANDIA partnered with Victoria University of Wellington to estimate their population, revealing over 60 individuals. ZEALANDIA contributed to broader conservation efforts by transferring several frogs to Wellington Zoo's Meet the Locals area.

Working with iwi, volunteers and Wellington City Council the first rifleman translocation into ZEALANDIA is planned for March 2017. This will be our tenth passerine/parrot translocation.

	Kākā	Hihī	Kākāriki
	<small>Photo credit: Kristine Zipfel</small>	<small>Photo credit: Janice McKenna</small>	<small>Photo credit: Chris Helliwell</small>
Number banded in 2015/16	118	94	195
Total number ever banded at ZEALANDIA to year end 2015/16	756	829	834



Restoring Our Kākā



The kākā project's success secures ZEALANDIA's reputation as a leader in reintroduction expertise. It also shows what can be achieved through urban restoration partnerships and the combined efforts of our people. Since the introduction of just 14 birds beginning in 2002, more than 750 kākā have fledged and flown into the skies of Wellington.

Many people have contributed to making this project a success: the Founders, ZEALANDIA Members, volunteers and staff who established and maintain the sanctuary and reintroduced the kākā, and Wellington Zoo and sanctuary staff and volunteers who band chicks and monitor nest boxes. Many local 'citizen scientists' contribute to improving our understanding of kākā expansion across Wellington City region by recording their observations through eBird or Nature Watch New Zealand. ZEALANDIA's Education team has also helped many school children and teachers to make their own neighbourhoods safe for kākā expansion.

There are conservation challenges that must still be tackled to ensure that kākā remain a special feature of the Wellington landscape. These include heavy metal exposure, inappropriate feeding that leads to increased chick disease and mortality, and predation outside the fence. The best way to address these issues will be through ongoing partnerships and new research that explores the human dimensions of urban reintroductions.

Wellingtonians can help kākā by joining one of the local Predator Free groups (or setting one up) to reduce predators in their neighbourhoods. It is also best to not feed kākā – instead plant a tree!

Hihī, tīeke and kākāriki dispersal is also increasing outside the fence but these species are more susceptible to predation than kākā. We continue to work with WCC and partners to help make more areas safer for these species.



Kākā Project History

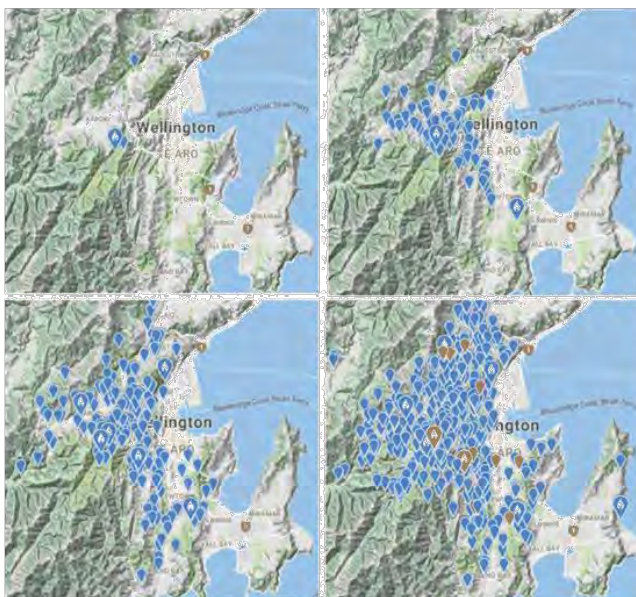
Restoration:

A total of 14 captive-bred juveniles from Auckland Zoo (3), Hamilton Zoo (3), Otorohanga (3), Pūkaha/Mount Bruce (2) and Wellington Zoo (3) were translocated and released inside the sanctuary between 2002 and 2007. Breeding first occurred in 2003. Since then, the population has increased steadily, with one or two clutches of 3-5 chicks per pair being hatched each year. In 2007 the 100th kākā chick was banded at ZEALANDIA, the 500th in 2013 and in April 2016 the 750th was banded. This was one of the last birds to be banded at ZEALANDIA and one of ten kākā transferred to establish a new population at the Cape Sanctuary.

Photo credit: Judi Lapsley Miller

ZEALANDIA Annual Report 2015 / 2016

Item 2.3 Attachment 2



This map shows the range expansion of North Island kākā in Wellington between 2003 and 2015 after the initial translocation to ZEALANDIA (ebird). Each yellow blue dot represents a kākā sighting, demonstrating the impact ZEALANDIA is having on biodiversity outside the fence. Red dots represent bird hot-spots.

Sustaining our Valley

Biosecurity is critical for ZEALANDIA, and is a major area of staff and volunteer time investment. After planning and building the fence, successfully eradicating pests and reintroducing many species, it is critical that we maintain vigilance to keep our valley safe. Our main biosecurity concerns are maintaining the integrity of the fence and managing visitors' bags. We do this with the support of many volunteers. In 2015/16 our volunteers

walked over 500,000 metres checking the entire fence line weekly for any damage or maintenance needs. As part of our essential biosecurity measures, 24 volunteer hosts helped the team to ensure that our visitors check their bags for undesirable plant and animal pests before they enter the valley. We do all of this so that species like tīeke and hihi can have the opportunity to flourish and grow their populations.



Aerial valley photo of ZEALANDIA. Photo credit: Rob Suisted.

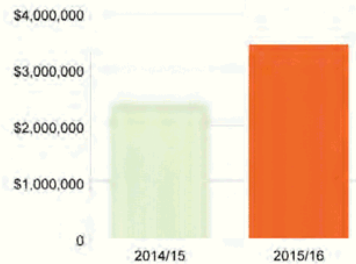
Building Our Future:

Building enduring financial strength:

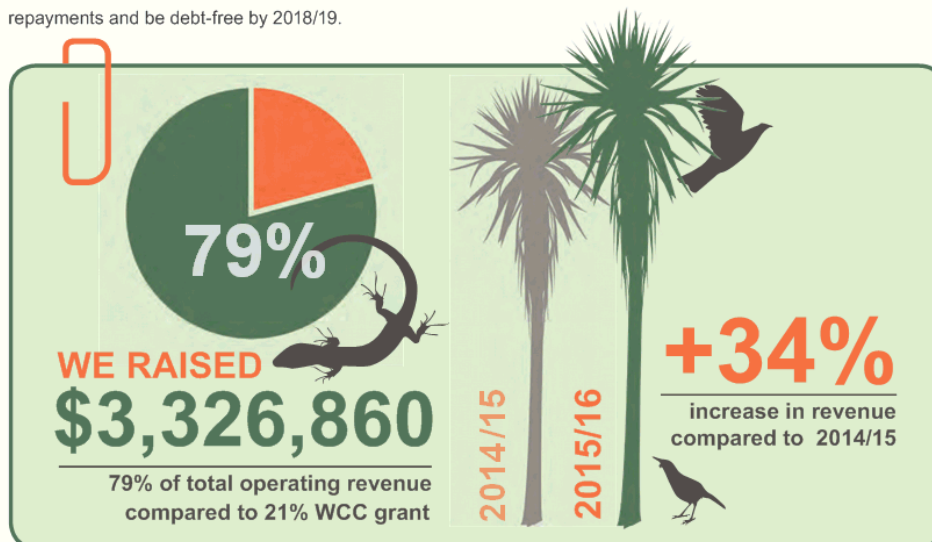
2015/16 was a pivotal year with ZEALANDIA's year-end finances demonstrating a significant turnaround as a consequence of our recovery strategy Relationships + Reputation + Revenue = Recovery. Key indicators of our financial success are:

- Revenue has grown from \$2,474,784 in 2014/15 to \$3,326,860 in 2015/16. A 34% increase. Major contributors to this have been the increase in memberships, up almost 10% to 10,500 in 2015/16; visitor numbers which hit 126,000 this year, compared to a high of 99,500 previously; and the excellent performance of our retail, functions and café businesses which all made significant contributions to the bottom-line result.
- This growth in revenue, combined with careful management control of expenditure, has led to our first net operating surplus of \$107,892 in 2015/16.
- Of equal importance is our working capital buffer which has been built over the last year. As at June 30 we had \$333,354 working capital available.
- With the unanimous support of Council, the sale of the Visitors Centre will be completed in early 2016/17, along with repayment of the associated loan. Combined with the generous bequest from long-time supporter, Peter Lapsley, ZEALANDIA is now able to clear all other outstanding loan repayments and be debt-free by 2018/19.

Annual Earned Revenue



These results allow us to approach the future with a high degree of financial and business security. The 2016/17 budget targets further revenue growth, continued stringent management of expenditure budgets, building of additional working capital and, of greatest significance, reinvestment of capital into high priority developments such as the establishment of the ZEALANDIA research centre focusing on cutting edge, interdisciplinary research on all aspects of urban ecology.



Making Us Safer

The Health and Safety at Work Act (2015) replaced 1992 legislation and has led us to change how we approach health and safety as an organisation. We have reviewed and improved elements of our reporting, training and risk assessment. The Board of Trustees commits time during every meeting to look at specific areas of the organisation in detail, often walking that space and engaging with staff on health and safety matters.

Membership of the Health and Safety Committee has been reviewed to ensure it has representation from across the whole organisation, with a focus on consultation and inclusive decision-making. Suggestions arising from these meetings have led to emergency scenario training drills for night guides, and practical fire-fighting training for staff will be arranged in 2016/17. Our two-way radios have been upgraded from analogue to digital to improve coverage and reliability. Our CE is a member of the Business Leaders' Health and Safety Forum which is committed to improving health and safety outcomes through effective and inspired leadership, influencing others, and shared learning.

Making Us More Sustainable

ZEALANDIA contributes to making Wellington a more liveable city. At our 20th anniversary celebrations in July we signalled to our members and supporters that we would like their help in making ZEALANDIA more sustainable and their response has been overwhelmingly positive. We launched new initiatives that include the installation of solar panels on the roof of the Visitors Centre to generate quiet, clean electricity and offset grid-sourced electricity for our electric vehicle charging stations, making them cost and carbon neutral. We have plans to convert our small fleet to electric vehicles. Thanks to the support we have received, solar panels will likely be installed in time to maximise energy input from summer's longer days.

ZEALANDIA's municipal water consumption has decreased because we now collect rainwater to use in the Visitors Centre facilities and to supply our organic vegetable garden. We converted many of our light bulbs to LEDs, reducing electricity usage for lighting by 30,500 kilowatt hours per year (equivalent to the energy consumption of three average homes). In 2015 we were certified carbon neutral.



Our Buildings and Assets

During the year we took the opportunity to refurbish and reorganise our office accommodation at 37 Waiapu Road where our Conservation and Sanctuary Care teams are based. This follows on from the refurbishment of 31 Waiapu Road the previous year which has resulted in a significantly more pleasant and healthy working environment for staff. Our current office space is now full to capacity.

We are looking ahead to making a strong start on our next generation of endeavour and to ensuring that all our resources are sufficient to the tasks we have set for ourselves. Adequate accommodation for staff, volunteers, interns, researchers and other visiting colleagues such as secondments from partner organisations is a high priority. With a project underway to achieve far greater integration of our volunteers across all aspects of the organisation, and welcoming an increasing number of interns and researchers to work with us, we will require additional office-style working space, including hot-desking arrangements for temporary and part time colleagues. Plans will be drawn-up in early 2016/17 to address these requirements.

WCC Targets Conservation Measures

Conservation Measures	Actual	Annual Target 2015-16	Details
Restore missing species to the wild in accordance with ZEALANDIA's Restoration Strategy			
New animal species transferred	1	1	96 spotted skink
Animal species being actively managed in the wild (Active management includes supplementary feeding, nest and roost box management and excludes species held in captivity)	9	9	Hihi, kākā, takahē, bellbird, kākārīki, little spotted kiwi, Maud Island frog, long-fin eel, giant wētā.
Animal species being actively monitored (Includes species with ongoing active data collection)	12	12	Hihi, kākā, takahē, bellbird, kākārīki, kiwi, scaup, shag (3 species), tuatara, giant wētā.
% of transferred species (17) that are regarded as self-sustaining, assuming ongoing management (‘Self-sustaining’ means breeding is successful and population is stable or increasing, so overall % will reduce with new transfers)	76%	76%	13 of the 17 species transferred are self-sustaining. Two transfers failed (tomtit, weka) and two (bellbird, long-fin eel) are not yet self-sustaining.
Improve the population status of nationally threatened species present			
Number of threatened species present, excluding species held for advocacy or temporarily (e.g. takahē, kākāpō)	4	4	Hihi, North Island kākā, Maud Island frog and pied shag.
Number of threatened species actively managed	3	3	Pied shag is not actively managed.
Number of threatened species that are actively managed and have increased or are regarded as self-sustaining	3	3	
Manage species held for captive breeding purposes to ensure they remain healthy and breed successfully			
Species held for captive breeding	2	2	Maud Island frog and barking gecko.
Species breeding successfully	2	2	
Monitor animal pest status, control mice and successfully respond to any incursions			
Mice maintained at levels below or similar to previous years (abundance per 100 trap-nights)	2.7	<10	The actual figure represents the average abundance in January-March.
Invasive mammalian species actively searched for (e.g. by audits)	7	7	The pest audit occurred April-May. Species monitored are rats, stoats, weasels, hedgehogs, ferrets, possums, cats.
Biosecurity incursions	0	0	No incursions identified.
Percentage incursions successfully eradicated	N/A	100	

Conservation Measures	Actual	Annual Target 2015-16	Details
Monitor plant pest status and reduce distribution of weeds (currently 123 species) within and near perimeter			
Species actively controlled or surveyed	51	44	44 environmental weeds identified as priorities.
Species where weed-control has achieved declines to low levels of infestation.	85	52	Control was also undertaken outside the perimeter fence for key species to improve feasibility of ongoing suppression inside the fence.

Non-financial Performance Measures

Measure	Actual	Annual Target
Visitation	125,849	95,947
Education Visits (LEOTC, Tertiary, Early Childhood, School Holiday Programme)*	9,478	8,378
Members (Individual Members)	10,572	10,200
Volunteers	417	>400
Quality of Visit	99%	92%
City Residents' Awareness	-	87%

Financial Performance Measures

Measure	Actual	Annual Target 2015/6
Full cost per visitor (including WCC costs)	\$11.34	\$16.28
Average subsidy per visit (Total WCC operating grant/all visitors)	\$6.95	\$9.12
Average revenue per visitation (excludes Council & Government grants)	\$26.03	\$25.90
Non-Council Donations/Funding	\$402,608	\$250,000

Financial Statements

KARORI SANCTUARY TRUST (INC.) FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Statement of Comprehensive Revenue and Expense for the year ended 30th June 2016

	Note	2016 \$	2015 \$
Operating Revenue			
Membership Subscriptions		298,183	274,498
Wellington City Council Grant	6	875,000	875,000
Other Grants incl. LEOTC and Donations		453,452	291,545
Admissions		1,151,221	803,073
Sale of Goods		1,387,645	1,088,381
Other		36,359	17,287
Total Operating Revenue		4,201,860	3,349,784
Other Revenue			
Finance Income		20,942	24,331
Total Operating Revenue and Other Revenue		4,222,802	3,374,115
Operating Expenses			
Cost of Goods Sold		596,770	377,222
Other Operating Expenditure	2	2,838,677	2,820,759
Audit Fees		29,650	23,000
Non-Audit Services		3,690	1,170
Trustee Remuneration	8	81,250	78,000
Depreciation	3	537,160	542,339
Amortisation	4	4,196	-
Finance Costs	5	23,517	42,974
Total Operating Expenses		4,114,910	3,885,464
Operating Surplus/(Deficit)		107,892	(511,349)
Reversal of impairment of Property, plant and equipment	3	-	218,081
Total Comprehensive Revenue and Expense		107,892	(293,268)

Statement of Changes in Equity for the year ended 30th June 2016

	2016 \$	2015 \$
Accumulated Funds at Beginning of Year	3,963,630	4,256,898
Net Comprehensive Revenue and Expenses	107,892	(293,268)
Accumulated Funds at End of Year	4,071,522	3,963,630

The accompanying notes on pages 35 to 41 form an integral part of these financial statements.

Karori Sanctuary Trust (Inc.)

Statement of Financial Position As at 30 June 2016

	Note	2016 \$	2015 \$
Current Assets			
Cash and Bank		240,619	388,608
Term deposit		700,000	250,000
Accounts Receivable		41,319	18,830
Prepayments		37,894	-
Stock on Hand		44,664	46,378
GST Refund		4,525	2,144
Assets held for sale	3	9,560,532	9,560,532
Total Current Assets		10,629,553	10,266,492
Non-Current Assets			
Property, plant and equipment	3	4,648,938	5,102,127
Intangible Assets	4	43,740	-
Total Non-Current Assets		4,692,678	5,102,127
Total Assets		15,322,231	15,368,619
Current Liabilities			
Accounts Payable and Accruals		308,979	256,536
Community Trust Loan	5	108,333	108,333
Accrued Holiday Pay		106,501	102,791
Unearned Subscription Income		211,833	190,640
Total Current Liabilities		735,646	658,300
Non-Current Liabilities			
Community Trust Loan	5	168,373	400,000
Wellington City Council Loan	6	10,346,689	10,346,689
Total Non-Current Liabilities		10,515,062	10,746,689
Total Liabilities		11,250,708	11,404,989
Net Assets		4,071,523	3,963,630
Equity			
Accumulated funds		4,071,523	3,963,630

The accompanying notes on pages 35 to 41 form an integral part of these financial statements.

The Board of Trustees authorised the financial statements for issue on:

Chair:  Trustee: 
Date: 30/8/2016 Date: 20/8/16

The Board of Trustees does not have the power to amend the financial statements after issue.

Karori Sanctuary Trust (Inc.)

Statement of Cash Flows As at 30 June 2016

	Note	2016 \$	2015 \$
Cash Flows from Operating Activities			
Cash was provided from:			
Membership Subscriptions		319,376	298,722
Grants and Donations		1,328,452	1,166,545
Admissions and Other Revenue		2,552,735	1,934,555
Interest Received		20,942	24,331
Total		4,221,505	3,424,153
Cash was applied to:			
Payments to Suppliers and Employees		(3,530,063)	(3,084,308)
Net GST Payment		(2,381)	(14,226)
Total		(3,532,444)	(3,098,534)
Net Cash Flows from Operating Activities	7	689,061	325,619
Cash Flows from Investing Activities			
Cash was applied to:			
Purchase of Plant, Equipment & Other Assets		(131,907)	(33,080)
Investment in term deposit		(450,000)	-
Net Cash Flows from Investing Activities		(581,907)	(33,080)
Cash Flows from Financing Activities			
Cash was applied to:			
Interest Paid		(23,517)	(42,974)
Repayment of Loan		(231,627)	(100,000)
Net Cash Flows from Financing Activities		(255,144)	(142,974)
Opening Cash		388,608	239,043
Net Increase/(Decrease) in Cash		(147,989)	149,565
Closing Cash		240,619	388,608

The accompanying notes on pages 35 to 41 form an integral part of these financial statements.

Karori Sanctuary Trust (Inc.)

Statement of Accounting Policies

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

The financial statements presented here are for the reporting entity, the Karori Sanctuary Trust. The Trust is a charitable trust registered under the Charities Act 2005 which requires compliance with generally accepted accounting practice (GAAP) in New Zealand.

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

The financial statements of the trust comply with Public Benefit Entity standards Reduced Disclosure Regime (PBE RDR).

The financial statements have been prepared in accordance with Tier 2 PBE RDR. The trust is eligible to report in accordance with Tier 2 PBE Standards RDR because it does not have public accountability and it is not large.

Basis of preparation

"The financial statements have been prepared for the first time in accordance with PBE RDR for not-for-profit organisations as required by the Financial Reporting Act 2013. The comparative financial information has been restated for consistency with the current period. There are no material changes arising from first time adoption of PBE RDR.

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

Measurement base

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

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

ii. Recognition of revenue

Grants are recognised as revenue when the requirements under the grant agreement have been met. Any grants for which the requirements under the grant agreement have not been completed are carried as liabilities until all the

conditions have been fulfilled. Revenue received from membership subscriptions is allocated proportionally over the period to which they relate. The unearned portion of subscriptions is shown under current liabilities. Prepaid visits are also treated as current liabilities.

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

Interest income is accounted for as earned.

In the financial statements, there is no financial recognition of support given in the form of donated labour and materials.

iii. Property, plant and equipment and finite life intangible assets

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

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

Karori Sanctuary Trust (Inc.)

Statement of Accounting Policies

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

iv. Depreciation and Amortisation

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

Building/Infrastructure	10-100 years
Exhibitions	5-8 years
Leasehold improvements	10-25 years
Predator fence	25-50 years
Fixtures, Plant and Equipment	5-75 years
Vehicles	5-10 years
Other Assets	2.5-50 years
Computer Software	3 years

v. Accounts Receivables

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

vi. Stock on Hand

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

vii. Leased Assets

As Lessee:

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

viii. Impairment

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

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the

carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

ix. Employee Entitlements

Employee entitlements to salaries and wages, annual leave and other benefits are recognised when they accrue to employees. The liability for employee entitlements is carried at the present value of the estimated future cash outflows.

x. Goods and Services Tax (GST)

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

xi. Income Tax

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

xii. Financial instruments

Financial instruments are comprised of trade and other receivables, cash and cash equivalents, financial assets at fair value through surplus or deficit, trade and other payables and loans at amortised cost. The Trust held no derivative financial instruments in the years reported. The subsequent measurement of financial assets depends on their classification at inception.

xiii. Statement of Cash Flows

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

- (a) Operating activities include all transactions and other events that are not investing or financing activities.
- (b) Investing activities are those activities relating to acquisition, holding and disposal of property, plant and equipment and of investments.
- (c) Financing activities are those activities that result in changes in the size and composition of the capital structure. This includes both equity and debt not falling within the definition of cash.
- (d) Cash is considered to be cash on hand and current accounts in banks, net of bank overdrafts.

xiv. Changes in accounting policies

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

Karori Sanctuary Trust (Inc.)

2. Operating Expenditure

	2016 \$	2015 \$
Administration and Management	128,183	110,038
Personnel Costs	1,914,704	2,057,992
Other Operating Expenditure	795,790	652,729
Total	2,838,677	2,820,759

3. Property, plant and equipment

For the year ended 30 June 2015

	Trust buildings	Exhibition centre	Leasehold improvements	Predator fence	Fixtures, Plant and Equipment	Vehicles	Other assets	Visitors centre held for sale	Total
COST									
As at 1 July 2014	13,472,384	3,612,889	1,132,006	2,457,633	515,755	164,217	726,051	-	22,080,935
Additions at cost	-	-	-	-	8,259	9,600	25,883	-	43,742
Transfer to assets held for sale	(10,202,668)	-	-	-	-	-	-	10,202,668	-
Reversal of impairment	218,081	-	-	-	-	-	-	-	218,081
Disposals	-	-	-	-	-	(10,662)	-	-	(10,662)
As at 30 June 2015	3,487,797	3,612,889	1,132,006	2,457,633	524,014	163,155	751,934	10,202,668	22,332,096
ACCUMULATED DEPRECIATION									
As at 1 July 2014	1,983,376	2,600,200	384,988	1,331,035	250,858	96,043	491,260	-	7,137,760
Depreciation charge	54,993	253,182	56,915	95,231	22,863	13,999	45,156	-	542,339
Transfer to held for sale	(642,136)	-	-	-	-	-	-	642,136	-
Disposals	-	-	-	-	-	(10,662)	-	-	(10,662)
As at 30 June 2015	1,396,233	2,853,382	441,903	1,426,266	273,721	99,380	536,416	642,136	7,669,437
Net book value	2,091,564	759,507	690,103	1,031,367	250,293	63,775	215,518	9,560,532	14,662,659

Karori Sanctuary Trust (Inc.)

ZEALANDIA Annual Report 2015 / 2016

3. Property, plant and equipment (continued)

For the year ended 30 June 2016

	Trust buildings	Exhibition centre	Leasehold improvements	Predator fence	Fixtures, Plant and Equipment	Vehicles	Other assets	Visitors centre held for sale	Total
COST									
As at 1 July 2015	3,487,797	3,612,889	1,132,006	2,457,633	524,014	163,155	751,934	10,202,668	22,332,096
Additions at cost	1,600	18,554	-	-	31,151	4,793	29,765	-	85,863
Disposals	-	-	-	-	-	-	(3,784)	-	(3,784)
As at 30 June 2016	3,489,397	3,631,443	1,132,006	2,457,633	555,165	167,948	777,915	10,202,668	22,414,175
ACCUMULATED DEPRECIATION									
As at 1 July 2014	1,396,233	2,853,382	441,903	1,426,266	273,721	99,380	536,416	642,136	7,669,437
Depreciation charge	57,635	254,393	55,834	95,231	29,097	12,533	32,436	-	537,160
Disposals	-	-	-	-	-	-	(1,892)	-	(1,892)
As at 30 June 2016	1,453,868	3,107,775	497,737	1,521,497	302,818	111,913	566,960	642,136	8,204,705
Net book value	2,035,529	523,668	634,269	936,136	252,347	56,035	210,955	9,560,532	14,209,470

During the year ended 30 June 2015 the Trust entered into negotiations to sell one of the Trust Buildings (the "Visitors Centre"). The proposed transaction will value the building at, and result in the retirement of, the carrying amount of the Wellington City Council Loan. As at 30 June 2016, the Board of Trustees believe the transaction is probable within 6 months. The Trust has continued to record the Visitors Centre as an asset held for sale and consequently there has been no depreciation charge during the period. The difference between the carrying value of the Visitors Centre and the value of the Wellington City Council Loan will be recognised as a gain in the Statement of Comprehensive Revenue and Expense in the 2017 financial year once the transaction is completed.

4. Intangible assets

For the year ended 30 June 2016

	Computer software	Total
Cost	-	-
Additions at cost	47,936	47,936
Disposals	-	-
As at 30 June 2016	47,936	47,936
Accumulated depreciation		
As at 1 July 2015	-	-
Depreciation charge	4,196	4,196
Disposals	-	-
As at 30 June 2016	4,196	4,196
Net book value	43,740	43,740

For the year ended 30 June 2015 there were no intangible assets.

Karori Sanctuary Trust (Inc.)

5. Community Trust Loan

The Trust received a loan of \$1,500,000 in 1999 from the Community Trust of Wellington to fund the construction of the predator fence, with the Wellington City Council as a guarantor for this loan. Repayment commenced in 2005/6 over a 15 year period. Interest payments commenced in 2004/5. The current portion of the term liability as at 30 June 2016 was \$108,333 (2015: \$108,333), the interest for the current year was \$23,517 (2015: \$42,974) and the rate was 5.00% (2015: 6.32%).

6. Wellington City Council Loan

In 2007, an interest free limited recourse loan agreement of \$8m was entered into with the Wellington City Council to assist with the development of ZEALANDIA Visitor Centre Project. This loan was further increased to \$10,346,689 in 2009.

The loan is repayable subject to the availability of surplus funds in any financial year as defined in the terms of the loan agreement. The loan is classified as a non current liability as it is not budgeted to be repaid within one year and the Wellington City Council cannot unilaterally demand repayment.

7. Reconciliation of Cash Flow Statement

Reconciliation of net cashflow from operating activities with operating surplus.

	2016 \$	2015 \$
Net Surplus/(Deficit) from Operations	107,892	(293,268)
Adjustments		
Depreciation	537,160	542,339
Amortisation	4,196	-
Property, plant and equipment impairment reversal	-	(218,081)
Interest Paid	23,517	42,974
Movements in Working Capital Items		
Decrease / (increase) in GST Receivable	(2,381)	(14,226)
Decrease/ (increase) in Stock on Hand	1,714	36,259
Decrease / (Increase) in Accounts Receivable and Prepayments	(60,384)	44,008
(Decrease) / Increase in Income in Advance	21,193	24,224
(Decrease) / Increase in Accounts Payable from Operations	56,154	161,390
	16,296	251,655
Net Cash Flow from Operating Activities	689,061	325,619

Karori Sanctuary Trust (Inc.)

ZEALANDIA Annual Report 2015 / 2016

8. Related Party Transactions

During the year, the following material related party transactions occurred.

	2016 \$	2015 \$
Related Party Transactions:		
Grants from Wellington City Council	875,000	875,000
Fee for payroll services provided by Wellington City Council	9,000	9,000
Rental expense paid to Wellington City Council	14,129	7,769
Year end balance of Wellington City Council Loan	10,346,689	10,346,689

	2016 \$	2015 \$
Key management personnel compensation		
Key management employee salaries	362,780	413,654
Fee for payroll services provided by Wellington City Council	6,000	11,000
Rental expense paid to Wellington City Council	7,006	10,863
	375,786	435,517
Board remuneration paid to Trustees	81,250	78,000

Key management personnel are defined as the Board of Trustees, the Chief Executive and their direct reports (five full-time equivalents).

9. Lease commitments

i. ZEALANDIA land and Trust offices

The Trust is a party to an agreement with the Wellington City Council and Wellington Regional Council for the transfer of ZEALANDIA land and its ultimate lease to the Karori Sanctuary Trust. The Current Deed of Lease is dated 8 January 2013. The Trust also leases its office building from the Wellington City Council.

ii. Photocopier and EFTPOS terminals

The Trust rents a photocopier from Canon at an annual rental of \$2,100 (2015; \$2,100). The rental agreement expires in April 2018. EFTPOS terminals are leased from Direct Payment Solutions at an annual rental of \$5,388. An additional mobile unit is leased for an annual rental of \$828. The lease for the mobile unit expires in September 2017. The SmartPay terminal agreement terminates in April 2018.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	2016 \$	2015 \$
Within one year	27,488	21,617
Later than one year but not later than five years	21,558	49,046
Later than five years	-	-
	49,046	70,663

Karori Sanctuary Trust (Inc.)

10. Capital Commitments

There were no capital commitments as at 30th June 2016 (2015: none).

11. Contingent Liabilities

There were no contingent liabilities as at 30th June 2016 (2015: none).

12. Post balance date events

There were no post balance date events which affect these financial statements (2015: none).

Karori Sanctuary Trust (Inc.)

Directory

Trustees:
Denise Church (QSO) Chair
Professor David Bibby (CNZM, PhD, DSc) – from January 2016
Pam Fuller (BA)
Phillip Meyer (FAIM, Life FNZIM, CF Inst D, F Fin)
Charles Daugherty (ONZM) – to December 2015
Russell Spratt – from March 2016
Steven Thompson

Guardians:
Jim Lynch QSM (Chair)
Mike Britton
Hannah Buchanan (since April 2016)
Andy Foster
Dr Nicola Nelson
Helene Ritchie
Roy Sharp (since October 2015)
Katie Underwood
Peter Love (until April 2016)

Senior Management:
Paul Atkins Chief Executive (from November 2015)
Raewyn Empson
Ian Phillips
Russ Drewry

ZEALANDIA, Karori Sanctuary Trust (Inc.)

53 Waiapu Road

Karori, Wellington

Phone: 04 920 9200

Email: info@visitzealandia.com

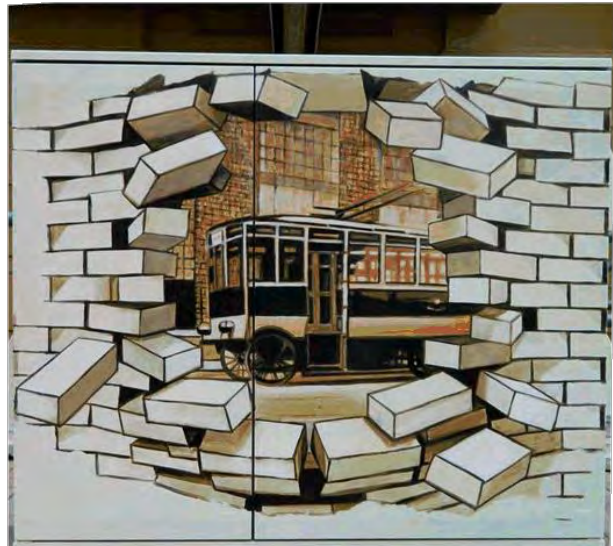
Website: www.visitzealandia.com

ZEALANDIA is a registered charity (CC21900)



ANNUAL
REPORT
2014/15





Wellington Cable Car Limited
Annual Report
For the Year Ended 30th June 2015

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Wellington Cable Car Limited

Company Directory
As at 30th June 2015

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 Limited
Share Registry	Level 4, Civic Administration Building 101 Wakefield Street Wellington, NEW ZEALAND
Solicitors	Morrison Mallett
Date of Formation	2 April 1991

Wellington Cable Car Limited
Chairman's Report
For the Year Ended 30th June 2015

Chairman's Report

The role of Chair has been extremely interesting throughout the past 12 months due to the degree of change in both the external environment within which Wellington public transport operates, and the number of exciting projects and change initiatives underway. Whilst a lot of public focus has been concentrated on the possibility of local government reform and potential future projects such as the Basin Reserve flyover and the Bus Rapid Transit scheme, the availability of public transport funding as a result of these has a knock-on effect for smaller providers such as Wellington Cable Car Limited (WCCL).

WCCL is one of a small number of exempt public transport providers in New Zealand. Other examples include the Wellington Airport Valley Flyer bus service, the Devonport ferry and the Waiheke Island ferries. 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 including changes in Health and Safety legislation, increases in insurance costs in New Zealand due to the perception of seismic risk, and the need to review the asset management strategy and associated plan to reflect modern day rail industry practices. The Company has been talking to the New Zealand Transport Agency (NZTA) and Greater Wellington Regional Council (GWRC) for some time and will continue to liaise with these authorities 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 to a number of exciting other projects deemed essential including the regional integrated ticketing system.

As an ex-President of the Institution of Professional Engineers New Zealand (IPENZ), I am delighted and extremely proud of WCCL Traction Services for winning a New Zealand Engineering Excellence award for the excellent Trolley Bus Overhead Protection (TBOP) electrical fault protection system project. This pays testimony to their hard work and dedication in solving the difficult technical issue of how to deal with electrical safety for a public transport network that occupies 80Km of the Wellington road network.

The Company continues to work proactively in working closely with Wellington City Council (WCC), GWRC and the Electricity Engineers' Association (EEA) to prepare for the introduction of the new Health and Safety at Work Act and associated statutes and regulations. Examples include presenting technical papers to the annual EEA conference, undertaking Hazardous Operability studies (HAZOPs) and reviewing Risk Registers to ensure that the Company continues to provide extremely safe transport options for the Wellington general public.

There will be a lot of change in the air for Wellington public transport in the next few years and Wellington Cable Car Limited has proved that it has the capability to play an important part in the process through its continued provision of safe, capable and affordable public transport options that meet the general public's needs now and into the future. The Company has proved repeatedly that it is agile and responsive to change, and this is of great benefit to the ratepayers and taxpayers of Wellington as well as WCC, GWRC and NZTA.

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 30th June 2015

Chief Executive's Report

This is my second Chief Executive's report for Wellington Cable Car Limited and the pace of change alluded to in the 2013/14 annual report shows no sign of abating as wider consolidation and establishment of shared services organisations in the Wellington region continues. The Company's two operating divisions (the Cable Car and the Trolley Bus overhead electrical network) continue to work on a number of exciting projects in addition to their day jobs of providing and supporting two key transport elements within Wellington City. A snapshot of some of the year's highlights are outlined below.

Cable Car

The Cable Car carried 976,000 passengers during the 2014/15 financial year, and this is an increase of 20,000 over the preceding year (passenger revenue increased from \$2,140K to \$2,399K over the same period). The breakdown of passengers is split 50:50 between local residents (including Victoria University of Wellington students and staff) and tourists (in particular, cruise ship passengers). Local adult passenger numbers have increased slightly, however, underlying student numbers have permanently declined from previous years figures due to demographic changes in the location and numbers of university halls of residence. This has been offset slightly by the Cable Car recently being included in the Victoria University of Wellington (VUW) inter-campus travel scheme using Snapper cards (this commenced in June 2015).

Building upon the successful opening of the new Kelburn terminus building which was completed in 2013 and opened by the Mayor in 2014, new projects completed or substantially completed include new passenger gates and a point-of-sales system at the Lambton Quay terminus, and permanent installation of the fabulous LED lights (supplied by Angus Muir, funded by WCC).

This is installed and programmed in such a way that still images and videos can be projected across the tunnels. This proved wildly successful during the NZ Festival in March 2014 and has proved to be a major hit with customers and staff since it was formally re-opened on 15 June 2015.



Figure 1: Cable Car Tunnel Lights

Implementation of the results of the strategic marketing review undertaken in 2014 is progressing well and is already paying dividends as certain marketing activities have been taken back in-house and expanded upon. This process will continue to further enhance passenger numbers and revenue. Examples of other marketing initiatives include participation with the Council and Positively Wellington Tourism in city-wide events such as the Cricket World Cup. Improvements in customer processes undertaken this year included replacement of the passenger gates and point-of-sales system, transferring our multi-trip passes to Snapper and the introduction of the VUW inter-campus travel scheme, again using Snapper.

Wellington Cable Car Limited
CEO's Report
For the Year Ended 30th June 2015

The next twelve months will herald the replacement of the Electric Drive and Controls system which will be undertaken over a two-month period during 2016 (the prime contractor for this will be Doppelmayr, and the Company will receive WCC LTP funding for this project). This exciting project will increase passenger-carrying capacity on busy cruise ship days by approximately 10%. Planning work continues for other significant capital works items including the replacement of the Cable Car rolling stock (passenger vehicles and bogies in 2025/6). As an addendum to this, dialogue has continued with NZTA and GWRC over the potential future inclusion of the Cable Car in the Metlink public transport network.

Two accreditation processes were successfully undertaken this year worthy of particular mention; Be Welcome accessibility report and the Qualmark scheme which is the New Zealand official tourism quality mark. The Cable Car is one of only two Wellington businesses to achieve a Gold Rating from the Be Accessible advocacy group denoting excellent levels of accessibility for groups who have may have additional requirements or difficulties with respect to vision, hearing, mobility, learning and children. The Cable Car first achieved Qualmark accreditation in March 2014 and this was successfully reaccredited in June 2015 with a score of 83%.

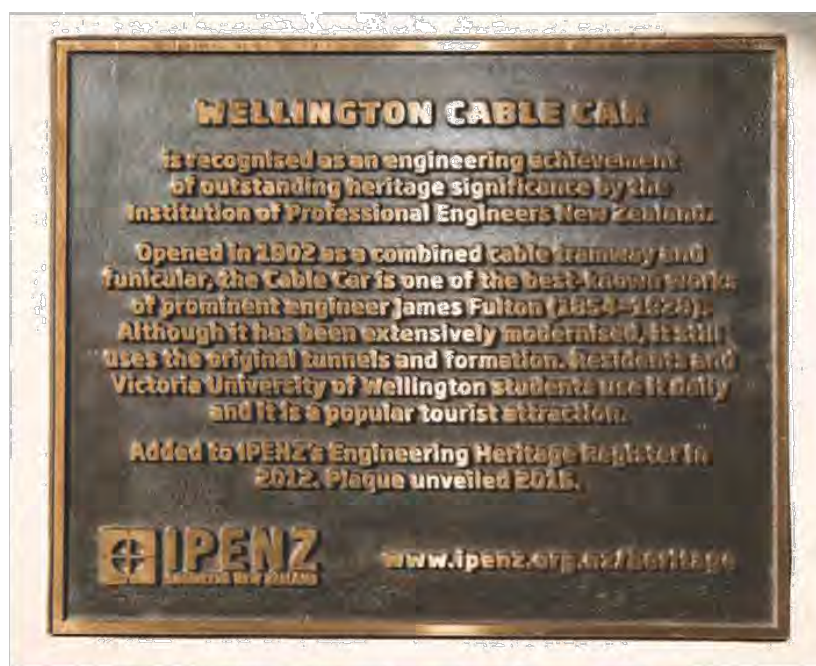


Figure 2: IPENZ Engineering Heritage Register Bronze Plaque unveiled on 15 April 2015

The Cable Car is extremely proud of its history and engineering heritage, and this was recognised by the Institution of Professional Engineers New Zealand (IPENZ) when the Cable Car was added to their Engineering Heritage Register in 2012. The construction of the new Kelburn Terminus provided the ideal spot within which to mount a bronze plaque denoting this event, and the unveiling ceremony was kindly conducted by the Mayor of Wellington, Her Worship Celia Wade-Brown on 15 April 2015.

Wellington Cable Car Limited
CEO's Report
For the Year Ended 30th June 2015

Trolley Bus Overhead Electrical Network

The Traction Services overhead electrical network continues to support 200,000 scheduled Trolley Bus services per annum over 80 Km of network suspended above the Wellington streets, under contract to Greater Wellington Regional Council (GWRC) using Transfield Services as our maintenance provider. The main ongoing focus is to ensure that the network remains operationally available in accordance with the GWRC contract requirements and meets all the requisite safety and technical requirements enacted under legislation. GWRC previously announced in the 2014 Regional Public Transport Plan that Trolley Bus services would cease in June 2017. As a consequence, the Company has been working in conjunction with GWRC and Wellington City Council to undertake preliminary planning and scoping of the overhead electrical network decommissioning.

The highlight for this year has been the successful completion of the technically challenging and complex Trolley Bus electrical fault protection project. This involved the manufacture, installation and commissioning of nine electrical fault protection cabinets along high usage parts of the network, and have successfully mitigated risks arising from changes in the Electrical Safety Regulations, enacted under the Electricity Act 1992.

I am delighted to be able to report that WCCL Traction Services (in conjunction with RCR O'Donnell Griffin, ProTecton Consulting and GWRC) was the winner of a prestigious 2014 New Zealand Engineering Excellence award for this project (Information, Communication, Electrical and Electronic Technology Category) for this project.

The Company was also a finalist in the 2015 NZ Electricity Engineers' Association Engineering Excellence Awards for the same project. This is a significant achievement for an organisation of this size.



Figure 3: NZEE Award Trophy

Significant projects completed or nearing completion include two significant network section replacement projects in Karori running from the viaduct all the way through to the end of the bus turnaround. Projects still underway include a network section replacement project running from Newtown to Kilbirnie, and some minor network modifications plus the fitting of another electrical fault protection cabinet in between Hataitai and Kilbirnie. These works will mark the completion of planned significant capital works before the anticipated end-of-service date for the network in 2017.

Wellington Cable Car Limited
CEO's Report
For the Year Ended 30th June 2015



Figure 4: TBOP Electrical Fault Protection Cabinet in Pigeon Park, Te Aro

The Company has also been successful in continuing to negotiate a small number of new contracts with various Ultra-Fast Broadband providers to licence the installation of their equipment on the Trolley Bus network supporting infrastructure, and this will continue into 2015/16. 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 new Health and Safety at Work Act.

WCCL Traction Services has also been a key supplier to some of the more noteworthy civil construction projects in Wellington over the past 12 months including the Memorial Park Alliance Arras Tunnel, Victoria Street, the WCC Portico demolition, and Victoria University of Wellington Pipitea campus rebuild.

Charitable Donations

During the 2014/15 financial year WCCL made charitable donations of \$1,000 each to the following charitable organisations – the Bradley family from Paraparaumu on behalf of the Child Cancer Foundation, the HUHA (Helping You Help Animals) animal shelter and Inter Country Adoption New Zealand.

Wellington Cable Car Limited

CEO's Report

For the Year Ended 30th June 2015

Financial Result

The Company achieved a Net Surplus before Taxation of \$2,449K comprising \$602K from non-Trolley Bus overhead electrical network operations and \$1,847K relating to GWRC grant funding for the Trolley Bus electrical fault protection project (for which the underlying expenditure has been capitalised). There is no impairment in the carrying value of Cable Car or Trolley Bus network assets in this financial year. It is envisaged that the Company will utilise tax losses from Wellington City Council via a subvention payment.

The Cable Car carried 976,000 passengers during the 2014/15 financial year, and this is an increase of 20,000 over the preceding year. Passenger revenue increased from \$2,150K to \$2,399K over the same period.

Total grant funding of \$6,948K was received from GWRC during the year for Trolley Bus operations, maintenance and capital works (this includes the \$1,847K mentioned above for the Trolley Bus electrical fault protection project).

Renegotiation of existing Pole user licence agreements with Telecommunications companies during the year has had a positive financial impact for both current and future revenue streams. It is anticipated renegotiations of existing licence agreements will be completed with other Telecommunications companies during 2015/16.

The Company continues to maintain solid cash reserves, despite the impact of the Company fully funding the new Kelburn Terminus which was completed in December 2013 at an approximate cost of \$2,000K.

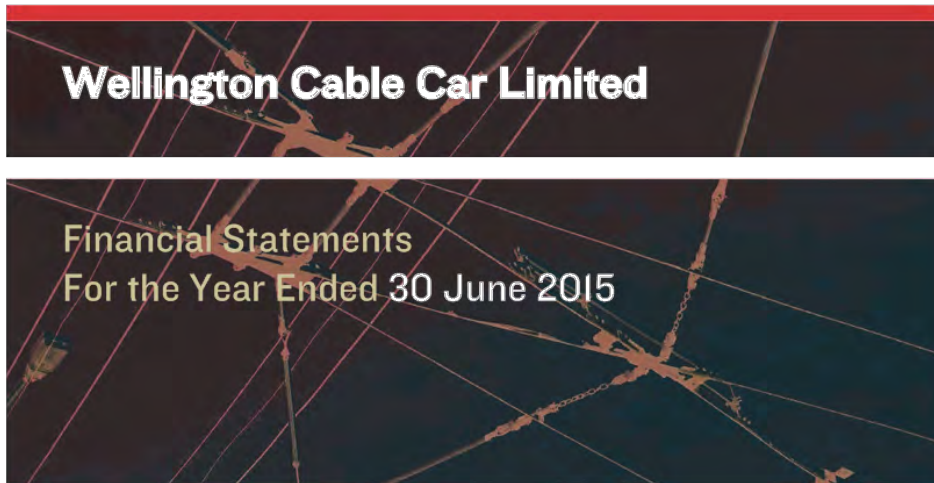
These financial results are forwarded in accordance with the new reporting standards for Public Benefit Entities (the Company's financial reporting status changed from that of a Profit Orientated Entity in 2014/15).

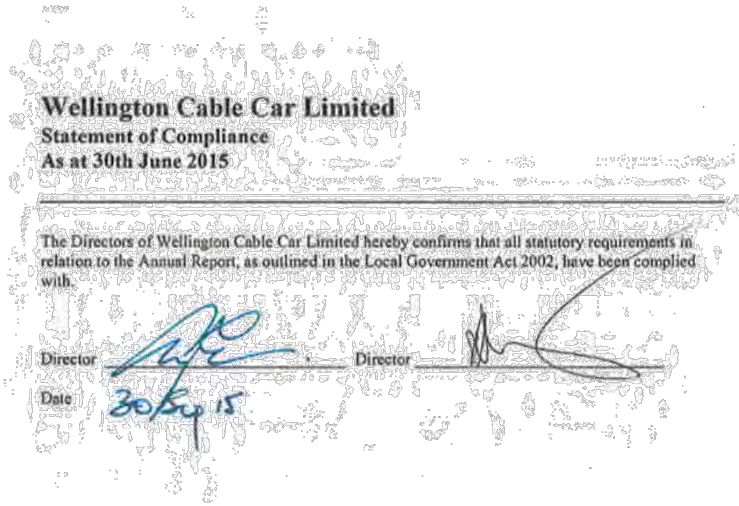
Summary

The continued safe delivery of thousands of public transport passengers per day and the sheer number of new 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.

As I approach the end of my second year in the role, I would like to thank all of our employees, contractors and, in particular, my senior leadership team (Andrew Cresswell, Matthew Hardy, Gavin MacIntyre and Bruce Jensen) for their outstanding efforts and support throughout the year.

Simon Fleisher
Chief Executive





Wellington Cable Car Limited
Statement of Comprehensive Revenue and Expense
For the Year Ended 30th June 2015

	<i>Note</i>	<i>Actual</i> <i>2015</i> \$	<i>Budget</i> <i>2015</i> \$	<i>Actual</i> <i>2014</i> \$
REVENUE				
Operating Revenue	4	10,009,025	12,689,368	7,847,947
Interest Revenue		48,424	65,742	52,596
Gain on Disposal		19,130	-	78,839
Total Operating Revenue		10,076,579	12,755,110	7,979,382
EXPENSES				
Operations and general	5	5,792,740	10,629,939	5,707,512
Auditors' remuneration	6	34,040	30,300	27,781
Impairment of receivables		26,523	-	-
Directors' remuneration	7	42,672	42,672	58,000
Depreciation	13	367,207	346,179	256,775
Amortisation	14	8,901	21,657	22,797
Employees remuneration		1,204,167	1,274,434	1,233,781
Operating leases		151,022	160,308	132,868
Impairment	13	-	-	213,367
Total Operating Expenses		7,627,272	12,505,489	7,652,881
SURPLUS BEFORE TAX		2,449,307	249,621	326,501
Income Tax Expense	11	673,148	90,894	118,441
Subvention Payment Made		-	-	208,535
NET SURPLUS AFTER TAX		\$1,776,159	\$158,727	(\$475)
OTHER COMPREHENSIVE REVENUE OR EXPENSE:				
TOTAL COMPREHENSIVE REVENUE AND EXPENSE:		\$1,776,159	\$158,727	(\$475)

*Explanations of major variances against budget are provided in note 22.
The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached.*

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Wellington Cable Car Limited
Statement of Changes in Equity
For the Year Ended 30th June 2015

	Note	Actual 2015 \$	Budget 2015 \$	Actual 2014 \$
EQUITY AT START OF YEAR		7,622,649	7,623,091	7,623,124
Total Comprehensive Revenue and Expense		1,776,159	158,727	(475)
Distribution to Owners			(50,000)	
EQUITY AT END OF YEAR		<u>\$9,398,808</u>	<u>\$7,731,818</u>	<u>\$7,622,649</u>
MOVEMENTS IN ACCUMULATED COMPREHENSIVE REVENUE AND EXPENSE	19			
Accumulated Comprehensive Revenue and Expense at start of year		187,803	138,245	188,278
Net Surplus		1,776,159	158,727	(475)
Accumulated Comprehensive Revenue and Expense at End of Year		<u>1,963,962</u>	<u>296,972</u>	<u>187,803</u>
MOVEMENTS IN ISSUED CAPITAL	19			
Balance at Start of Year		7,434,846	7,434,846	7,434,846
Balance at End of Year		7,434,846	7,434,846	7,434,846
EQUITY AT END OF YEAR		<u>\$9,398,808</u>	<u>7,731,818</u>	<u>\$7,622,649</u>

*Explanations of major variances against budget are provided in note 22.
The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached.*

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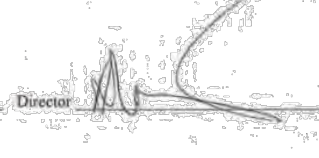
Wellington Cable Car Limited
Statement of Financial Position
As at 30th June 2015

	<i>Note</i>	<i>Actual</i> <i>2015</i>	<i>Budget</i> <i>2015</i>	<i>Actual</i> <i>2014</i>
		\$	\$	\$
CURRENT ASSETS				
Cash and cash equivalents		1,084,396	93,425	458,214
Short Term Investments		289,345	200,000	278,368
Income Tax Receivable		-		4,679
Trade and other receivables	9	2,642,765	400,000	1,985,703
Inventories		696,896	700,000	633,699
Prepayments		552		11,532
Total Current Assets		4,713,954	1,393,425	3,372,195
NON-CURRENT ASSETS				
Property, plant & equipment	13	8,162,897	8,012,211	6,433,395
Intangibles	14	41,279		5,874
Total Non-Current Assets		8,204,176	8,012,211	6,439,269
TOTAL ASSETS		12,918,130	9,405,636	9,811,464
CURRENT LIABILITIES				
GST Payable		248,752	68,976	108,265
Income Tax Payable		210,130	90,894	-
Trade and other payables	10	1,934,977	668,948	1,362,932
Employee Benefit Liabilities		103,248	100,000	143,666
Finance leases - current portion	15	3,187		3,675
Total Current Liabilities		2,500,294	928,818	1,618,538
NON-CURRENT LIABILITIES				
Finance leases - non-current portion	15	-		3,188
Deferred tax liability	12	1,019,028	745,000	567,089
Total Non-Current Liabilities		1,019,028	745,000	570,277
TOTAL LIABILITIES		3,519,322	1,673,818	2,188,815
NET ASSETS		\$9,398,808	7,731,818	\$7,622,649

*Explanations of major variances against budget are provided in note 22.
The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached.*

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Wellington Cable Car Limited
Statement of Financial Position
As at 30th June 2015

Note	Actual 2015	Budget 2015	Actual 2014
Represented by:			
EQUITY			
Share capital	19 7,434,846	7,434,846	7,434,846
Accumulated Comprehensive Revenue and Expense	19 1,963,962	296,972	187,803
TOTAL EQUITY	\$9,398,808	7,731,818	\$7,622,649
For and on behalf of the Board:			
Director			
Date:	30/06/15		
Director			

*Explanations of major variances against budget are provided in note 22.
 The accompanying notes form part of these financial statements.
 These financial statements should be read in conjunction with the attached.*

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Wellington Cable Car Limited
Statement of Cash Flow
For the Year Ended 30th June 2015

	Note	<i>Actual</i> 2015	<i>Budget</i> 2015	<i>Actual</i> 2014
		\$	\$	\$
Cash flows from operating activities				
Receipts from operations		9,582,561	12,639,368	7,349,737
Payments to suppliers and employees		(7,003,019)	(12,640,600)	(7,205,709)
Payments of Tax		(6,399)		(15,499)
Subvention Payment			(90,894)	(208,535)
Goods and services tax (net)		140,487		(51,766)
<i>Net cash from operating activities</i>		<u>2,713,630</u>	<u>(92,126)</u>	<u>(131,772)</u>
Cash flows from investing activities				
Receipts from interest		45,411	65,743	68,282
Disposal of property, plant and equipment		19,130		33,089
Purchase of property, plant and equipment		(2,141,013)	(378,000)	(1,889,890)
Investment in term deposits		(10,976)		1,308,435
Matured investment in term deposits				<u>(278,368)</u>
<i>Net cash from investing activities</i>		<u>(2,087,448)</u>	<u>(312,257)</u>	<u>(758,452)</u>
Cash flows from financing activities				
Dividend		-	(50,000)	-
<i>Net cash from financing activities</i>		<u>-</u>	<u>(50,000)</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents		626,182	(454,383)	(890,224)
Cash and cash equivalents as at the beginning of the year		458,214	547,808	1,348,438
Cash and cash equivalents at the end of the year		<u>1,084,396</u>	<u>93,425</u>	<u>458,214</u>

*Explanations of major variances against budget are provided in note 22.
The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached.*

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Wellington Cable Car Limited
Notes to the Financial Statements
For the Year Ended 30th June 2015

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 2015 and were approved by the Board of Directors on 30 September 2015.

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 has been one change in accounting policies, being in relation to the valuation of the Trolley Bus Overhead Network. The change being a move from the revaluation method to cost method. Please refer to Note 23 for further explanation of the change. All other policies have been applied on bases consistent with those used in previous years.

Wellington Cable Car Limited
Notes to the Financial Statements
For the Year Ended 30th June 2015

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 23 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..

Wellington Cable Car Limited

Notes to the Financial Statements For the Year Ended 30th June 2015

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 & Fittings	20%
Trolley Bus Overhead Wire System & Fittings	2.5%-20%
Trolley Bus Overhead Wire System Equipment	10%

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.

Wellington Cable Car Limited
Notes to the Financial Statements
For the Year Ended 30th June 2015

(d) Intangible Assets

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

Computer Software	3 years
-------------------	---------

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

(e) Goods & Services Tax

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

(f) Income Tax

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

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

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

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

(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 cost using the weighted average cost formula. 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.

Wellington Cable Car Limited

Notes to the Financial Statements For the Year Ended 30th June 2015

(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

Wellington Cable Car Limited
Notes to the Financial Statements
For the Year Ended 30th June 2015

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.

Wellington Cable Car Limited

Notes to the Financial Statements For the Year Ended 30th June 2015

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, Wellington Cable Car Limited is currently planning for the de-commissioning of the network and working closely with Greater Wellington Regional Council and Wellington City Council on this. The quantum of this impact and any future changes as a result has not been quantified or resolved as yet however Wellington Cable Car Limited envisages that this will be further known in the year ended 30 June 2016. The de-commissioning project is to be funded through disposition of Overhead Network division assets, and further by assistance from Greater Wellington Regional Council and Wellington City Council.

3. CONTINGENT LIABILITIES

At balance date there are no known contingent liabilities (2014:\$0).

4. OPERATING REVENUE

	<i>2015</i>	<i>2014</i>
	\$	\$
Cable Car revenue	2,399,460	2,177,637
GWRC revenue	5,101,339	5,261,488
Third party contract revenue	371,889	311,930
Miscellaneous revenue	288,928	96,892
GWRC revenue - Safety Protection Project	<u>1,847,409</u>	<u>-</u>
	<u>10,009,025</u>	<u>7,847,947</u>

5. OPERATIONS AND GENERAL EXPENSES

	<i>2015</i>	<i>2014</i>
	\$	\$
Cable car operational costs	422,874	461,724
Overhead contractor expenses	1,696,330	1,394,413
Overhead operational costs	406,412	471,118
Overhead repairs and maintenance	2,403,794	2,587,832
Miscellaneous expenses	<u>863,331</u>	<u>792,424</u>
	<u>5,792,741</u>	<u>5,707,511</u>

Wellington Cable Car Limited
Notes to the Financial Statements
For the Year Ended 30th June 2015

6. AUDITOR'S REMUNERATION

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

	2015	2014
	\$	\$
Auditing the financial statements	34,040	27,781
	<u>34,040</u>	<u>27,781</u>

7. 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

	2015	2014
	\$	\$
Key management personnel remuneration	506,998	533,991
Full-time equivalent members	<u>4</u>	<u>4</u>

The following employees received remuneration greater than \$100,000 in the 2015 year:

	2015	2014
\$100,000 - \$109,999	-	2
\$110,000 - \$119,999	-	1
\$140,000 - \$149,999	1	-
\$200,000 - \$209,999	1	-

Directors' remuneration

	2015	2014
	\$	\$
R Drummond (Resigned 31 March 2014)	-	23,000
A Briscoe (Resigned 31 March 2014)	-	11,500
N Crauford (Resigned 31 March 2014)	-	11,500
A Matthews (Appointed 1 April 2014)	20,000	4,000
A Wilson (Appointed 1 April 2014)	24,000	8,000
Total Directors' remuneration	<u>44,000</u>	<u>58,000</u>
Full-time equivalent members	<u>2</u>	<u>3</u>

Wellington Cable Car Limited

Notes to the Financial Statements
For the Year Ended 30th June 2015

Total Related Party Remuneration	550,998	591,991
Total Full-time equivalent members	<u>6</u>	<u>7</u>

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

In respect of director's remuneration, the amount stated above disclose actual amounts paid. The variance of \$1,328 to the Statement of Comprehensive Revenue and Expense relates to an over accrual in the prior year.

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

8. FINANCIAL INSTRUMENTS

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

Financial Assets

	<i>2015</i>	<i>2014</i>
	\$	\$
Cash and cash equivalents	1,084,396	458,214
Short term deposits	289,345	278,368
Trade receivables	2,570,767	1,976,889
Other receivables	71,998	8,814
Total Financial assets	<u>4,016,506</u>	<u>2,722,285</u>

Financial Liabilities

	<i>2015</i>	<i>2014</i>
	\$	\$
Trade payables	679,332	647,220
Sundry payables	1,252,565	715,595
Related party payables	3,080	117
	<u>1,934,977</u>	<u>1,362,932</u>

9. TRADE AND OTHER RECEIVABLES

	<i>2015</i>	<i>2014</i>
	\$	\$
Trade receivables	2,543,483	1,972,956
Related party receivables	27,284	3,933
Net trade receivables	<u>2,570,767</u>	<u>1,976,889</u>
Sundry receivables	71,998	8,814
	<u>2,642,765</u>	<u>1,985,703</u>

The above balance comprise the following :

Exchange: \$231,888 (2014: \$336,280)
Non-Exchange: \$2,410,877 (2014: \$1,649,423)

Wellington Cable Car Limited
Notes to the Financial Statements
For the Year Ended 30th June 2015

The provision for impairment has been calculated based on a review of significant debtor balances and a collective assessment of all debtors (other than those determined to be individually impaired) for impairment. The collective impairment assessment is based on an analysis of past collection history and write-offs.

10. TRADE AND OTHER PAYABLES

	<i>2015</i>	<i>2014</i>
	\$	\$
Trade payables	679,332	647,220
Sundry payables	1,252,565	715,595
Related party payables	3,080	117
	<u>1,934,977</u>	<u>1,362,932</u>

11. INCOME TAX EXPENSE

	<i>2015</i>	<i>2014</i>
	\$	\$
Current year	222,719	10,885
Adjustments to current tax in prior periods	(1,510)	(1)
Deferred tax	451,939	107,557
	<u>673,148</u>	<u>118,441</u>

Reconciliation of effective tax rate:

	<i>2015</i>	<i>2014</i>
	\$	\$
Surplus for the period excluding income tax	<u>2,449,388</u>	<u>326,501</u>
Prima facie income tax at 28%	685,829	91,420
Effect of non-deductible expenses	1,430,595	1,417,779
Effect of tax exempt income	(1,945,649)	(1,473,441)
Prior period adjustment	(1)	12,024
Effect of group loss offset	0	0
Deferred tax adjustment	502,374	70,659
	<u>673,148</u>	<u>118,441</u>

Wellington Cable Car Limited's tax liability for 2014 was satisfied by way of withholding tax credits on interest earned. It is expected that the tax liability for the 2015 year will be offset by tax losses from / subvention payment to WCC however no amount has been provided for this.

	<i>2015</i>	<i>2014</i>
	\$	\$
Imputation credits available for use in subsequent periods	74,565	62,026

No adjustment have been made for credits associated with the tax payable for the year ended 30 June 2015 due to the expected tax loss offset/subvention payment with Wellington City Council.

Wellington Cable Car Limited
Notes to the Financial Statements
For the Year Ended 30th June 2015

12. DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets/(liabilities):

	Property, plant & equipment \$	Provisions \$	Total \$
Balance, 30 June 2012	(879,051)	148,618	(730,433)
Charged to Revenue	178,984	23,473	202,457
Charged to other comprehensive income	68,444	-	68,444
Balance, 30 June 2013	<u>(631,623)</u>	<u>172,091</u>	<u>(459,532)</u>
Charged to Revenue	(8,672)	(98,885)	(107,557)
Charged to other comprehensive income	-	-	-
Balance, 30 June 2014	<u>(640,294)</u>	<u>73,206</u>	<u>(567,089)</u>
Charged to Revenue	(457,496)	5,556	(451,939)
Charged to other comprehensive income	-	-	-
Balance, 30 June 2015	<u>(1,097,790)</u>	<u>78,762</u>	<u>(1,019,028)</u>

13. PROPERTY, PLANT & EQUIPMENT

	2015 \$	2014 \$
Cable Car and equipment		
Cost		
Opening balance	5,341,490	3,385,349
Additions	295,634	1,956,141
Closing balance	<u>5,637,124</u>	<u>5,341,490</u>
Accumulated depreciation		
Opening balance	1,327,585	1,225,554
Current year depreciation	115,687	102,031
Closing balance	<u>1,443,272</u>	<u>1,327,585</u>
Carrying amount	<u>4,193,852</u>	<u>4,013,905</u>
Cable car tracks and wires		
Cost		
Opening balance	1,363,778	1,363,778
Closing balance	<u>1,363,778</u>	<u>1,363,778</u>
Accumulated depreciation		
Opening balance	409,135	381,859
Current year depreciation	27,276	27,276
Closing balance	<u>436,410</u>	<u>409,135</u>
Carrying amount	<u>927,368</u>	<u>954,643</u>

Wellington Cable Car Limited
Notes to the Financial Statements
For the Year Ended 30th June 2015

	<i>2015</i>	<i>2014</i>
	\$	\$
Trolley bus overhead		
Cost/Valuation		
Opening balance	461,333	692,000
Impairment	-	(230,667)
Closing balance	<u>461,333</u>	<u>461,333</u>
Accumulated depreciation		
Opening balance	-	-
Current year depreciation	11,966	17,300
Elimination of depreciation on impairment	-	(17,300)
Closing balance	<u>11,966</u>	<u>-</u>
Carrying amount	<u>449,367</u>	<u>461,333</u>
Wire system equipment		
Cost		
Opening balance	79,506	79,506
Closing balance	<u>79,506</u>	<u>79,506</u>
Accumulated depreciation		
Opening balance	47,582	39,779
Current year depreciation	6,883	7,803
Closing balance	<u>54,465</u>	<u>47,582</u>
Carrying amount	<u>25,041</u>	<u>31,924</u>
Motor vehicles		
Cost		
Opening balance	1,034,431	287,913
Additions	2,448	931,612
Disposals	(10,029)	(185,094)
Closing balance	<u>1,026,850</u>	<u>1,034,431</u>
Accumulated depreciation		
Opening balance	186,262	285,940
Current year depreciation	183,110	85,416
Disposals	(10,029)	(185,094)
Closing balance	<u>359,343</u>	<u>186,262</u>
Carrying amount	<u>667,507</u>	<u>848,169</u>
Furniture		
Cost		
Opening balance	61,238	61,238
Closing balance	<u>61,238</u>	<u>61,238</u>
Accumulated depreciation		
Opening balance	41,024	35,096

Wellington Cable Car Limited
Notes to the Financial Statements
For the Year Ended 30th June 2015

	<i>2015</i>	<i>2014</i>
	\$	\$
Current year depreciation	5,808	5,928
Closing balance	<u>46,832</u>	<u>41,024</u>
Carrying amount	<u>14,406</u>	<u>20,214</u>
Computer equipment		
Cost		
Opening balance	256,250	253,564
Additions	26,947	6,476
Disposals	-	(3,789)
Closing balance	<u>283,197</u>	<u>256,251</u>
Accumulated depreciation		
Opening balance	236,889	228,717
Current year depreciation	16,477	11,021
Disposals	-	(2,849)
Closing balance	<u>253,366</u>	<u>236,889</u>
Carrying amount	<u>29,831</u>	<u>19,362</u>
Work-In-Progress		
Cost		
Opening balance	83,847	1,047,277
Additions	1,771,679	79,000
Transfers	-	(1,042,430)
Closing balance	<u>1,855,525</u>	<u>83,846</u>
Accumulated depreciation		
Opening balance	-	-
Current year depreciation	-	-
Closing balance	<u>-</u>	<u>-</u>
Carrying amount	<u>1,855,525</u>	<u>83,846</u>
Total Property, Plant & Equipment		
Cost		
Opening balance	8,681,873	7,170,625
Additions	2,096,707	2,973,228
Disposals	(10,029)	(1,231,313)
Impairment	-	(230,667)
Closing balance	<u>10,768,551</u>	<u>8,681,873</u>
Accumulated depreciation		
Opening balance	2,248,476	2,196,945
Current year depreciation	367,207	256,775
Elimination of depreciation on impairment	-	(17,300)
Disposals	(10,029)	(187,943)
Closing balance	<u>2,605,654</u>	<u>2,248,477</u>

Wellington Cable Car Limited
Notes to the Financial Statements
For the Year Ended 30th June 2015

	<i>2015</i>	<i>2014</i>
	\$	\$
Carrying amount	<u>8,162,897</u>	<u>6,433,396</u>

Motor Vehicles

It is noted that of the total carrying value of motor vehicles owned by Wellington Cable Car Limited, \$631,983 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. 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.

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.

14. INTANGIBLES

	<i>2015</i>	<i>2014</i>
	\$	\$
Cost		
Opening balance	127,861	122,079
Acquired by direct purchase	<u>44,306</u>	<u>5,782</u>
Closing balance	<u>172,167</u>	<u>127,861</u>
Accumulated amortisation		
Opening balance	121,987	99,190
Current year amortisation	<u>8,901</u>	<u>22,797</u>
Closing balance	<u>130,888</u>	<u>121,987</u>
Carrying amount	<u>41,279</u>	<u>5,874</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.

Wellington Cable Car Limited
Notes to the Financial Statements
For the Year Ended 30th June 2015

15. 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.

	<i>2015</i>	<i>2014</i>
	\$	\$
Leases outstanding at balance date:		
Telecom Rentals	3,187	6,863
Total	<u>3,187</u>	<u>6,863</u>
Repayable as follows:		
Less than one year	<u>3,187</u>	<u>3,675</u>
	3,187	3,675
One to five years	<u>-</u>	<u>3,188</u>
	-	3,188
Total	<u>3,187</u>	<u>6,863</u>

16. OPERATING LEASE COMMITMENTS

	<i>2015</i>	<i>2014</i>
	\$	\$
Non-cancellable operating lease commitments:		
<u>Land and Buildings</u>		
Not later than 1 year	71,261	78,880
Later than 1 and not later than 2 years	14,870	48,956
Later than 2 and not later than 5 years	<u>-</u>	<u>-</u>
	86,131	127,836
<u>Plant and equipment</u>		
Not later than 1 year	19,446	3,859
Later than 1 and not later than 2 years	27,613	6,753
Later than 2 and not later than 5 years	<u>-</u>	<u>-</u>
	47,059	10,612
	<u>133,190</u>	<u>138,448</u>

Wellington Cable Car Limited
Notes to the Financial Statements
For the Year Ended 30th June 2015

17. OPERATING AND CAPITAL COMMITMENTS

	<i>2015</i>	<i>2014</i>
	\$	\$
<u>Contractor</u>		
Not later than 1 year	2,700,000	2,700,000
Later than 1 and not later than 2 years	2,700,000	2,700,000
Later than 2 and not later than 5 years	-	2,700,000
	<u>5,400,000</u>	<u>8,100,000</u>

Capital Commitments

At balance date there are no known capital commitments (2014: \$0)

18. BORROWINGS

Bank overdraft

Wellington Cable Car Limited's bank overdraft facility totals \$50,000. The current interest rate on the facility is 12.15% (2014:11.65%). The actual overdraft facility was un-drawn as at 30 June 2015 (2014: un-drawn).

19. SHAREHOLDERS' EQUITY

Capital

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

	<i>2015</i>	<i>2014</i>
	\$	\$
7,434,746 fully paid Ordinary Shares	7,434,846	7,434,846
Total Issued and Paid up Capital	<u>7,434,846</u>	<u>7,434,846</u>

Accumulated Comprehensive Revenue and Expense

	<i>2015</i>	<i>2014</i>
	\$	\$
Accumulated Comprehensive Revenue & Expense Opening Balance	187,803	188,278
Net Surplus after tax	1,776,159	(475)
Available for appropriation	<u>1,963,962</u>	<u>187,803</u>
Accumulated Comprehensive Revenue & Expense Closing Balance	<u>1,963,962</u>	<u>187,803</u>

Wellington Cable Car Limited

Notes to the Financial Statements For the Year Ended 30th June 2015

20. SIGNIFICANT EVENTS AFTER BALANCE DATE

The following significant events occurred after balance date:

1. Wellington Cable Car Limited entered into a contract with Doppelmayr (NZ) Limited on 27 July 2015 for the supply of a new Electric Drive and Controls system. Wellington City Council is assisting with the funding in relation to this project, which will be undertaken over a two month period commencing June 2016.

21. 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.

22. 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 2015 for the financial reports on pages 9 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.

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 2015, the major variances relate to costs savings and deferrals in regard to three separate budgeted capital projects:

(a) Karori Stage 2 and Bus Highway No. 1 network section replacement projects which had a positive impact of approximately \$0.64m due to delays in construction mainly as a result of seasonal extreme weather conditions, and

(b) Trolley Bus electrical safety protection system. This was originally planned to be rolled out across the entire network wide rollout with estimated expenditure in 2014/15 of \$2.75m. However after the decision by GWRC to cease trolley bus services after June 2017, it was agreed with GWRC early during the financial year that a more limited rollout would occur with a \$0.91m reduction of expenditure required during 2014/15 to \$1.84m. Furthermore, from a Statement of Revenue and Expense perspective, the original budget had provided for these costs to be expensed, however the capital expenditure will now be capitalised post completion of the project (expected midway through the 2016 financial year). As a result, the costs at 30 June 2015 have been recorded on the Statement of Financial Position as having a positive impact for 2014/15 of \$1.84m, even though this expenditure will be capitalised in 2015/16.

Wellington Cable Car Limited
Notes to the Financial Statements
For the Year Ended 30th June 2015

Statement of Changes in Equity

The major variance between the actual position as at 30 June 2015 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.

The Company had also originally budgeted to declare a \$50k dividend to Wellington City Council, however, it was subsequently decided by Wellington City Council that these funds were to be retained to fund future Company capital expenditure.

Statement of Financial Position

Other than the impact of the variance between the budgeted and actual surplus for the 2014/15 year which resulted in larger cash reserves than expected, the major variance in the Statement of Financial Position between the actual and budgeted positions is due to trade payables and trade receivables.

Trade payables and trade receivables are dependent largely on the timing of work completion and capital projects. For the year ended 30 June 2015, there were some significant projects which were in progress or recently completed for the Overhead Network, in particular the Trolley Bus electrical safety protection system and the Bus Highway No.1 network section replacement project. WCCL is required to fund certain costs and then retrospectively seek reimbursement from GWRC (for example, inventory), however for the majority of costs, GWRC funds the costs to WCCL prior to them being payable to WCCL's suppliers. As a result of this, both the trade receivables and trade payables balances were significantly higher than the Company had originally budgeted for.

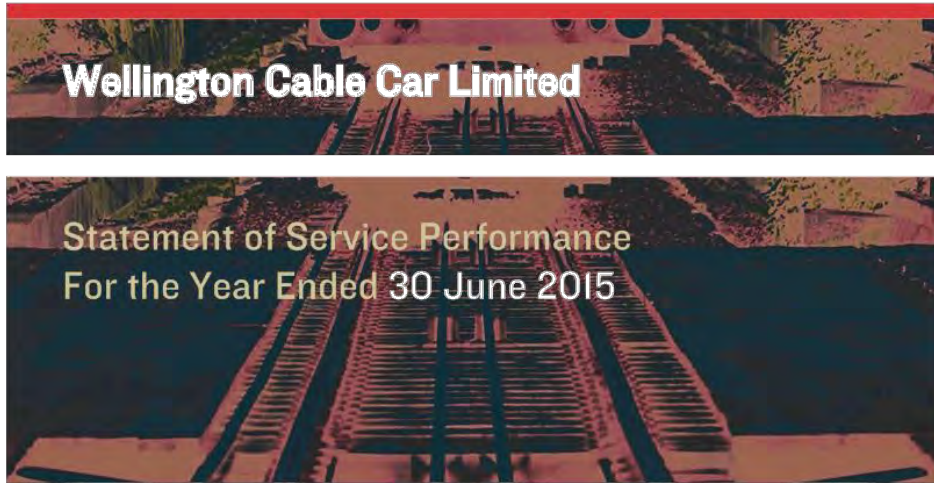
Statement of Cash Flow

As discussed in the commentary on the Statement of Revenue and Expense, the receipts from operations and payments to suppliers are less than those budgeted for by the Company as a result of cost savings on overhead network projects, along with minor delays in project work due to seasonal extreme weather conditions and a reduction in project scope for the Trolley Bus electrical safety protection system.

**23. ADJUSTMENTS ON TRANSITION TO THE
NEW PBE ACCOUNTING STANDARD**

Wellington Cable Car Limited has reviewed the financial statements previously audited for the year ended 30 June 2014 and note there have been no numerical adjustments or reclassifications required arising from the transition to the new PBE accounting standards.

It is noted that in respect of the carrying value of the Overhead network assets, Wellington Cable Car Limited adopted the cost method on 1 July 2014. Wellington Cable Car Limited is using deemed cost as at 1 July 2014 as a proxy for actual cost, as we have insufficient information to quantify the historic cost of individual assets within this class. Given the nature of the assets and intended decommissioning, valuing these assets at cost is considered to be more informative to the user of the financial statements.



Wellington Cable Car Limited
Statement of Service Performance - Performance Targets and
Other Measures
For the Year Ended 30 June 2015

Cable Car Service Performance Measures

Performance Indicator	Measure	Target/Result	Actual
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	<i>Achieved.</i>
Cable Car service reliability	Percentage reliability	Greater than 99%	<i>Result 99.84%. Achieved.</i>
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 2015)	<i>Qualmark endorsement applied for and achieved in 2015.</i>
New Cable Car Asset Management Plan (AMP) produced	New Asset Management Plan produced	New Asset Management Plan produced and long term planning and financial implications fed into WCC planning system	<i>In Progress – AMP to be completed by 31 October 2015.</i>
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, borrowing and grants	<i>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 Elective Drive replacement in the 2015/2016 year.</i>

Trolley Bus Overhead Network Performance Measures

Performance Indicator	Measure	Target/Result	Actual
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. WCCL 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.

Wellington Cable Car Limited
Statement of Service Performance - Performance Targets and
Other Measures
For the Year Ended 30 June 2015

Performance Indicator	Measure	Target/Result	Actual
Number of power outages on the Trolley Bus Overhead Electrical Network attributable to WCCL	Number of power outages occurring on the network.	24 per annum	There were 94 power outages in the 2014/15 year. This number includes outages arising from WCCL, Wellington Electricity, NZ Bus and third parties. For the 2015/16 year WCCL will report specifically on the stated performance indicator. ¹
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	<i>Achieved - AMP provided to GWRC on 22 August 2014.</i>
Trolley Bus Overhead Network Poles identified in the AMP 2014/15 as requiring urgent and critical replacement are programmed for replacement	Pole replacements completion	Completed in accordance with the programme	<i>The pole replacement programme for 2014/2015 was modified to 82 planned pole replacements. 15 poles from this programme were commenced but not completed due to third party work still being required.</i>
Network section replacement projects as agreed with GWRC are satisfactorily completed.	Network section replacement programme completion	Replacement completed in accordance with the programme	<i>Achieved.</i>
WCCL Pole occupants have formal contracts and appropriate pole user charges are being paid	Number of contracts current	All recent users have current contracts. All "Existing Works" users have contracts signed by 30 June 2015, and continue with current contracts.	<i>Pole occupants without existing user rights have paid their rental charges in accordance with their contracts. Occupants claiming "existing works" rights do not yet all have contracts concluded due to unresolved differences in interpretation of legislation however discussions have been had to enter into contracts even at a nil value to ensure safety areas are covered.</i>
GWRC funding agreement being complied with.	Number of breaches of agreement	Nil breaches by WCCL	<i>Nil breaches have been from a reporting perspective and agreed with GWRC. No penalties have been incurred.</i>

¹ 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.

Wellington Cable Car Limited
Statement of Service Performance - Performance Targets and
Other Measures
For the Year Ended 30 June 2015

Performance Indicator	Measure	Target/Result	Actual
Performance requirements in the GWRC Trolley Bus Overhead funding agreement are met.	GWRC Contract payments received	Paid in accordance with agreed funding levels	<i>All payments due have been received.</i>
	Other Contract Requirements	No complaints from GWRC	<i>Achieved.</i>

All of WCCL Activities Performance Measures

Performance Indicator	Measure	Target/Result	Actual
Compliance with appropriate regulations and statutes	Number of adverse comments from relevant regulatory authorities	Nil adverse comments	<i>Achieved</i>
Budgetary requirements approved by the WCCL Board are met	Degree of variance from budget	Within 10% or Board approved variance	<i>All variances approved and signed off by Directors at the following Board meeting.</i>
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	<i>Achieved</i>
WCCL Corporate and Operational Risks are proactively identified, assessed and managed to an As Low As Reasonably Practicable (ALARP) level using "Isolate – 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	<i>Achieved</i>

Cable Car Patronage

All Passenger Trips

2014/15	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Estimated Passenger Trips	185,994	267,793	363,432	188,628	1,005,847
Actual Passenger Trips	193,281	268,787	318,017	196,331	976,416

Wellington Cable Car Limited
Statement of Service Performance - Performance Targets and
Other Measures
For the Year Ended 30 June 2015

Wellington Residents Satisfaction Survey:

The annual survey conducted by WCC asks the questions below:

Question	Target	Actual
Have you used the cable car in the last 12 months?	30% of respondents have used cable car	53%
How do you rate the standard and operational reliability of the cable car (Good or Very good)	95% of respondents with some knowledge of the cable car rate it Good or Very good	92%

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 2015**

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 9 to 31, that comprise the statement of financial position as at 30 June 2015, 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 32 to 35.

In our opinion:

The financial statements of the company:

- o present fairly, in all material respects:
 - its financial position as at 30 June 2015; and
 - its financial performance and cash flows for the year then ended; and
- o comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Standards with reduced disclosure requirements.

The performance information of the company presents fairly, in all material respects, the company's achievements measured against the performance targets adopted for the year ended 30 June 2015.

Our audit was completed on 30 September 2015. 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 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 with reduced disclosure requirements. 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.

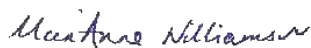
Responsibilities of the Auditor

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 section 15 of 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.

CREDITS

Funding:

Wellington City Council
Greater Wellington Regional Council

Overhead Network Contractor:

Transfield Services Limited

Accountants:

AddSmart Limited

All other Vendors and Suppliers
All Staff and Patrons



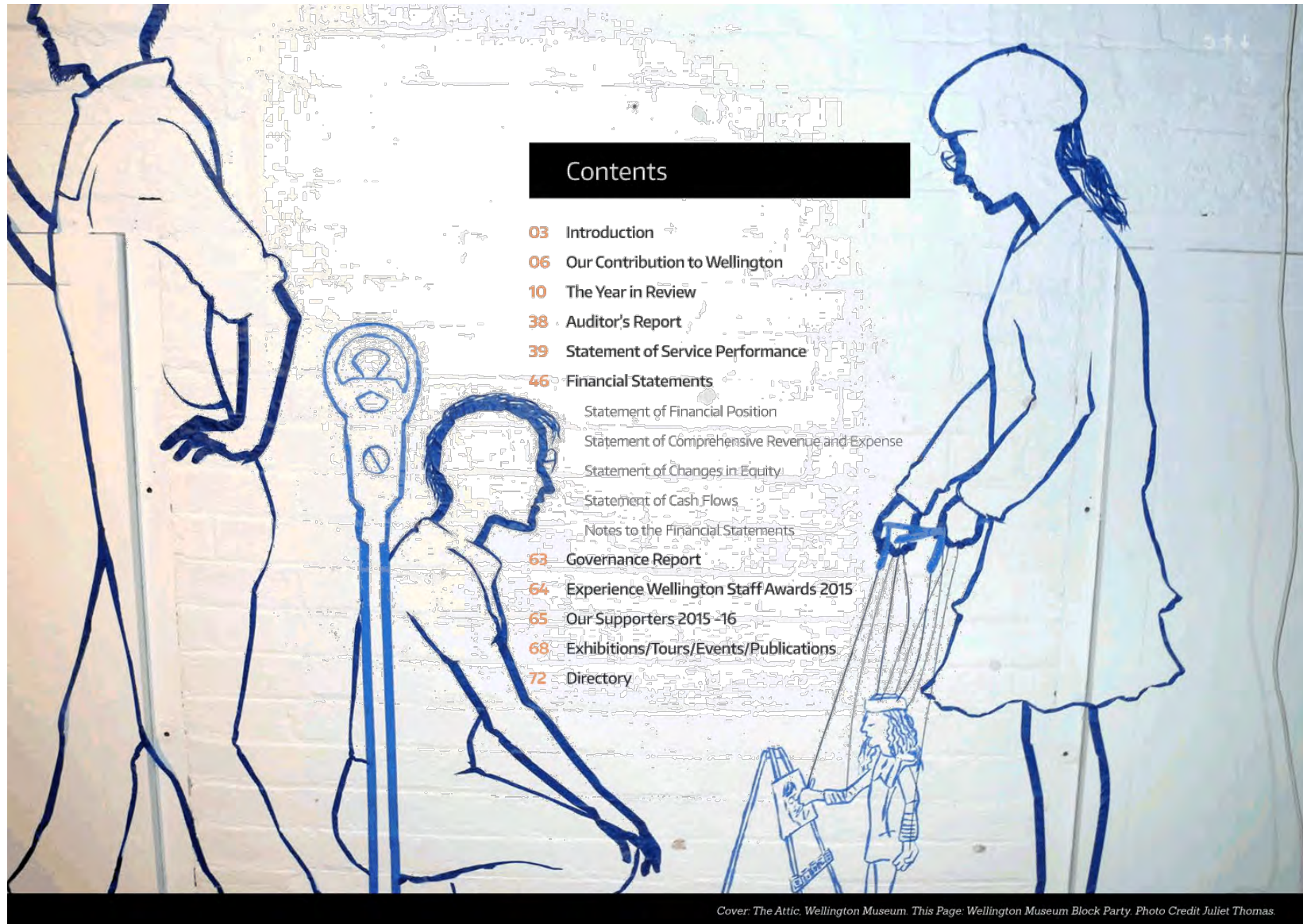
**Wellington Cable Car Limited and Wellington City Council
Trolley Bus Cabinet Mural Project**

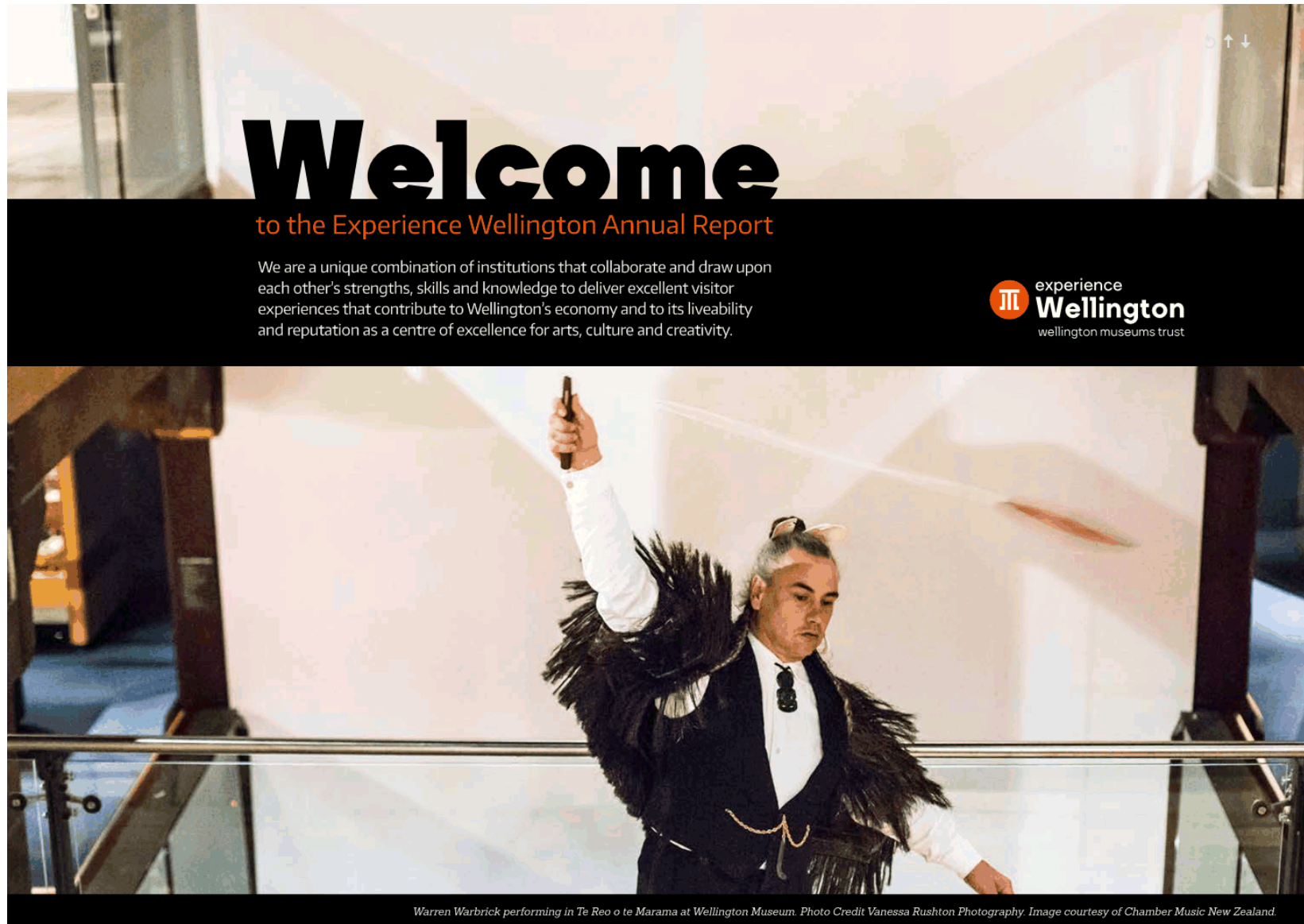
Artists: Kelly Spencer Amy Church
 Tina Rae Carter Tom Wallace
 Jade Townsend Bruce Mahalski



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Warren Warbrick performing in Te Reo o te Marama at Wellington Museum. Photo Credit Vanessa Rushton Photography. Image courtesy of Chamber Music New Zealand.



Te Rau Taiohi Rapa Haka performing at Wellington Museum. Photo Credit Vanessa Rushton Photography. Image courtesy of Chamber Music New Zealand.



Vision
Excellent experiences
that Wellingtonians proudly
share with the world.



A message from the Board Chair

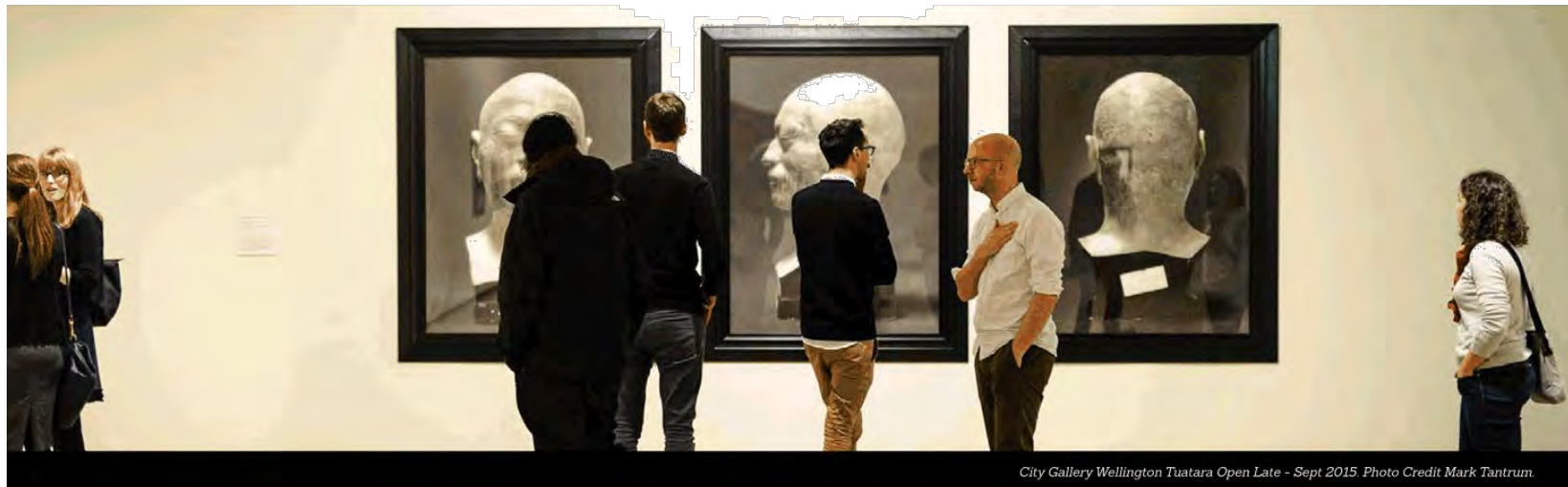
Our overarching goal is to serve the people of Wellington who continue to rate our visitor experiences highly as cultural and social landmarks that they are proud to support. We are grateful for their continued investment through rates which enables us to leverage other funding for exhibitions, public programmes and the care of collections and heritage buildings.

In our 20th anniversary year we have many reasons to celebrate our success and the contribution we make to Wellington. Visitation was 688,169 (15% better than target) and when we add virtual visitation of 335,411 achieved through website and Facebook followers, a grand total of 1,023,580 is achieved.

Highlights from the year include:

- The Attic at Wellington Museum opened on time and within budget on 14 November 2015. The Attic is our legacy project to mark the 150th anniversary of Wellington as capital city of New Zealand.
- City Gallery's leadership as New Zealand's premier contemporary art space was enhanced by standout exhibitions.
- Capital E in partnership with the Miramar Events Trust launched the first Roxy5 Short Film Competition.
- Space Place at Carter Observatory exceeded its targets for both visitation and visitor profile.
- Nairn Street Cottage visitation was boosted by its outreach programme.
- The Cable Car Museum led our trading success by exceeding its gross revenue target by 11%.
- We refreshed our brand and adopted the new trading name Experience Wellington representing the breadth of what we do and for whom.
- We achieved a net surplus of \$34,928 after depreciation.¹

¹This excludes \$227,500 of grants for projects which have not yet taken place but included as revenue under new Reporting Standards. Previously these grants would have been held in Revenue in Advance until the expenditure had occurred. See page 53 for details.



City Gallery Wellington Tuatara Open Late - Sept 2015. Photo Credit Mark Tantrum.

Our Supporters

We rely on the financial support of many to present our year round visitor experiences and to deliver major projects such as The Attic at Wellington Museum.

- Wellington City Council is our principal funder and we thank Mayor Celia Wade-Brown and Councillors for their continued support through an increased operating grant and for their financial support of the Wellington Museum building works.
- We also thank Council's Wellington Economic Initiatives Development (WEID) fund for its commitment to the Cindy Sherman exhibition which will open in November 2016.
- The Ministry for Culture and Heritage through its Regional Museums Policy and the Lottery WW1, Environment & Heritage Committee ensured that the Wellington Museum building works were fully funded.
- We thank contributors to The Attic exhibitions which included the Wellington Community Trust, Ron Dixon, the Bethlehem Trust and the Maritime Friends.
- We value the long-term commitment of EY to City Gallery's exhibition programme and the support of the City Gallery Wellington Foundation.
- Creative New Zealand (CNZ) continues to support Capital E's National Theatre for Children and the biennial National Arts Festival for Children as a Tōtara organisation.
- The Ministry of Education continues to subsidise our curriculum aligned education programmes.

A full list of our supporters is on page 65.



Mayor Celia Wade-Brown speaking at the opening of The Attic, Wellington Museum. Photo Credit Mark Tantrum.

Our Team

We farewelled Quentin Hay after 9 years of service to the Board, including five as Chair and we thank Quentin for his leadership and commitment to our work. Jane Wrightson was appointed in January bringing extensive leadership and governance experience to the Board.

Trustees were delighted to join staff for the inaugural Experience Wellington Staff Awards which celebrated the skills, imaginations, passion and teamwork that our dedicated staff bring to their work. We also pay tribute to, and thank, all the volunteers who freely give their time, and to our Friends organisations for their support.

The Trustees thank our Chief Executive, Pat Stuart, who with her Executive Team provide the leadership underpinning our success.

Looking Forward

We are a seven day a week operation and each year we provide around 400 different visitor experiences. We pride ourselves on keeping the promise that our mix of events, public programmes and exhibitions will ensure that Wellingtonians and visitors to the city have something new to experience and that they will be entertained. In 2016-17 we will

open a new exhibition at Wellington Museum; present the work of Cindy Sherman at City Gallery Wellington, one of the most significant contemporary artists of our time; and stage the Capital E National Arts Festival which will bring into the city children from around the region for a two week performing arts extravaganza.

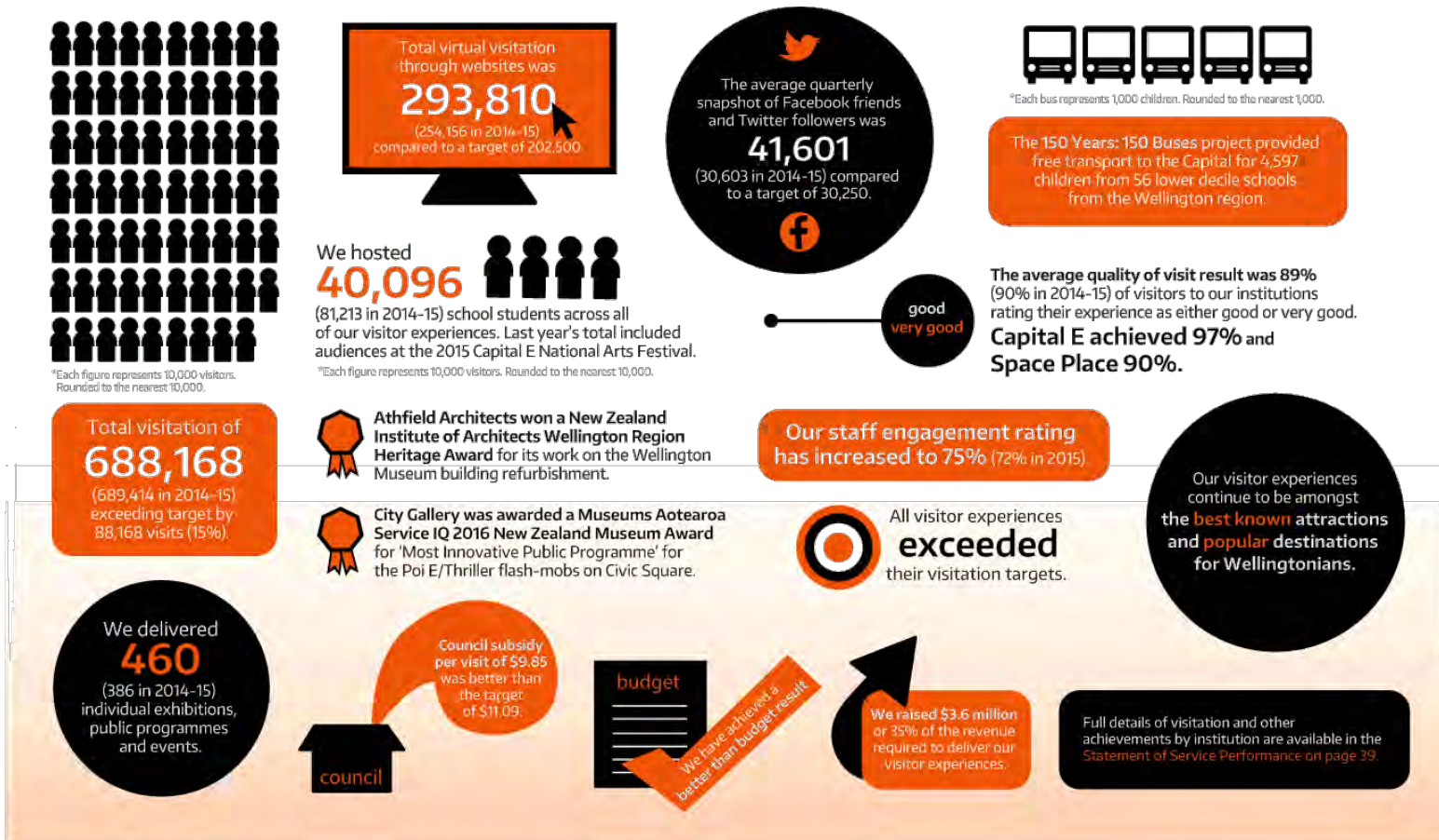


Jackie Lloyd
Chair



City Gallery Wellington Visitor Services Host Team received a Team Spirit award at the Experience Wellington 2016 Staff Awards. Photo Credit Mark Tantrum.

Our performance against Key Performance Indicators (KPI)



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 of our visitor experiences.

The Year in Review

Financial Performance

We achieved a better than budget result with a net surplus of \$34,928 after depreciation. This result includes an accrual of \$140,891 covering the cash deficit at Space Place which is underwritten by Council and an additional \$100,000 provided by Council to enable us to align with its Living Wage policy.

Overall we are reporting a surplus of \$262,428 following a change in accounting policy requiring the inclusion of grants totalling \$227,500 for projects which have not yet taken place. Previously these grants were held in Revenue in Advance until the purpose of the grant was fulfilled and the associated expenditure incurred.

In line with revised presentation standards the Financial Statements (Page 46 to 62) include, for the first time, the Forecast Financial Statements from the 2015-16 Statement of Intent. The variance between the forecast and Financial Statements is the revenue position described above and the impact of Phase One of the Wellington Museum development which was undertaken in 2015 but not included in the forecast. The impact of this project, in terms of the funds raised and the expenditure incurred, inflates both sides of the balance sheet compared with the forecast.

Another variance is our year-end cash position which is significantly higher than forecast due to a change in policy and is largely offset by the increase in trade and other payables.

Total revenue of \$12.05 million (\$12.7 million in 2014-15) was available for our operation inclusive of Council's baseline funding of \$6.685 million. We raised \$3.6 million or 35% of total revenue (excluding the Council's rental subsidy of \$1.7 Million). This compares to \$4.1 million or 39% of total revenue in 2014-15 which included wind-fall revenue from a bequest to City Gallery Wellington and the payment of an insurance claim.



Gaiduch family at the City Gallery ANZ Family Day April 2016. Photo Credit Mark Tantrum.

Our main non-Council sources of revenue continue to be from trading \$2.0 million (\$2.1 million in 2014-15); contracts (Creative New Zealand and Ministry of Education) \$0.82 million (\$1 million in 2014-15); and fundraising which includes grants from community trusts, donations and personal giving, and cash sponsorships \$0.6 million (\$0.8 million 2014-15).

Total expenses were \$11.9 million compared to \$12.5 million in 2014-15.

The difference in both revenue and expenses, between this year and 2014-15 is the impact of the biennial Capital E National Arts Festival which was presented in March 2015.

Capital E

Capital E continued to build business and community partnerships to ensure its programming for, with and by children and young people were extraordinary creative experiences. An excellent example of this was the Roxy5 Short Film Competition in partnership with Miramar Events Trust which attracted seventeen short film entries themed 'Kiwi As' from Wellington Region school students in Years 7-13. The three winning films will be re-made with industry guidance for inclusion in the *Young and Cinematic* programme in the 2017 Capital E National Arts Festival.

The Short Film Competition would not have been possible without the unfailing support of Park Road Post Productions.

Visitation exceeded target by 27% and was 34% better than in 2013-14 (the previous non-Festival year) signalling that Capital E has made great progress in re-engaging with its audience following the disruption of moving homes.

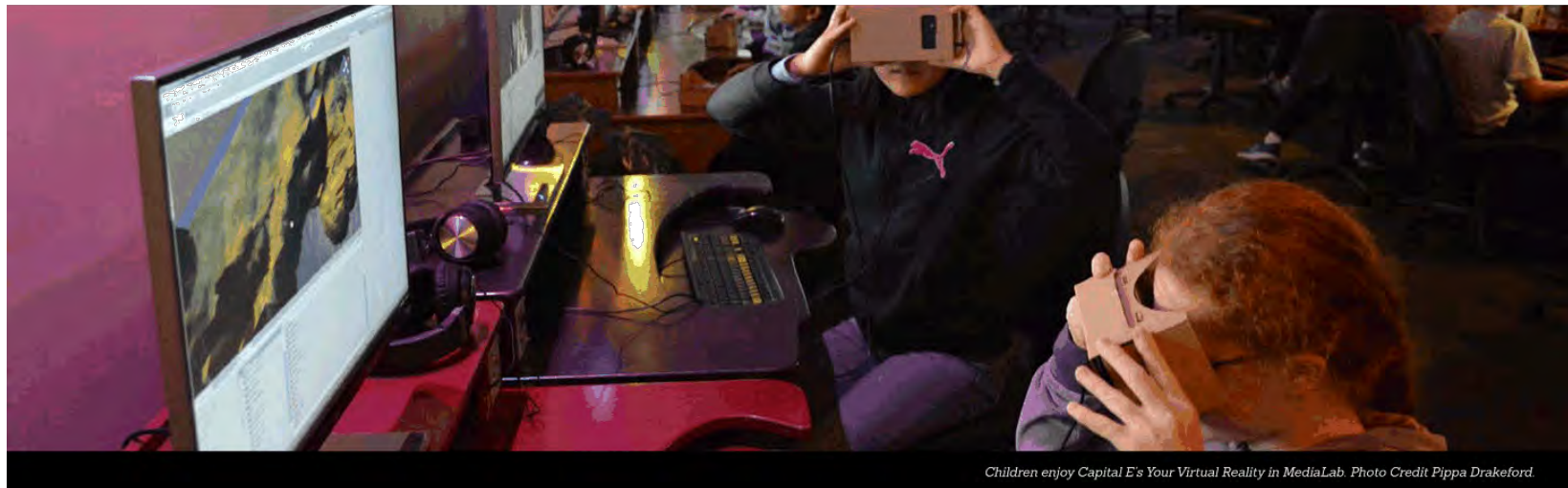
Its innovative approach to integrating live and digital creativity was explored through the *Stealing Games Pilot* which involved Year 7 and 8 students seeing *Stealing Games* at Hannah Playhouse, and then writing and recording interviews with the cast and crew, which were then shown in a Newscast session in OniTV. This unique offering enabled children to explore a creative digital response to live performance and provided the foundation for the current programme offering *Hinepau – Behind the Scenes*.

Refer page 68 for details of programmes and events at Capital E during 2015-16.

	2014-15 Achieved	2015-16 Achieved
Total Visitation ¹	111,273	79,120
Visitor Satisfaction ²	94%	93.2%

¹The impact of the biennial Capital E National Arts Festival held in 2015 is reflected in the visitation variation. Visitation also includes non-Capital E activity at Hannah Playhouse which in 2015-16 was 14,736 attendees.

²Those that rated their experience as either Good or Very Good in Council's Annual Residents Awareness Survey.



Children enjoy Capital E's Your Virtual Reality in MediaLab. Photo Credit Pippa Drakeford.





The Big Halloween on Queens Wharf organised by Capital E in conjunction with Wellington Museum attracted 4,785 enthusiastic revellers of all ages.

Photo Credit Duo Photography.



Capital E National Theatre for Children's *Shu's Song* created by Laura Gaudin, Rachel Callinan and Gina Moss premiered on 16 April 2016.
Photo Credit Stephen A Court

City Gallery Wellington

City Gallery's leadership as New Zealand's premier contemporary art space was enhanced by several standout exhibitions including the first survey exhibition of significant Ngai Tahu artist *Fiona Pardington: A Beautiful Hesitation* accompanied by a stunning book; and *Francis Upritchard: Jealous Saboteurs* which opened in late May to critical and popular acclaim. Both exhibitions were designed to tour other New Zealand centres carrying City Gallery's brand values of presenting an artist originally and in a way that serves to enhance the critical discourse that surrounds their work.

The Gallery's popularity is testament to the quality and variety of its exhibition programme. This year visitation increased by 5% over last year and 19% better than target. The exhibition programme was supported by imaginative and innovative public programmes and events (recognised in the 2016 New Zealand Museum Awards), including a special presentation by UK Turner Prize winner Martin Creed. Other activity included the increasingly popular *Tuatara Open Lates* supported by Tuatara Brewing which have become feature

events for young art lovers; the extremely popular New Zealand Institute of Architects City Talks series, and a collaboration with the New Zealand Festival's new Culture Club, which involved a midnight tour of City Gallery.

City Gallery and Toi Māori Aotearoa, with the support of Creative New Zealand, agreed to work together on a symposium on Fifty Years of Contemporary Māori Art Curating which will take place in December 2016 coinciding with the Māori Art Market. City Gallery is also the host institution for Toi Māori Aotearoa's curatorial intern programme.

Refer page 68 for details of exhibitions, programmes and events at City Gallery during 2015-16.

	2014-15 Achieved	2015-16 Achieved
Total Visitation	169,943	178,228
Visitor Satisfaction ¹	96%	93.1%

¹Those that rated their experience as either Good or Very Good in Council's Annual Residents Awareness Survey.



City Gallery ANZ Family Day tour April 2016. Photo Credit Mark Tantrum.



The introduction of the Art Cart with the assistance of the Wellington Community Trust and ANZ Family Days adds to City Gallery programming for children and young people.
Photo Credit Mark Tantrum.



Fiona Pardington: A Beautiful Hesitation was the first survey exhibition of this Ngai Tahu artist and was also a finalist in the New Zealand Museums Awards 2016.
Photo Credit Mark Tantrum.



City Gallery was awarded a Museums Aotearoa Service IQ 2016 New Zealand Museum Award for 'Most Innovative Public Programme' for the Poi E/Thriller flash-mobs supporting the Candice Breitz exhibition held during 2015.

Photo Credit Mark Tantrum.



Wellington Museum

The opening of The Attic at Wellington Museum is a significant milestone for Wellington heralding the coming of age of a museum dedicated to telling its stories.

The Attic which includes *Ngā Hau* and The Frederick de Jersey Clere Room is designed to stimulate curiosity and to capture the essence of who we are as a region and city. The project was a major undertaking for our small team and we were delighted with the outcome including that it was achieved on time and within budget. Our special thanks to the Wellington City Council's Property Team who worked closely with us to achieve the best results for this 124 year old category one heritage building and the many visitors who will enjoy the new exhibitions and access to this previously closed part of the building.

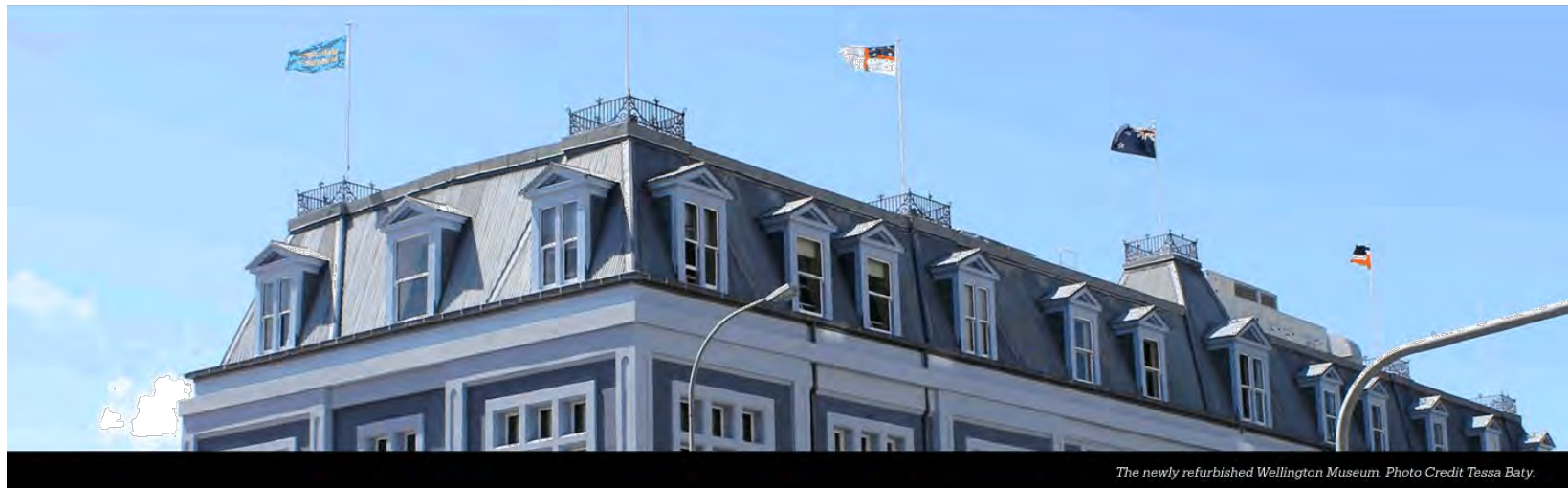
The care taken over the building's refurbishment was recognised with the awarding of a Wellington Region Heritage Award by the New Zealand Institute of Architects to Athfield Architects.

The opening of The Attic had an immediate impact on visitation which translated at year-end into the Museum being 11% ahead of target after a slow start to 2015-16 because of the disruption caused by construction. The exhibitions have also garnered overwhelmingly positive feedback and positive media coverage.

Refer page 68 for details of exhibitions, programmes and events at Wellington Museum during 2015-16.

	2014-15 Achieved	2015-16 Achieved
Total Visitation	124,955	133,470
Visitor Satisfaction ¹	95%	97.6%

¹Those that rated their experience as either Good or Very Good in Council's Annual Residents Awareness Survey.



The newly refurbished Wellington Museum. Photo Credit Tessa Baty.



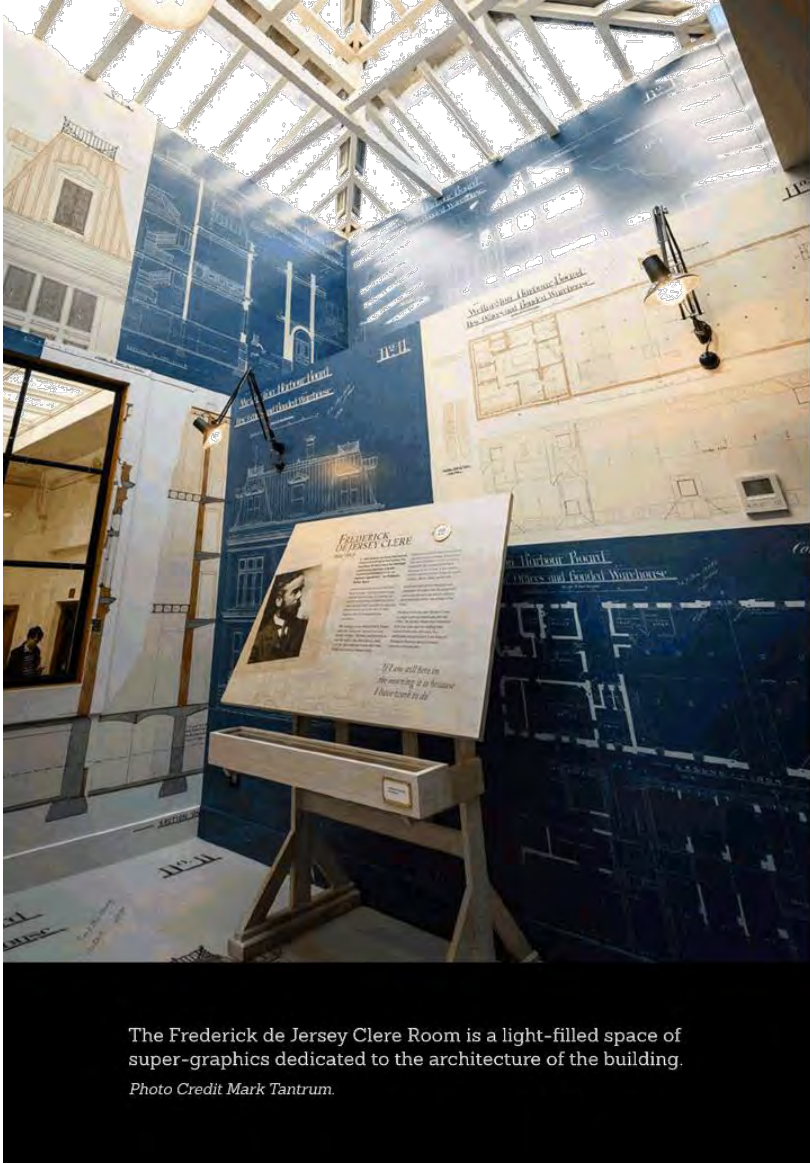
The Attic is a whole new floor and permanent public exhibition space; it is an invigorating and quirky contribution to Wellington as our cultural capital.

Photo Credit Mark Tantrum

COUNCIL CONTROLLED ORGANISATIONS

14 DECEMBER 2016

Item 2.3 Attachment 4



The Frederick de Jersey Clere Room is a light-filled space of super-graphics dedicated to the architecture of the building.
Photo Credit Mark Tantrum.



Ngā Hau combines art and cinema to create a time machine to take you from the Big Bang to the future with the voices of historical and contemporary characters bringing Wellington's story to life.
Photo Credit Mark Tantrum.

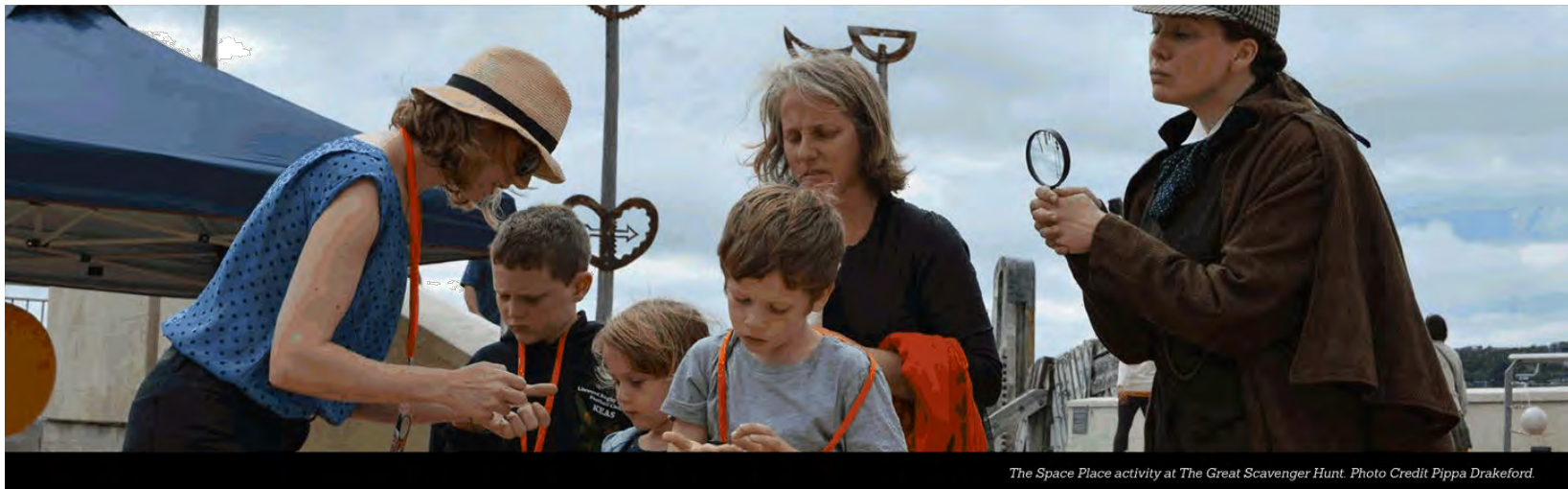
Space Place

The successful launch of Space Place at Carter Observatory which repositioned the observatory and planetarium as a visitor experience destination for Wellingtonians exceeded its visitation target and was 24% better than last year. The new business model came into play at the beginning of the financial year with a lowering of admission prices and a change to the opening hours. New programming focused on developing a wider local audience and new planetarium shows targeted to families have helped to bring the visitor numbers up from previous years. However, financial viability continues to be an issue which we will monitor closely.

Refer page 68 for details of programmes and events at Space Place during 2015-16.

	2014-15 Achieved	2015-16 Achieved
Total Visitation	42,633	52,838
Visitor Satisfaction ¹	96%	99.5%

¹Those that rated their experience as either Good or Very Good in Council's Annual Residents Awareness Survey.





Cable Car Museum

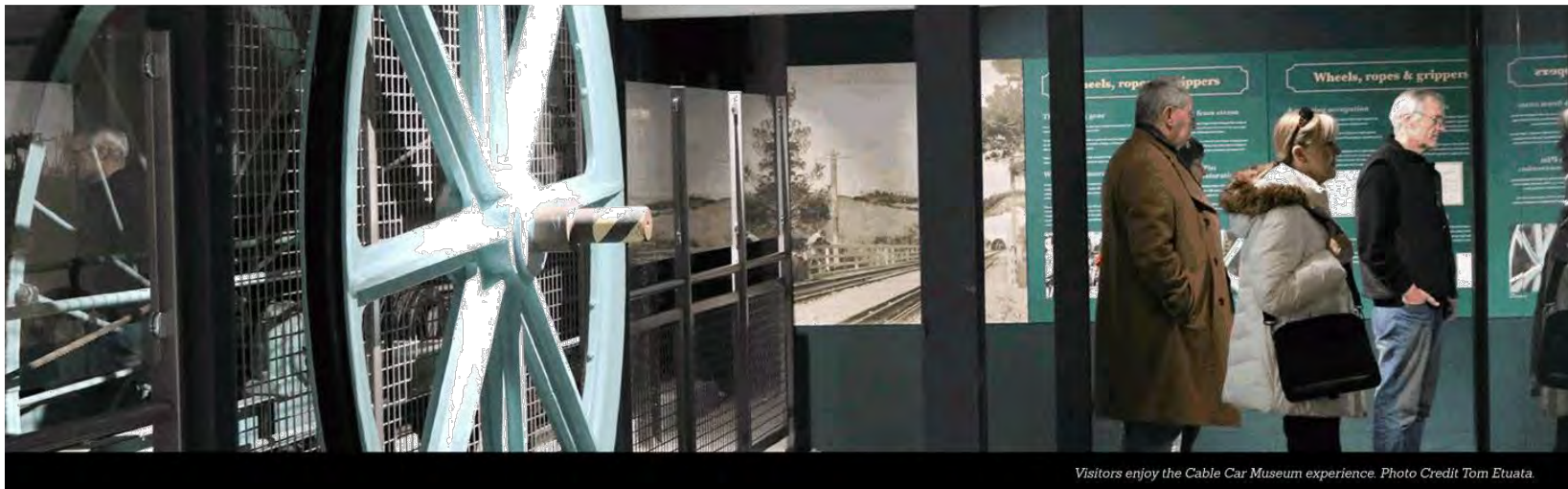
Cable Car Museum is Experience Wellington's most popular visitor experience and also led our trading success by exceeding its gross revenue target by 11% with over \$500,000 achieved.

	2014-15 Achieved	2015-16 Achieved
Total Visitation	237,099	241,638
Visitor Satisfaction ¹	89%	89.3%

¹Those that rated their experience as either Good or Very Good in Council's Annual Residents Awareness Survey.



Refer page 68 for details of programmes and events at Cable Car Museum during 2015-16.



Visitors enjoy the Cable Car Museum experience. Photo Credit Tom Etuata.

Nairn Street Cottage

Nairn Street Cottage visitation was boosted by its outreach programme that included participation in Capital E's 2016 *The Great Scavenger Hunt*. Another Cottage innovation is the Nairn Street Preservation Society designed to develop community participation through talks and workshops.

	2014-15 Achieved	2015-16 Achieved
Total Visitation	3,511	2,875
Visitor Satisfaction ¹	91%	91%

¹Those that rated their experience as either Good or Very Good in Council's Annual Residents Awareness Survey.

Refer page 68 for details of programmes and events at Nairn Street Cottage during 2015-16.



Lemons. Yeast. Ginger. Sugar. Mixing it all up in a big pot. A full house at the Ginger Beer event at Nairn Street Cottage. Photo Credit Tom Etuata.

New Zealand Cricket Museum

2015-16 has been another successful year for the New Zealand Cricket Museum with a 30% increase in visitation to the Museum at the Basin Reserve and growing virtual visitation to its online offerings. Considering 2014-15 included the Museum's mobile museum celebrating the 2015 Cricket World Cup, these are particularly pleasing results.

A busy season at the Basin Reserve saw the Museum break its single day visitation record for the third (BLACKCAPS v Pakistan ODI) and fourth (BLACKCAPS v Australia Test, Day 2) internationals in succession. Online records also tumbled with the Museum's website recording three of the four biggest months in its history. Additionally, its Twitter and Facebook programmes are now among the highest followed, most-engaging museums in New Zealand.

Sixty donations representing about 1,000 new items were made to the collection and thanks to the support of a number of current

WHITE FERNS, including Sophie Devine and Rachel Priest, our collection of historic and contemporary items related to women's cricket has grown extensively.

	2014-15 Achieved	2015-16 Achieved
Total Visitation	13,211 ¹	5,548
Visitor Satisfaction ²	100%	70.9%

¹ This includes 10,000 visitors to the mobile museum during the 2015 Cricket World Cup.

² Those that rated their experience as either Good or Very Good in Council's Annual Residents Awareness Survey.



Visitors enjoy the New Zealand Cricket Museum's history of the Basin Reserve. Photo Credit Mike Lewis.



Members of the New Zealand WHITE FERNS visit the New Zealand Cricket Museum, February 2016.

Photo Credit Jamie Bell.

Heritage Collections

The focus of our collection work was preparing over 350 items for display in The Attic including some significant items either not publically displayed before, such as Mary Fisher's swimming costume when she won gold at the 2012 Paralympics, or not seen for some time, such as Oerlikon – a decommissioned World War II gun from the Royal New Zealand Navy.

Experience Wellington received a number of items from private and corporate benefactors, the most significant following the closure of Kirkcaldie & Stains in January 2016. The story of the famous and beloved department store – detailing its long history and impact on Wellington – is now presented in *Telling Tales* at Wellington Museum. The display includes a brass National Cash Register Till, a model of the Kirkcaldie & Stains storefront from the 19th century and the famous green jacket and red hat worn by Tom Neave, the friendly doorman who greeted visitors at the entrance.

Another notable donation included the Duke of Wellington costume, prominently worn by the late Anthony Catford as he led Alf's Army in ceremonial and other events about Wellington.

In the last quarter of the year our focus was on the revival of the 'Significance Project' which was placed on hold with work on the Wellington Museum development taking priority. The Significance Project involves the systematic review of items to ensure that they are aligned with our Collections Policy. The Policy determines our focus as being on the greater Wellington region, with a particular focus on the heritage and histories of Māori

and other peoples of Wellington - Te Upoko o Te Ika a Māui. The project involves the research of items and ultimately general public access either digitally or on display.

Progress was made on the Nairn Street Cottage collection and the ship model collection.



Oerlikon anti-aircraft gun from the HMNZS Olphert. Museums Wellington Collection. Photo Credit Mark Tantrum.



Education

The delivery of learning programmes is a core function of our visitor experiences and supported by contract funding from the Ministry of Education through its Learning Experiences Outside the Classroom programme. This year we welcomed 40,096 students, exceeding our target, and on par with 2013-14 (the last comparable year without the biennial Capital E National Arts Festival).

	2014-15 Achieved	2015-16 Target	2015-16 Achieved
Capital E	60,365	16,325	20,561
City Gallery Wellington	4,557	4,750	4,644
Space Place at Carter Observatory	7,820	6,500	7,915
Cable Car Museum			
Nairn Street Cottage	8,471	8,250	6,976
Wellington Museum			
Total	81,213	35,825	40,096



Above: Space Place Educator, Troy Murphy, with Roseneath School during their school visit. Photo Credit Tessa Baty. Below: Shut up and draw Susan Te Kahurangi King workshop - September 2015. Photo Credit Mark Tantrum.

Strategic Projects

Wellington Museum development

Phase One of the Wellington Museum development, The Attic, was completed in 2015-16 on time and within budget. Total cost of the building works which included planned and deferred maintenance was \$4.9 million and the exhibitions cost was \$1.3 million.

A full scope of the remaining building works which includes earthquake strengthening will be achieved in 2016-17 and with this information we will be able to plan the project and reset the fundraising target to complete the development.

City Gallery Wellington

Preliminary work including design and a feasibility study have been completed on the refurbishment of City Gallery's entrance and orientation foyer and, subject to fundraising the project will be completed in 2017. Council supports this initiative and has committed funds to the project which will transform the entrance, improving access as well as the environmental conditions within the Gallery and an expanded retail operation.

Children and Young People

Our vision is that children and young people feel welcome, included and important and we will expand opportunities for engagement that are for, with and by children and young people. We have established a Children and Young People's (C&YP) Advocacy Group which will champion this audience with an initial focus on strengthening our understanding of the audience and addressing barriers to access.

Learning about Nationhood – Wellington a Capital Destination for Learning

With the support of the Wellington Amenities Fund we led the *150 Years: 150 Buses* project which welcomed more than 4,500 students from low decile schools to the capital to learn

about citizenship and commemoration. In addition, we provided teacher professional development and new resources to enrich visits to the capital, and with funding from the Ministry for Culture and Heritage partnered with Victoria University of Wellington to conduct unique research on the learning impacts of the project. This work was shared at conferences in New Zealand and Europe. The project was part of the 100th anniversary commemoration of the Gallipoli landings and the 150th anniversary of Wellington becoming capital city.



Demented Architecture Opening at City Gallery Wellington. Photo Credit Mark Tantrum.



Kirihuka Burgess-Chase, 11, and Taitafiti Reli, 11, of St Claudine Thevenet School, Wainuiomata, who were part of a school group that visited Parliament and the National Library of New Zealand through the *150 Years: 150 Buses* project.
Photo Credit Fairfax Media NZ/Dominion Post.

Strategic Projects *continued*

Reducing barriers for visitors with mobility, hearing and visual impairment

We benchmark at least two of our facilities per year against accessibility criteria and during the year Wellington Museum received a silver Be.Accessible rating, and Nairn Street Cottage a bronze. In addition, we have produced sign language introductions to our visitor experiences which are at entrances and on websites. We also monitor accessibility issues through our visitor surveys.

Increasing the diversity of our audience

Data from our visitor surveys was analysed and compared to the most recent census sample of the Wellington region. Results show that our visitor experiences generally attract a representative audience of Pakeha European and Asian visitors; whereas Māori and Pacific Island cultures are under-represented. This data will form a baseline for assessment of future years and will also be fed into our strategic planning process.

Health and Safety

We made the review and implementation of health and safety systems and processes a priority to ensure that they would stand-up to the new Health and Safety at Work Act 2015. This built on work started in 2014-15 to improve staff awareness and participation towards our goal of "A Zero Harm Culture". The Board's commitment to the development of a rolling plan and its visible due diligence of our workplaces provided an excellent example for staff of the importance of health and safety at work and that it is the responsibility of all.

We are also grateful to the Wellington City Council's Property Team for the work they have done to mitigate risks which has involved a

number of improvements to building fixtures. We were very pleased to conclude the year without any serious harm incidents.

Organisational Development

Council increased our operating grant to enable us to align with its Living Wage policy. The changes came into effect on 1 January 2016. We have integrated the new salary and wage rates into our existing Remuneration Policy and Salary Band Schedule.

Staff turnover amongst permanent staff continues to be an issue for our organisation with the greatest impact felt in our Visitor Services, Marketing and Communications, and Education teams.



Kids in OnTV working on the Hinepau Digital collaboration at Capital E. Photo Credit Pippa Drakeford



Sign Language being used at a Capital E event *Korero Harakeke* during the July School Holidays.

Photo Credit Megan Duffy.

Staff Contribution

Our success as an organisation and the contribution we make to Wellington's standing as the cultural capital of New Zealand is through the skills, imagination, passion and teamwork of our staff. In recognition of this most important asset and as part of our 20th anniversary celebrations we introduced Experience Wellington Staff Awards and presented ten awards in the categories of Values our Visitors; Team Spirit; Making a Difference to Wellington and Growing a Sustainable Business. The nominees and awardees are listed on page 64.

We farewelled Stuart Grant in July 2016 after 17 years of service at Capital E. Stuart started in 1999 in the OnTV Studio, then as Creative Technology Manager, and was appointed Director in 2003. He made a significant contribution to the development of Capital E over these years establishing the MediaLab and the biennial Capital E National Arts Festival. Stuart led Capital E through many challenges, building its reputation nationally and internationally as a unique provider of digital technology and live performance experiences for, with and by children and young people.

The achievements of our staff are well documented throughout this report and the only remaining task for me is to thank them for the work they do, the innovation they bring to their work and the pleasure and inspiration they bring to our visitors and supporters.



The Museums Wellington team receiving the award for Making a Difference to Wellington for The Attic. Photo Credit Mark Tantrum.

The Year Ahead

The Board and Executive Team will join forces in September to develop a new Strategic Plan which will provide an opportunity to consider our strategic priorities. We have significant projects to progress including the development of our two largest institutions, Wellington Museum and City Gallery, and we want to progress our strategy for young participants in our visitor experiences.

Revenue generation will continue to be a priority focus. We are immensely grateful to Council for its commitment to increase our operating grant year on year; this will make a significant difference to our financial viability. However, the pressure to bring the best to Wellington and to embrace new technology means that we have to continue to improve our performance particularly in fundraising and trading in order to remain focused on and relevant to Wellington and our diverse audiences.


Pat Stuart
Chief Executive



Above: Pat Stuart, Chief Executive talks to new staff on induction day. Below: New Staff enjoying the Cable Car Museum Experience during induction day. Photo Credit Zofia Millszewska.

INDEPENDENT AUDITOR'S REPORT

To the readers of Wellington Museum Trust Incorporated's Financial Statements and Performance Information for the year ended 30 June 2016

The Auditor-General is the auditor of Wellington Museums Trust Incorporated ("the Trust"). The Auditor-General has appointed me, Graeme Edwards, using the staff and resources of KPMG, to carry out the audit of the financial statements and performance information of the Trust on her behalf.

Opinion on the financial statements and the performance information

We have audited:

- the financial statements of the Trust on pages 47 to 62, that comprise the statement of financial position as at 30 June 2016, the statement of comprehensive income, 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 Trust on pages 40 to 45.

In our opinion:

- the financial statements of the Trust:
 - 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 and have been prepared in accordance with Public Benefit Entity Accounting Standards applying the reduced disclosure regime.
- the performance information of the Trust presents fairly, in all material respects, the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust's objectives for the year ended 30 June 2016.

Our audit was completed on 10 August 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 Trustees 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 Trust'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 Trust'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 Trustees;
- the appropriateness of the reported performance information within the Trust'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.

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

Responsibilities of the Board of Trustees

The Board of Trustees is responsible for the preparation and fair presentation of financial statements for the Trust that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is also responsible for preparation of the performance information for the Trust.

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

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

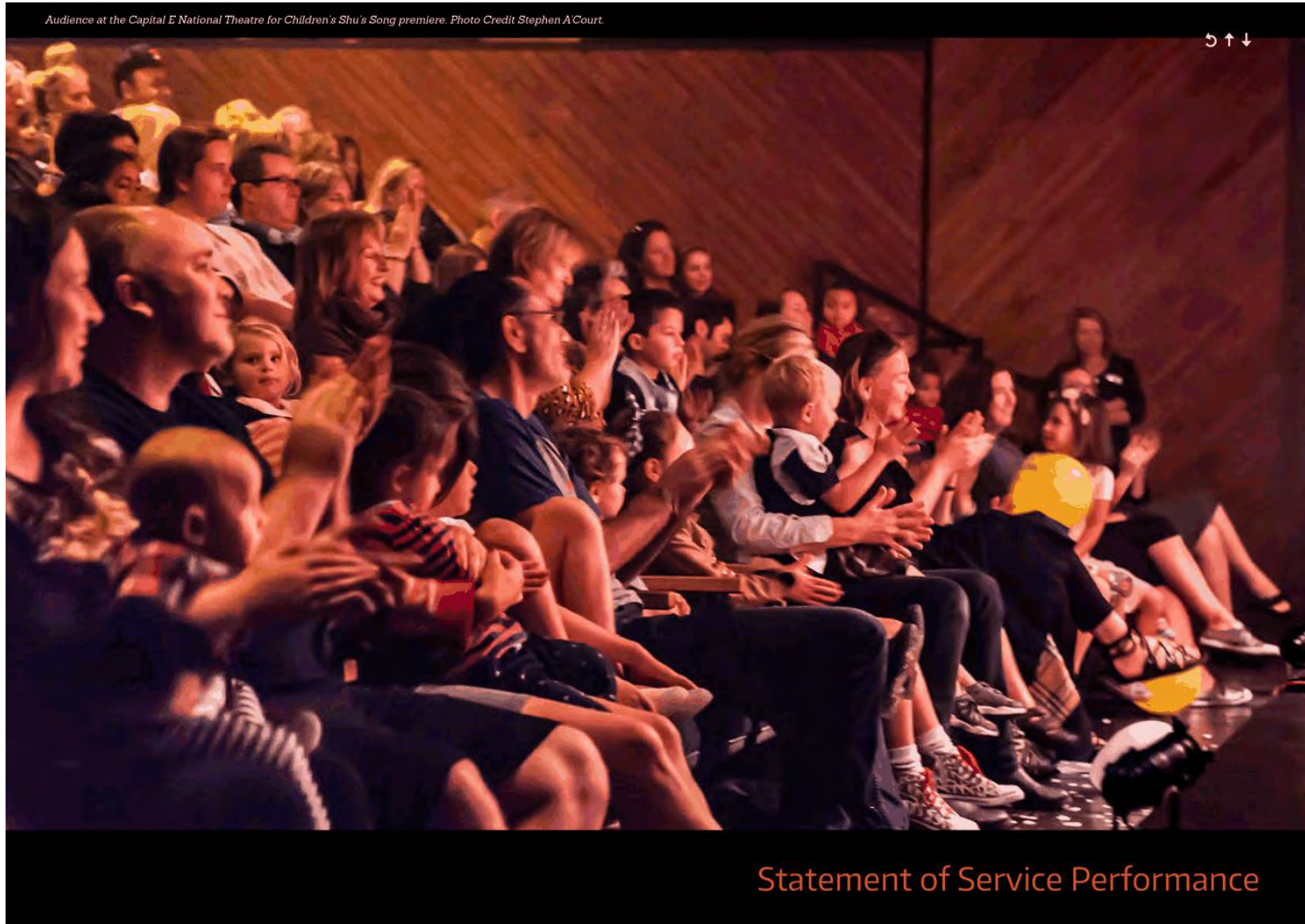
Independence

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 Trust.



Graeme Edwards
KPMG
On behalf of the Auditor-General
Wellington, New Zealand



Statement of Service Performance

For the year ended 30 June 2016

Key Performance Indicators

Our City

We make a compelling contribution to Wellington's economy and standing as the arts and cultural capital of New Zealand.

Outputs		Status at 30 June 2015		Measures 2015-16		Status at 30 June 2016	
City Residents' Awareness (Annual Survey) ¹	City Gallery Wellington	93%	Achieved	92%	95%	Achieved	
	Wellington Museum	98%	Achieved	92%	97%	Achieved	
	Capital E	89%	Not Achieved	90%	90%	Achieved	
	Cable Car Museum	95%	Achieved	92%	97%	Achieved	
	Space Place at Carter Observatory	96%	Achieved	92%	97%	Achieved	
	Naim Street Cottage	60%	Achieved	60%	58%	Not Achieved	

¹ Annual Council Survey of residents' (ratepayers') awareness.



Capital E's The Great Scavenger Hunt 2016. Photo Credit Pippa Drakeford.

Our Visitors

We operate popular visitor attractions.

Outputs		Status at 30 June 2015	Measures 2015-16	Status at 30 June 2016
Physical Visitation		Achieved Total 689,414 visits.	Total visits of 600,000 are achieved.	Achieved Total 688,169 visits.
	City Gallery Wellington	169,943	150,000	178,228
	Wellington Museum	124,955	120,000	133,470
	Capital E	111,273 ²	62,300	79,120
	Cable Car Museum	237,099	221,000	241,638
	Space Place at Carter Observatory	42,633	44,500	52,838
	Naim Street Cottage	3,511	2,200	2,875
Virtual Visitation		Achieved Total 254,156 unique visits.	Total unique visits of 202,500 to institutional web/ mobile sites are achieved.	Achieved Total 293,810 unique visits.
	City Gallery Wellington	113,025	76,000	126,804
	Museums Wellington	80,677 ³	90,500	116,743
	Capital E	60,454	36,000	50,263
Social Media Profile		Achieved Snapshot of 30,603 Facebook friends and Twitter followers.	Snapshot target of 30,250 Facebook friends and Twitter followers.	Achieved Snapshot of 41,601 Facebook friends and Twitter followers.
	City Gallery Wellington	20,225	16,500	24,266
	Museums Wellington ⁴	3,870	4,000	5,887
	Capital E	N/A ⁵	4,000	4,089
	Space Place at Carter Observatory	6,509	5,750	7,359

² 2014-15 was a Capital E National Arts Festival year.

³ As of 1 July 2015 Space Place at Carter Observatory forms part of the Museums Wellington website.

⁴ Museums Wellington includes Wellington Museum, Cable Car Museum and Naim Street Cottage. It excludes Space Place at Carter Observatory which has its own Social Media Profile.

⁵ Capital E did not report on Social Media Profile in 2014-15.

Our Visitors *continued.*

Outputs		Status at 30 June 2015	Measures 2015-16	Status at 30 June 2016
Quality of Visit ^a		Achieved An average of 90% of visitors rated the quality of their experience as good or very good.	An average of 90% of visitors rate the quality of their experience as good or very good.	Not Achieved An average of 89% of visitors rated the quality of their experience as good or very good.
	City Gallery Wellington	89%	90%	89%
	Wellington Museum	90%	90%	89%
	Capital E	91%	90%	97%
	Cable Car Museum	85%	90%	75%
	Space Place at Carter Observatory	93%	90%	90%
	Naim Street Cottage	92%	90%	86%
Repeat Visitation		Achieved An average of 44% repeat visitation.	An average of 30% repeat visitation is achieved.	Achieved An average of 44% repeat visitation.
	City Gallery Wellington	73%	40%	63%
	Wellington Museum	26%	25%	28%
	Capital E	61%	40%	59%
	Cable Car Museum	38%	25%	23%
	Space Place at Carter Observatory	22%	20%	15%

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

Our Sustainability
We remain financially viable.

Outputs		Status at 30 June 2015	Measures 2015-16	Status at 30 June 2016
Non-Council Revenue		Achieved \$3,789,688 of non-Council revenue.	\$2,988,000 of non-Council revenue is achieved.	Achieved \$3,049,374 of non-Council revenue.
	City Gallery Wellington	\$478,809	\$545,000	\$609,542
	Museums Wellington ⁷	\$759,614	\$569,000	\$671,532
	Capital E	\$1,599,436	\$1,034,000	\$1,023,489
	Space Place at Carter Observatory	\$557,853	\$674,000	\$539,519
Spend per Visitor		Not Achieved \$2.83 was the average spend per visitor.	The average spend per visitor is \$2.61.	Not Achieved \$2.51 was the average spend per visitor.
	City Gallery Wellington	\$0.57	\$1.51	\$1.18
	Museums Wellington ⁸	\$1.93	\$1.36	\$1.97
	Capital E	\$5.31	\$4.65	\$3.20
	Space Place at Carter Observatory	\$10.19	\$12.88	\$8.39
Subsidy per Visit		Achieved \$9.36 was the average subsidy per visit.	The average subsidy per visit is \$11.09.	Achieved \$9.85 was the average subsidy per visit.
	City Gallery Wellington	\$12.15	\$14.16	\$11.53
	Museums Wellington ⁹	\$4.54	\$5.03	\$4.29
	Capital E ¹⁰	\$11.71	\$20.81	\$16.02
	Space Place at Carter Observatory	\$7.32	\$10.16	\$8.89

^{7,8,9} Museums Wellington includes Wellington Museum, Cable Car Museum and Naim Street Cottage. It excludes Space Place at Carter Observatory which is reported separately.
¹⁰ Includes the rental subsidy now used to fund leased accommodation for Capital E.

Our People

We are a good employer.

Outputs	Status at 30 June 2015	Measures 2015-16	Status at 30 June 2016
Health and Safety	Not Achieved 2 serious harm incidents reported.	No preventable serious harm incidents involving staff or visitors as defined by the Health and Safety in Employment Act 1992.	Achieved No serious harm incidents reported.
Staff Satisfaction	Achieved 100% Response rate to survey and 72% of respondents feel engaged with the Wellington Museums Trust.	Staff feel engaged with the Wellington Museums Trust - Based on staff feedback in the Annual Staff Engagement Survey.	Achieved 85% Response rate to survey and 75% of respondents feel engaged with the Wellington Museums Trust.



Some of our team at the Experience Wellington Staff Awards 2015. Photo Credit Mark Tantrum.

Our Heritage

We develop and manage our heritage collections.

Outputs	Status at 30 June 2015	Measures 2015-16	Status at 30 June 2016
% of items aligned with Collections Policy	Not Achieved ¹¹	85% of items are aligned with the Collections Policy.	Not Achieved 75% aligned.

¹¹In 2014-15 and 2015-16 we did not achieve the 85% target due to a focus on the Development of Wellington Museum.

Council's Ownership Interest

Council's Ownership Interest refers to expenses which Council meets including insurance, rates, depreciation, interest and repairs and maintenance of buildings which are owned by Council and the Trust occupies. The Trust neither manages nor controls these expenses. Prior to 2014-15 Capital E occupied a Council owned building on Civic Square which was covered by a rental grant. Capital E now occupies other premises which are paid for with the rental grant.

For further information about the Trust's operating profile refer to the Financial Statements Notes 4, 5 and 6.

	COUNCIL'S RENTAL GRANT	COUNCIL'S ACTUAL OWNERSHIP INTEREST 2014-15	COUNCIL'S ACTUAL OWNERSHIP INTEREST 2015-16
Council's Ownership Interest	City Gallery Wellington	\$630,660 ¹²	\$705,333
	Cable Car Museum	-	\$76,643
	Nairn Street Cottage	-	\$26,777
	Wellington Museum	\$701,825 ¹³	\$493,682
	Space Place at Carter Observatory	-	\$783,492
	Capital E	\$430,495 ¹⁴	-
	Total	\$1,762,980	\$2,085,927

¹² Offset by the rental grant.

¹³ Offset by the rental grant.

¹⁴ Retained to pay rent to third party landlords.



Statement of Financial Position

For the year ended 30 June 2016

In New Zealand Dollars

Assets	Note	2016 Actual	2016 Forecast	2015 Actual Restated
Property, plant and equipment	7	2,238,092	1,830,000	1,740,714
Collection and artefacts	8	2,338,816	2,339,000	2,338,816
Intangible assets	9	8,451	16,000	28,652
Total non-current assets		4,585,359	4,185,000	4,108,182
Inventories		135,622	100,000	130,276
Trade and other receivables	10	730,048	120,000	994,940
Cash and cash equivalents	11	1,722,343	166,000	3,066,272
Total current assets		2,588,013	386,000	4,191,488
Total assets		7,173,372	4,571,000	8,299,670
Equity				
Reserves	12	2,724,247	2,161,000	2,496,747
Retained earnings	12	2,013,725	1,239,000	1,978,797
Total equity		4,737,972	3,400,000	4,475,544
Liabilities				
Employee benefits	13	48,746	-	48,746
Total non-current liabilities		48,746	-	48,746
Trade and other payables	14	2,092,023	1,171,000	3,524,569
Employee benefits		294,631	-	250,811
Total current liabilities		2,386,654	1,171,000	3,775,380
Total liabilities		2,435,400	1,171,000	3,824,126
Total equity and liabilities		7,173,372	4,571,000	8,299,670

Trustee
10 August 2016

Trustee
10 August 2016

Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2016

In New Zealand Dollars

	Note	2016 Actual	2016 Forecast	2015 Actual
Revenue	4	12,053,910	11,257,000	12,711,891
Total revenue		12,053,910	11,257,000	12,711,891
Personnel expenses	6	(5,405,295)	(5,227,000)	(5,270,272)
Depreciation and amortisation expenses	7, 9	(467,302)	(426,000)	(510,858)
Other operating expenses	5	(6,027,164)	(5,724,000)	(6,754,404)
Total operating expenses		(11,899,761)	(11,377,000)	(12,535,534)
Operating surplus before finance income		154,149	(120,000)	176,357
Finance income		108,279	90,000	120,058
Net finance income		108,279	90,000	120,058
Surplus/(Deficit) for the period		262,428	(30,000)	296,415
Total comprehensive income for the period		262,428	(30,000)	296,415

Statement of Changes in Equity

For the year ended 30 June 2016

In New Zealand Dollars

	Note	2016 Actual	2016 Forecast	2015 Actual Restated
Balance at 1 July 2015	12	4,475,544	3,430,000	4,179,129
Surplus/ (Deficit) for the period		262,428	(30,000)	296,415
Total comprehensive income for the period		262,428	(30,000)	296,415
Balance at 30 June 2016	12	4,737,972	3,400,000	4,475,544

Statement of Cash Flows

For the year ended 30 June 2016

In New Zealand Dollars

Cash Flows from Operating Activities		Note	2016 Actual	2016 Forecast	2015 Actual
Cash was provided from:					
Receipts from customers			3,404,966	3,072,000	4,380,323
Receipts from related parties			11,269,243	8,313,000	8,294,145
			14,674,209	11,385,000	12,674,468
Cash was applied to:					
Payments to suppliers and employees			(12,174,316)	(10,768,000)	(8,560,352)
Payments to related parties			(3,280,205)	(1,353,000)	(1,496,435)
Net GST received/(paid)			272,583	1,169,000	(123,367)
			(15,181,938)	(10,952,000)	(10,180,154)
Net Cash Inflow from Operating Activities	18		(507,729)	433,000	2,494,314
Cash Flows from Investing Activities					
Interest received			108,279	90,000	120,058
Cash was applied to:					
Purchase of property, plant and equipment			(944,479)	(450,000)	(600,842)
Net Cash Outflow from Investing Activities			(836,200)	(360,000)	(480,784)
Cash Flows from Financing Activities					
Cash was applied to:					
Term loan & hire purchase repayments			-	-	-
Net Cash Outflow from Financing Activities			-	-	-
Net Increase/(Decrease) in cash and cash equivalents			(1,343,929)	73,000	2,013,532
Cash and cash equivalents at the beginning of the period			3,066,272	93,000	1,052,740
Cash and cash equivalents at the end of the period	11		1,722,343	166,000	3,066,272

Notes to the Financial Statements

Significant Accounting Policies

1) Reporting Entity

The Wellington Museums Trust Incorporated, now trading as Experience Wellington, is a registered charity under the Charities Act 2005 and domiciled in New Zealand. It is a Wellington City Council (Council) Controlled Organisation (CCO) in terms of the Local Government Act 2002.

The financial statements of Experience Wellington include the activities of the following business units: the Wellington Museums Trust; Wellington Museum; City Gallery Wellington; Capital E; Nairn Street Cottage; Cable Car Museum; and Space Place at Carter Observatory.

The principal activity of Experience Wellington is to manage and develop cultural institutions and to operate them for the benefit of the residents of Wellington and the public generally.

The financial statements of Experience Wellington are for the year ended 30 June 2016. The financial statements were authorised for issue by the Trustees on 10 August 2016.

2) Basis of Preparation

a) Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Tier 2 Public Benefit Entity Standards. Experience Wellington is a public sector entity and is listed in Schedule 2 of the Public Audit Act 2001. The criteria under which Experience Wellington is eligible to report in accordance with Tier 2 PBE Standards are that it is not publicly accountable and is not large and disclosure concessions have been applied.

b) Basis of Measurement

The financial statements are prepared on the historical cost basis.

c) Presentation Currency

These financial statements are presented in New Zealand dollars (\$).

3) Significant Accounting Policies

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

a) Property, Plant and Equipment

Items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses.

(i) Subsequent Costs

Subsequent costs are added to the carrying amount of an item of property, plant and equipment when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to Experience Wellington and the cost of the item can be measured reliably. All other costs are recognised in surplus/ (deficit) as an expense as incurred.

(ii) Depreciation

Depreciation is charged to surplus/ (deficit) using the straight line method. Depreciation is set at rates that will write off the cost or fair value of the assets, less their estimated residual values, over their useful lives. The estimated useful lives of major classes of assets and resulting rates are as follows:

• Computer & AV equipment	33% SL
---------------------------	--------

• Office and equipment	25% SL
• Motor vehicles	20% SL
• Building Fittings	5%-25% SL
• Exhibitions	10% SL
• Collections & artefacts	Not depreciated

The residual value of assets is reassessed annually.

b) Collections and Artefacts

Collections are artefacts that are of cultural or historical importance. A substantial amount of the Experience Wellington's Collections were acquired on 29 February 1996 from the Wellington Maritime Museum Trust (WMMT) with others added either as gifts or purchases since 1996. Collections are carried at historic cost as assessed at the time of transfer from the WMMT. All subsequent acquisitions to the collections are recorded at cost if purchased. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition. Where the fair value of the assets is not able to be reliably measured, they are recorded at nil. Because the useful life of the collections is indeterminate they are not depreciated.

An external valuation of the Collections from an independent valuer is obtained on a periodic basis to ensure that the carrying value of the Collections that are held at cost does not exceed their fair value.

The Trustees obtained a valuation at 30 June 2014 and have confirmed that the carrying value at 30 June 2016 is appropriate and that no impairment has occurred.

Notes to the Financial Statements

Continued

c) Intangible Assets

Computer Software

Software applications that are acquired by Experience Wellington are stated at cost less accumulated amortisation and impairment losses.

Amortisation is recognised in surplus/ (deficit) on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

- Computer software 33% SL

d) Trade and Other Receivables

Trade and other receivables are measured at their cost less impairment losses.

e) Inventories

Inventories (merchandise) are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

f) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits.

g) Impairment

The carrying amounts of Experience Wellington's assets other than inventories are reviewed at

each balance date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

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

h) Employee Benefits

Long Service Leave

Experience Wellington's net obligation in respect of long service leave is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value. The discount rate is the market yield on relevant New Zealand government bonds at the Statement of Financial Position

date.

i) Provisions

A provision is recognised when Experience Wellington has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market rates and, where appropriate, the risks specific to the liability.

j) Trade and Other Payables

Trade and other payables are stated at cost.

k) Revenue

(i) Funding

The trading activities of Experience Wellington are supported by grants and sponsorship. Grants received that have an obligation in substance to return the funds if conditions of the grant are not met are initially recognised as a liability and revenue is recognised only when the services are performed or conditions fulfilled. Funds that have no such obligation attached and merely a restriction imposed on the use of the funds are recognised as revenue when they become available.

(ii) Services Provided

Revenue from services rendered is recognised in proportion to the stage of completion of the transaction at the reporting date. Income is recognised as the service is provided (e.g.

Notes to the Financial Statements

Continued

exhibition run). Where exhibitions are not scheduled to run until the following fiscal year, revenue is deferred and amortised to income throughout the period of the exhibition.

(iii) Donations

Cash donations from the community are recognised in the Statement of Comprehensive Income at the point at which they are receipted into the Trust's bank account.

(iv) Sale of Merchandise

Revenue from the sale of merchandise is recognised when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of the merchandise, or where there is continuing management involvement with the merchandise.

l) Expenses

(i) Operating Lease Payments

Payments made under operating leases are recognised in surplus/ (deficit) on a straight-line basis over the term of the lease. Lease incentives received are recognised in surplus/ (deficit) over the lease term as an integral part of the total lease expense.

(ii) Finance Income and Expenses

Finance income comprises interest income. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expense on borrowings. All borrowing costs are recognised in surplus/ (deficit) using the effective interest method.

m) Availability of Future Funding

Experience Wellington is reliant on the Council for a large part of its income and operates under a Funding Deed with the Council. The Funding Deed was for a period of three years and is extended annually for a further year subsequent to the initial 3 year term. Funding from the Council has been approved for the year ended 30 June 2017.

The Council has agreed to fund \$430,494.96 (plus GST) being the current proportion of rental subsidy previously allocated to the Capital E building rental, for use by Experience Wellington for Capital E's interim accommodation.

If Experience Wellington was unable to continue in operational existence for the foreseeable future, adjustments may have to be made to reflect the fact that assets may need to be realised other than at the amounts stated in the balance sheet. In addition, Experience Wellington may have to provide for further liabilities that might arise, and to reclassify property, plant and equipment as current assets.

n) Income Tax

Experience Wellington is registered as a Charitable Trust and is exempt from income tax. Experience Wellington is not exempt from

indirect tax legislation such as Goods and Services Tax, Fringe Benefit Tax, PAYE or ACC and accordingly it is required to comply with these regulations.

o) Goods and Services Tax

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST.

p) Statement of Intent Forecast Financial Statements

Forecast Financial Statements are approved by the Board of Trustees and issued as part of the annual Statement of Intent. The Forecast Financial Statements are prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP), using accounting policies that are consistent with those used in preparing these Financial Statements. The Forecast Financial Statements are not audited. The Forecast for the 2015-16 financial period is included in the Financial Statements for the first time.

4) Revenue and Other Operating Income

	Note	2016	2015
Revenue from exchange transactions			
Retail Sales		881,634	826,305
		881,634	826,305
Revenue from non-exchange transactions			
Wellington City Council operational grant		6,685,196	6,525,165
Wellington City Council rental grant		1,768,980	1,768,980
Ministry of Education contracts for service		343,618	346,750
Creative New Zealand contracts for service		481,500	641,569
Other grants, sponsorship & donations	20	607,106	824,257
Admissions income		770,314	989,491
Facility hire		360,192	279,068
		11,016,906	11,375,280
Sub-lease income		76,525	76,525
Other income		78,845	141,950
Insurance payment		-	56,631
Bequest proceeds		-	235,200
Total other operating income		155,370	510,306
Total revenue		12,053,910	12,711,891

In accordance with PBE IPSAS 23, grants received amounting to \$227,500 (2015: \$291,832) have been included in Revenue, even though the purpose of the grant is not fulfilled and the associated expenditure has yet to be incurred. Specific reserves have been created for this future expenditure (\$144,500 for Capital E and \$83,000 for Wellington Museum – see Note 12).

5) Other Operating Expenses

	Note	2016	2015
Exhibitions & programmes		1,868,280	2,593,006
Rent paid		1,876,727	1,797,224
Marketing & promotions		737,099	562,641
Occupancy costs (excluding rent)		670,112	696,647
Other administration expenses		176,597	245,214
Communication costs		135,174	146,574
Trustee fees & expenses		76,263	101,193
Technology costs		216,647	243,935
Professional fees		235,195	332,900
Auditors' remuneration audit fee		35,070	35,070
- other services		-	-
		6,027,164	6,754,404

6) Personnel Expenses

	Note	2016	2015
Wages and salaries		5,405,295	5,289,970
Increase/(decrease) in liability for long-service leave		-	(19,698)
		5,405,295	5,270,272

7) Property, Plant and Equipment

	Computer equipment	Office & equipment	Motor vehicles	Building fittings	Work in Progress	Exhibitions	Total
Balance at 30 June 2016							
Cost	297,308	1,429,674	23,730	2,404,008	-	1,150,083	5,304,803
Accumulated depreciation	178,537	1,154,336	20,434	1,638,058		75,346	3,066,711
Carrying value	118,771	275,338	3,296	765,950	-	1,074,737	2,238,092
Current year depreciation	33,473	146,097	7,910	183,850		75,346	446,676
Balance at 30 June 2015							
Cost	185,077	1,368,833	23,730	2,352,462	430,647		4,360,749
Accumulated depreciation	145,064	1,008,239	12,524	1,454,208	-		2,620,035
Carrying value	40,013	360,594	11,206	898,254	430,647	-	1,740,714
Current year depreciation	19,502	165,684	7,910	295,889	-	-	488,985

The capitalised cost of new permanent exhibitions located on level three at Wellington Museum (The Attic) and includes \$430,647 Work in Progress that was previously shown in Building Fittings.
The Attic permanent display was opened to the public in November 2015.

8) Collections and Artefacts

	2016	2015
Opening balance	2,338,816	2,335,816
Additions	-	3,000
Disposals	-	-
Closing balance	2,338,816	2,338,816

9) Intangible Asset

	2016	2015
Cost	172,064	171,640
Accumulated amortisation	163,613	142,988
Carrying value	8,451	28,652
Current year amortisation	20,625	21,873

10) Trade and Other Receivables

	2016	2015
Accounts receivable	230,434	170,411
Receivables from related parties	148,575	578,829
Prepayments	6,943	11,673
Sundry receivables	145,072	86,341
GST receivable	199,024	147,686
	730,048	994,940

11) Cash and Cash Equivalents

	2016	2015
Bank balances	40,666	544,838
Call deposits	1,681,677	2,521,434
	1,722,343	3,066,272

12) Equity and Reserves

<i>Reconciliation of Movement in Equity and Reserves</i>	Capital Reserve	Capital E	City Gallery	Nairn Street Cottage Collection	Wellington Museum Inc. Collections	Retained earnings	Total equity
Balance at 1 July 2015 Restated	2,122,961	-	291,832	23,895	58,059	1,978,797	4,475,544
Surplus / (Deficit) for the period	-	-	-	-	-	262,428	262,428
Transferred to Wellington Museum Inc. Collection	-	-	-	-	83,000	(83,000)	-
Transferred to Capital E	-	144,500	-	-	-	(144,500)	-
Balance at 30 June 2015	2,122,961	144,500	291,832	23,895	141,059	2,013,725	4,737,972
Balance at 1 July 2014 Restated	2,122,961	-	-	23,895	28,160	2,004,113	4,179,129
Surplus / (Deficit) for the period	-	-	-	-	-	296,415	296,415
Transferred to Wellington Museum Inc. Collection	-	-	-	-	29,899	(29,899)	-
Transferred to City Gallery	-	-	291,832	-	-	(291,832)	-
Balance at 30 June 2015 Restated	2,122,961	-	291,832	23,895	58,059	1,978,797	4,475,544

The opening equity has been restated for a prior year adjustment of \$187,222 in respect of project costs for The Attic development written off to Profit and Loss (P&L) and subsequently reimbursed by Council. This adjustment has no effect on either the current year or prior year surplus.

Specific reserves have been created for future expenditure (\$144,500 in respect of Capital E and \$83,000 in respect of Wellington Museum – see Note 4).

Capital Reserve

The Capital Reserve was established on 29 February 1996 on the transfer from the

Wellington Maritime Museums Trust of their collection and artefacts, cash and other sundry office equipment of the Wellington Maritime Museum.

Nairn Street Cottage Reserve (formerly the Colonial Cottage Museum) Collection Reserve

During the year ended 30 June 2003 The Colonial Cottage Friends Society wound up the society and donated the remaining funds (\$11,948) to the Experience Wellington for the purpose of establishing a collection fund for the Colonial Cottage Museum now known as the Nairn Street Cottage. Experience Wellington agreed to transfer this and a similar amount to the fund.

Wellington Museum (formerly the Museum of Wellington City & Sea) Collection Reserve

During the year ended 30 June 2005 the Trustees decided to place all donations received from the Pōneke History Club membership into a collection reserve for future museum acquisitions.

City Gallery Wellington Reserve

During the year ended 30 June 2015 the Trustees decided to place proceeds from a bequest from the estate of Sir Alexander Grant and an insurance payment into a reserve fund for City Gallery Wellington.

13) Employee Benefits

	2016	2015
Current		
Payroll accruals	80,130	29,612
Liability for holiday pay	214,502	221,200
	294,632	250,812
Non-current		
Liability for long-service leave	48,746	48,746
	48,746	48,746
	343,378	299,558

14) Trade and Other Payables

	2016	2015
Trade payables	559,729	1,119,730
Payables to related parties	152,469	141,156
Revenue in advance	725,295	2,074,748
ACC premiums	15,501	41,718
GST Payable	323,921	-
Non-trade payables and accrued expenses	315,108	147,216
	2,092,023	3,524,568

15) Operating Leases

Experience Wellington holds leases on property, office equipment and motor vehicles.

Two of the property leases are for Council owned buildings, Wellington Museum on Queens Wharf and City Gallery on Civic Square. Under the Funding Deed between Experience Wellington and the Council, rental payable to Council under these leases is covered by a rental subsidy.

Since 1 September 2013 Experience Wellington has leased premises for the operation of Capital E and by agreement with Council, the cost of these leases is covered by the rental subsidy.

Other property leases are held by Experience Wellington for storage of Collections and the operation of the Executive office.

2016 2015

Leases as Lessee

Non-cancellable operating lease rentals are payable as follows:

	2016	2015
Less than one year	1,755,168	1,759,776
Between one and five years	3,067,451	5,809,991
More than five years	2,557,950	1,855,891
	8,280,569	9,425,658

16) Capital Commitments

As at 30 June 2016, there are no capital commitments (2015: \$nil), which have not been accounted for.

17) Contingencies

There are no material contingent liabilities at balance date (2015: \$nil).

18) Reconciliation of Operating Surplus to Net Cash Flows from Operating Activities

	2016	2015
Operating Surplus / (Deficit) for the Year	262,428	296,415
Adjustments:		
Add Non-Cash Items:		
Depreciation and amortisation expense	467,302	510,858
Movements in Working Capital:		
Decrease/(Increase) in Other Current Assets	259,545	(160,789)
(Decrease)/Increase in Trade Creditors	(407,013)	664,578
(Decrease)/Increase in Accruals and Provisions	(981,712)	1,303,310
Investing Income	(108,279)	(120,058)
Net Cash Inflow from Operating Activities	(507,729)	2,494,314

19) Related parties

i) Identity of related parties

Experience Wellington is not related to the Council by shareholding. It was established by, and is reliant upon, the Council for a large part of its income which indicates sufficient reliance on the Council, by Experience Wellington, for a related party relationship to exist. Additionally, the Council consolidates the financial results of Experience Wellington for its own reporting purposes.

Experience Wellington operates under a Funding Deed with the Council which requires delivery of services in accordance with the provisions of the Trust Deed, the Funding Deed and the Statement of Intent, agreed with Council on an annual basis.

The Funding Deed was for a period of three years and is extended annually for a further year subsequent to the initial 3 year term. The rental grant is paid back to the Council as rent on properties owned by the Council and occupied by Wellington Museum and City Gallery Wellington.

In the case of Capital E which no longer occupies a Council owned building the rental grant is used to meet Capital E's accommodation costs.

(ii) Related party transactions

During the year, Experience Wellington entered into related party transactions of the following nature:

	Transaction value year ended		Balance outstanding as at 30 June	
	2016	2015	2016	2015
Receipts				
Wellington City Council - operational grant	6,685,196	6,525,165	-	-
Wellington City Council - rental grant	1,768,980	1,768,980	147,415	219,276
Wellington City Council - The Attic project	1,802,555	3,027,714	-	-
Wellington City Council - miscellaneous	582,260	405,135	1,160	355,915
294,632	10,838,991	11,726,994	148,575	575,191

Payments

Wellington City Council - rental	1,338,485	1,338,485	111,540	111,540
Wellington City Council - The Attic Project	1,850,968	-	-	-
Wellington City Council - miscellaneous	90,752	157,950	21,042	11,524
294,632	3,280,205	1,496,435	132,582	123,064

(iii) Remuneration of key management personnel

Total remuneration is included in "personnel" expenses (see note 6).

	2016	2015
Trustees	80,000	97,746
Executive officers	565,634	555,505
	645,634	653,251

20) Other Grants, Sponsorship and Donations

The following other grants, sponsorships and donations were received during the year.

	2016	2015
Capital E		
Booker Spalding Ltd	-	750
Wellington City Council	86,500	20,000
D Dewitt Trust	18,000	-
Sargood Bequest	-	5,000
The Lion Foundation	-	50,000
Otago Community Trust	2,500	-
The Canterbury Community Trust	7,000	5,000
The Community Trust of Southland	2,500	-
Trust Waikato	2,000	-
Four Winds Foundation	-	10,000
TSB Community Trust	3,070	1,022
Hutt Mana Charitable Trust	-	3,000
Mana Community Trust	-	9,680
Thomas George Macarthy Trust	10,000	11,998
Halberg Trust	-	1,500
Mainland Foundation	2,000	1,900
Wellington Regional Amenities Fund	-	100,000
Pelorus Trust	5,000	-
The Trusts Community Foundation	2,000	-
The Southern Trust	10,000	-
The Performing Arts Foundation of NZ	-	24,532
World of Wearable Arts	-	300
Infinity Foundation	3,000	5,000
Pub Charity	15,000	2,000
Wellington Community Trust	-	17,513
Rotorua Civic Arts Trust	2,800	-
Foundation North	20,000	-
First Sovereign	2,000	-
Sundry	4,624	18,292

	2016	2015
City Gallery Wellington		
Wellington City Council	10,613	6,613
Wellington Community Trust	12,487	-
ANZ	20,000	-
The City Gallery Foundation	50,000	166,594
EY	65,000	-
Starkwhite	7,500	-
Mondriaan Fonds	2,169	-
Victoria University	-	100
Te Papa	22,000	3,000
Govett Brewster Art Gallery	4,000	-
Sundry	1,364	-
Wellington Museum		
Wellington City Council	83,000	185,354
Flag Consideration Project	1,000	-
House of Dumplings	2,000	2,000
Dunlop & Dixon Limited	20,000	-
Wellington Community Trust	50,000	-
Bethlehem Charitable Trust	20,000	-
Te Papa	-	4,348
Sundry	14,604	22,193
Space Place		
Pelorus Trust	-	10,000
Te Papa	-	4,348
Executive Office		
Wellington City Council	7,560	31,000
Ministry for Culture & Heritage	15,415	-
Wellington Regional Amenities Fund	-	100,000
Network Pro	-	1,000
Sundry	400	220
Total other grants, sponsorship & donations	607,106	824,257

21) Space Place at Carter Observatory

Experience Wellington governs, manages and controls the Space Place at Carter Observatory for Council under a Memorandum of Understanding (MOU) as if it were an institution under the Trust Deed but subject to and with the benefit of the MOU. Under this agreement the Council has agreed to reimburse Experience Wellington for any deficit incurred through the operations of Space Place. Therefore, Experience Wellington has recognised the operations of Space Place in the financial statements.

22) Subsequent Event

There have been no significant events after balance date that has affected the accuracy of these financial statements.

23) Wellington Museum Development (The Attic)

In accordance with a Management Agreement (MA) with the Council, Experience Wellington managed the development of The Attic Project Works which included planned and deferred maintenance at Wellington Museum. The total cost of this building development was \$4,898,270 and this was funded as follows:

Wellington City Council	\$2,979,301
Ministry of Culture and Heritage	\$923,969
Lotteries	\$920,000
Wellington Museums Trust	\$75,000
Total	\$4,898,270



Experience Wellington Staff Awards 2015 at Space Place. Photo Credit Mark Tantrum.

Governance Report

Experience Wellington is governed by a Trust Deed between the Council and the Wellington Museums Trust Incorporated, first executed on 18 October 1995 and updated on 15 August 2007.

Governance

Trustees are appointed by Council and are standard-bearers for Experience Wellington's vision. They are responsible for setting the strategic direction and approving the Statement of Intent and the Strategic Plan. The Board monitors organisational performance, the organisation's ongoing viability and the maintenance of its competitiveness. It delegates the day-to-day operation of Experience Wellington to the Chief Executive, who reports to the Board.

The Board meets no fewer than nine times per year and operates three committees which review relevant matters prior to consideration by the full Board. These are the Audit and Risk (A&R) Committee; the People, Performance, and Safety (PPS) Committee; and the Chief Executive Performance and Remuneration (CEP&R) Committee. In addition, the Board will convene ad hoc working groups to consider specific issues. Guidance in specialist areas is also provided as appropriate.

Board committees

Audit and Risk (A&R) Committee assists the Board in carrying out its duties in regard to financial reporting, risk management and legislative compliance.

Chief Executive Performance and Remuneration (CEP&R) Committee advises the Chair in connection with the performance and remuneration of the Chief Executive.

People, Performance and Safety (PPS) Committee provides guidance and support to the Chief Executive in a Human Resources context and assists the Board to meet its due diligence responsibilities regarding Experience Wellington's compliance with Health and Safety legislation.

Board membership and meeting attendance during 2015-16

Members	Appointed	Term expires	Meetings eligible to attend	Meetings attended
Rachel Farrant	01.07.13	30.06.19	9	8
Quentin Hay <i>(Chair from 01.01.16)</i>	01.01.07	31.12.15	5	4
Jackie Lloyd <i>(Chair from 01.01.16)</i>	01.07.11	30.06.17	9	9
Jill Wilson	01.07.13	30.06.18	5	5
Jane Wrightson	01.01.16	31.12.18	4	3
Nicola Young	01.11.13	31.10.16	9	7



Values our Visitors

For the Trust Employee who goes the extra mile, always making sure that the time our visitors spend with us is the best possible experience.

AWARD RECIPIENTS

Cara Louise Waretini
Visitor Services Host, *Capital E*

Dr Claire Bretherton
Curator Science, *Museums Wellington*

Erika McClintock
Visitor and Commercial Services Manager,
City Gallery Wellington

NOMINEES

Judy Grayburn-Moore, Visitor Services Host, *Nairn Street Cottage, Museums Wellington*

Wellington Museum, Visitor Services Host Team, *Museums Wellington*

Space Place and Cable Car Museum
'Up the hill' Team, *Museums Wellington*

Growing a Sustainable Business

For an Individual, Team or Project that has resulted in a positive, sustainable change to our revenue-generating ability. It might be a commercial or fundraising change; or an innovation to an existing process that made a saving, had a big impact; or a creative approach that has opened up new sustainable opportunities.

AWARD RECIPIENTS

Capital E Digital Team

Karryn Baudet
Head of Commercial and Visitor Services
Museums Wellington (3 nominations)

NOMINEES

Erika McClintock, Visitor and Commercial Services Manager and **Caleb Gordon**, Visitor Services and Functions Coordinator, *City Gallery Wellington*

Simon Jones, Buildings Manager, *Executive Office* (2 nominations)

Zofia Miliszewska, Executive Services Manager, *Executive Office* (2 nominations)

The Children and Young People Action Group

Tracy Stedall, Visitor Services Coordinator, *Space Place and Cable Car Museum, Museums Wellington*

Making a Difference to Wellington

For a Team or Project that has resulted in a positive impact on our visitation or visitor feedback, and makes a difference to our city. It must involve collaboration with partners inside and outside the Trust, and have had great feedback from our visitors.

AWARD RECIPIENT

Museums Wellington Team The Attic
(3 nominations)

NOMINEES

150 Years: 150 Buses

2015 Capital E National Arts Festival for Children
Capital E National Theatre for Children - 'An Awfully Big Adventure'

City Gallery Wellington Team for the exhibition 'Jono Rotman: Mongrel Mob Portraits'
Museums Wellington Collection Team

Team Spirit

For the Trust Employee who is the ultimate team player. They help those around them to achieve the best possible outcomes. They value the work of their team mates and others across the Trust, taking time to give support, feedback and encouragement.

AWARD RECIPIENTS

City Gallery Wellington Visitor Services Host Team (as led by Caleb Gordon)

Nikolas Brockdehurst (2 nominations)
Exhibition and Collections Technician,
Museums Wellington

Simon Jones (2 nominations)
Buildings Manager
Executive Office

Tessa Baty
Graphic Designer,
Museums Wellington

NOMINEES

Alex Dean, Administration Assistant (Accounts and HR), *Executive Office*

Cory Anderson, Venue Hire Coordinator, *Museums Wellington*

Marianne Taylor, Creative Producer National Theatre for Children, *Capital E*

Olivia Lacey, Publicist, *City Gallery Wellington*

Pippa Drakeford, Publicist and Marketing Coordinator, *Capital E*

Rachel Ingram, Head of Learning and Programmes, *Museums Wellington*

Stuart Grant, Director, *Capital E*

Taila Roth, Registrar, *Museums Wellington* (2 nominations)

The Children and Young People Action Group

Tracy Stedall, Visitor Services Coordinator, *Space Place and Cable Car Museum, Museums Wellington*

Our Supporters 2015-16

Experience Wellington enjoys support from a wide range of individuals and organisations through sponsorships, donations, grants, in-kind support; and partnerships for our exhibitions and public programmes.

SPONSORS

Individuals or organisations that have supported our activities either through cash and/or in kind sponsorship and grants.

3 M

Adam Art Gallery Te Pātaka Toi
Aileen Drewitt Charitable Trust
ANZ
Budget Car Rentals
Burger Liquor
Caffe L'Affare
City Gallery Wellington Foundation
Creative New Zealand
Donna and John Heginbotham
DSKH
East by West Ferries
Elam School of Fine Arts, University of Auckland
EY
First Sovereign
Flag Consideration Project
Foundation North
Foxton Fizz
Google Ads
Gordon Harris
Graleys Plastics and Laser Cutting
Infinity Foundation
John Leech Framing Workshop

La Boca Loca
Mainland Foundation
Mark Tantrum Photography Limited
Mid-South Canterbury Community Trust
Ministry for Culture & Heritage
Ministry of Education Te Tāhuhu o te Mātauranga
MJF Lighting
Mondriaan Foundation
Music Planet
New Zealand Lottery Grants Board
Ngā Taonga Sound & Vision
Nikau Café
Optic Mix
Osteria del Toro
Otago Community Trust
Park Road Post
Pelorus Trust
Printlink
Pub Charity
Rātā Foundation
Resene
Robin Marshall, Touchtech
Rotorua Civic Arts Trust
Rubber Monkey
Run the Red
Sargood Bequest
Seresin Estate
Starkwhite
The Big Picture
The Interislander
The Southern Trust
The Trusts Community Foundation



Tuatara Open Late at City Gallery Wellington - April 2016. Photo Credit Mark Tantrum.

SPONSORS *continued.*

Thomas George Macarthy Trust
Toi Māori Aotearoa - Māori Arts New Zealand
Trust Waikato
TSB Community Trust
Tuatara Brewing
Wellington Amenities Fund
Wellington City Council Events
Wellington City Council Treaty Relations Team
Wellington Community Trust
Whittaker's

PARTNERS

Individuals or organisations that have supported our activities by working with us during the year.

Adam Art Gallery Te Pātaka Toi
Alexander Turnbull Library
Alpha Art Studio
Andy Laking
Arts Access Aotearoa
Artsight
Athfield Architects
Auckland Art Gallery Toi o Tāmaki
Bronwyn Dalley, Dr
Carter Observatory Trust
Chamber Music New Zealand
Chinese Culture & Arts Association
Christchurch Art Gallery Te Puna o Waiwhetu
Circuit Artist Film
CityLink
Cloud Workshop

Clube de Choro
Clyde Quay School
Conal McCarthy
Cybele Locke
Dance Aotearoa New Zealand
Daniel Brown
Deirdre Tarrant Dance Company
Dive Wellington
Duo Photography
East by West Ferries
eCubed
Expressions Art and Entertainment Centre
Fergs Kayaks
Fiona Pardington
Francis Upritchard
Gecko Press
Goethe Institut
Govett-Brewster Art Gallery
Hannah Zwartz
Heritage New Zealand
Holmes Consulting
Joan McCracken
John Pilley
Jon Baxter
Kura Moeahu
Labour History Project
Le Moana
Lee Mauger
Lee Rauhina-August
Lex French
LitCrawl
Mahara Gallery

Maritime Archaeological Association of
New Zealand
Maritime Friends of Wellington
Mark Gee
Massey University, Whiti o Rehua School
of Art
Matariki Development Festival
Mediaworks
MetService
Michael Lett
Miramar Events Trust
Monash University Museum of Art
Moore Wilsons
Morrie Love
Museum of New Zealand Te Papa Tongarewa
Naylor Love Coonstruction
New Zealand Book Council
New Zealand Festival
New Zealand Festival Writers Week
New Zealand Film Commission
New Zealand Institute of Architects
New Zealand On Air
New Zealand Police Museum
New Zealand Society of Authors
Ngā Taonga Sound & Vision
Nicky Karu
NZTrío
PĀTAKA Art + Museum
Patricia Grace
Paul Diamond
Perceptual Engineering
Photobook New Zealand

PARTNERS continued.

Positvely Wellington Tourism	Victoria University of Wellington, Science Society
Queensland Art Gallery of Modern Art	Victoria University Press
Radio Active	Video Aotearoa New Zealand
Radio New Zealand	Voice Arts Trust
Reuben Friend	Walk Wellington
Richard Bentley	Wellington Astronomical Society
Salmond Reed Architects	Wellington Cable Car
Sean Duffell	Wellington Central Library
Service Printers	Wellington City Archives
Simon Gray	Wellington City Council
Square Eyes - New Zealand Children's Film Foundation	Wellington City Council Arts
Stroma	Wellington City Council Property
Sustainability Trust	Wellington City Council Treaty Relations Team
Taranaki Whānui ki Te Upoko o Te Ika a Māui - Port Nicholson Block Settlement Trust	Wellington Fringe Festival
Te Kōki New Zealand School of Music	Wellington High School
Te Rau Taiohi Kapa Haka	Wellington Historical & Early Settlers Association
Te Taura Whiri (Maori Language Commission)	Wellington SPCA
Te Uru Waitakere Contemporary Gallery	Wellington Tenths Trust
Te Wari Carkeek	Wellington Zoo
The Dowse Art Museum	Weta Digital
Toa Waaka, SMART Trust	Winn-Manson Menton Trust
TVNZ	
Victoria University of Wellington, International Institute of Modern Letters	
Victoria University of Wellington, Museum & Heritage Studies	
Victoria University of Wellington, School of Art History, Classics and Religious Studies	
Victoria University of Wellington, School of English, Film, Theatre and Media Studies	



Model of Space Place taken from the top of the Cable Car. Photo Credit Tom Etuata.

Exhibitions/Tours/ Events/Publications

EXHIBITIONS

Capital E

Giant Wellington Christmas Calendar

City Gallery Wellington

Peter Roehr: Film Montages

Candice Breitz

*Susan Te Kahurangi King and Shannon
Te Ao: From the One I Call My Own*

Demented Architecture

*Leon Narby and Laszlo Moholy-Nagy: Light
Studies*

Fiona Pardington: A Beautiful Hesitation

*Unseen City: Gary Baigent, Rodney Charters,
and Robert Ellis in Sixties Auckland*

Hugh McDonald: This is Auckland

Grayson Perry / Kushana Bush

Camille Henrot: Grosse Fatigue

Julian Dashper and Friends

*Bullet Time: Steve Carr, Daniel Crooks,
Harold Edgerton, Eadweard Muybridge*

*Khaled Hourani and Rashid Masarawi:
Picasso in Palestine*

Francis Upritchard: Jealous Saboteurs

Sister Corita's Summer of Love

Wellington Museum

Interactive Tent

FLAG Display

EXHIBITION TOURS

City Gallery Wellington

*Unseen City: Gary Baigent, Rodney Charters,
and Robert Ellis in Sixties Auckland*
Toured to Te Uru Waitakere Contemporary
Gallery, Auckland.
5 June – 16 August 2015

Francis Upritchard: Jealous Saboteurs
Toured to Monash University Museum of Art,
Melbourne.
13 February – 16 April 2016

Fiona Pardington: A Beautiful Hesitation
Toured to Auckland Art Gallery Toi o Tāmaki,
Auckland.
5 March – 19 June 2016

PRODUCTIONS

City Gallery Wellington and Capital E collaborated
to produce an Audio Guide to accompany the
Gallery's Yvonne Todd: Creamy Psychology
exhibition.

Capital E National Theatre for Children

Stealing Games

Kiwi Moon

Shu's Song

THEATRE TOURS

Capital E National Theatre for Children

Stealing Games: Toured Nationally.

Kiwi Moon: Toured South Island.

Shu's Song: Toured North Island.



Capital E's Winter Wonderland 2015. Photo Credit Pippa Drakeford.



EVENTS AND PUBLIC PROGRAMMES

The Great Scavenger Hunt was led by Capital E and all Experience Wellington Institutions participated on the day.

The Big Halloween was organised by Capital E in conjunction with Wellington Museum.

Ye Olde News was a school holiday programme run by Wellington Museum and Capital E's OniTV Studio.

Wahine Experience is an education programme organised by Capital E's OniTV Studio and Wellington Museum.

Bullet Time was an education programme run jointly by City Gallery Wellington and Capital E.

Capital City Connections is a technology based education programme coordinated by Capital E and involving City Gallery, Wellington Museum and Space Place where students explore the art, culture, and heritage of Te Whanganui-a-Tara / Wellington

All Experience Wellington Institutions participated in *Open House: The Treasures of Wellington* which was part of Wellington's 150 years as Capital City celebrations.

Capital E

Musical Forest
Matariki Whānau Day
Magical Musical Moments
Beat it!
Stealing Games / Digital pilot project
Be a Maker with MediaLab
Soundscape your City
Little Creators with Kids Arts Lab
Central Cinema
Lux Light Festival drop-in workshops
Puppet World
Your Virtual Reality
Your Virtual Reality – Family Night
Jeremy Dillon OriTV
Meet Jeremy Dillon
OriTV Shadow Puppet Workshop
Ultimate E Experience
Make your own Puppet Theatre
Central Puppet Shows
Showtime with Playshop
Winter Wonderland
Scandinavian Christmas Festival
What is Home?
DreamWorks Animation: The Exhibition
Workshops
Year of the Monkey: Chinese New Year
BoxOpolis
Shu's Discoveries at BoxOpolis
Playshop at BoxOpolis
Java Dance at BoxOpolis
E Chill
Out of the Box in OriTV
Raspberry Pi: Fresh from the oven
Broadway Chorus
Under the Sea
Arcade@MediaLab
Whānau Saturdays

Kei Roto i Te Moana
The Taniwha of Wellington Harbour
Discover Dance / Shake it out!
Cara's Crafts
SportsDesk

OriTV Education Programmes:
Wake Up New Zealand
Across the Trenches
Eye on the Hive
Newscast
Once upon a Crime
Zoos Noos
Alien Invasion

MediaLab Education Programmes:
Think it, make it, print it
Multiplayer Gaming
2D animation
Music Making
Android App Development
Soundtrack Design
Game Design
3D movie making

City Gallery Wellington

Talks by artists and curators accompanied the opening weekend of all exhibitions.

Tuatara Open Late
Gallery Babes
New Zealand Institute of Architects City Talks
Wellington Architecture Week Lunchtime Talks
Artsight School Holiday Programmes
Weekend Exhibition Tours
Contemporary Art Night School: Tina Barton on Julian Dashper & Friends exhibition
Weekday Art Bites: 20 minute exhibition talks
Talk: Owen Hatherley on the Art and Architecture of the Moscow Metro
Screening: Unfinished Spaces – Cuba's Architecture of Revolution

Photographic Walk and Workshop: James Voller
Talk: James Voller & Robin Aitken on *Abstracted Histories – Embassy Theatre Project*
Toi te Reo: City Gallery's annual *Te Wiki o te Reo Māori (Māori Language Week)* event featuring *Nga Tangata Korero mo Te Reo (True Stories Told Live)* with Julie Noanoa, Norm Heke, Ati Teepa, Reuben Friend, Suzanne Tamaki, Paora Tibble, Apirana Taylor plus performances by Mara TK, Tola Newbery and DJ Noel Woods.
Talk: Sue Best on Fiona Pardington and *Reparative Aesthetics*
Concert: *Stroma: Interiors*
Menton Report: Mandy Hager
Shut Up & Draw Workshop: Susan Te Kahurangi King and Petita Cole
NZTrio: ART3: SURGE
ARTCRIME2015: The Symposium
Screening and discussion: *Rome, Open City (1945)* with Giacomo Lichtner, Alfio Leotta, Claudia Bernadi, Thierry Jutel, Stuart McKenzie
Performance: *Martin Creed: Words and Music*
Talk and Film Screening: *Hitler Oaks, Dark Tourism, Holocaust Memorial Spaces*: Ann Shelton, Emma Willis, Miri Young
Talk: Hana O'Regan: *Taku Hōhaka ki te Kaika / My Journey Home*
Talk: *Humbug, a Dialogue between Painting and Architecture – Sam Kebbell and Peter Adsett*
Talk: *Stuart Shepherd on Susan Te Kahurangi King and Outsider Art*
NZTrio: ART3: BLAST
Gordon H. Brown Lecture: *Unsettling: Art and the New Zealand Wars*: Rebecca Rice
LitCrawl: *True Stories Told Live*
Talk: *Writers Archive*: Elizabeth Knox, Roger Blackley, Peter Shand
Culture Club: *Midnight Tour of Fiona Pardington: A Beautiful Hesitation*
Talk: *Meet the Artist: Fiona Pardington*
Film screening: *David Bowie Is*
Film Screening: *The Art of Recovery*
Kushana Bush painting workshop

Pina Bausch Film Series: Dancing Dreams: In the Footsteps of Pina Bausch
A Conversation with Photographer Peter Black
Pina Bausch Film Series: And the Ship Sails On
Panel Discussion: *When Artists Die*: Marie Shannon, Gary Langsford, Kendrah Morgan, Jim Barr, Evan Webb with Robert Leonard
Janet Frame Memorial Lecture: Phillip Temple. Where We Were, Where We Are Now
The Shadbolt and Harvey Show: Tim Shadbolt, Bob Harvey and Andrew Clifford
Photobooks Forum: Gary Baigent and Ann Shelton with Robert Leonard
Pina Bausch Film Series: Talk to her
International Connections: Artist Residency Forum: Courtney Johnston, Erica Sklenars, Sian Torrington, Etienne de France, Marc Brandenburg
ANZ Family Day
Cloud Workshop with John Reynolds
Talk: *My Friend Julian*: Courtney Johnston, Hamish McKay, Erica van Zon, Simon Ingram
Film Screening: *Zabriskie Point*
Talk: *Weta Digital and Bullet Time*: Eric Reynolds and Richard Frances-Moore
Artist Talk and Screening: *Mike Parr*
Jealous Saboteurs: Karl Fritsch Workshop
NZTRIO ART3: ZOOM
Matariki Development Festival 2016: Hōhepa Waitoa, Jamie McCaskill, Miria George
Bullet Time: Amelia Barikin and Martin Patrick on Daniel Crooks
Talk: *Amelia Barikin: Everywhere all at once: time travel and contemporary art*
Performance: *Terminal Guitar: Marco Fusinato and Bruce Russell*
Matariki Talk: *Time in te ao Māori: Patu Hohepa, Huhana Smith, Ngahina Hohaia*
Bullet Time Talk: *Geoffrey Batchen and Gavin Hipkins*



Front Cover of Fiona Pardington: *A Beautiful Hesitation*, 2015.

MUSEUMS WELLINGTON

Cable Car Museum

Fairy Treena Fun and Magic
Original Gangsters Walk
Queen's Birthday Weekend Children's Activities

Space Place at Carter Observatory

Tuesday Talks: Exploring the Dwarf Planets; 50 years of Quasars; Star Spangled Banners; Mars - a Fiction to Reality; Shedding Light on Dark Matter; Space, spirituality and the importance of not knowing; The Pluto Revolution; Universe next door; Was that the Big Bang?; Matariki
School Holiday Programmes: Robots; Sun Spectacular; Space Garden
Movie Nights: Alien; Aliens; Robinson Crusoe on Mars
Whānau Day
Tōku Ao
A Beginners Guide to Famous Theories
Visa Wellington On A Plate
Storylines
Celestial Cinema
Towards a Better Understanding of the Universe
Community Event: Te Aro School
Community Event: Thorndon School
Spring Festival Scavenger Hunt
A Beginners Guide to Famous Theories 2.0
FRINGE Festival: Play About Space; Inner Space
Valentine's Day event: Aphrodite's Delight
Chinese New Year at Space Place
The Bat
Mark Gee Night Sky Photography Workshop
Murder Mystery Night: May the Fourth
Science & Space Festival
Celestial Cinema
Matariki Night Sky Presentations
Dawn Viewing
Space Night

Nairn Street Cottage

Rhizome cutting workshop
Nairn Street Preservation Society: Preserving the Season
Nairn Street Preservation Society: Crafting Beer
Nairn Street Preservation Society: Sour Flour

Wellington Museum

Third Thursday: Callum Allardice Quintet; Out of the Box; Empire City Book launch; Meet the Makers; Block Party; L'vin' Colour; The Sea and the Shepherd; Meet the Makers; Te Reo o te Marama (The Voice of the Moan)
Short History of Jazz, Series 2
Zines workshop
Antipodes
Song writers circle
Halloween
People's History 2015: Education in Aotearoa New Zealand - for freedom or conformity?
Attic Opening Weekend
Holiday Programme
FRINGE Festival: All Pearls want to Return to the Sea
Alpha Speaks!
Swing Soiree
Wahine 48th anniversary commemorations
Conversations With Curators
Short History of Choro

PUBLICATIONS

City Gallery Wellington

Fiona Pardington: A Beautiful Hesitation, 2015. Edited by Kriselle Baker and Aaron Lister and published by Victoria University Press in association with Baker+Douglas, City Gallery Wellington and Auckland Art Gallery Toi o Tāmaki with the support of Creative New Zealand, Starkwhite, Base Two and Printlink. New photography by Jennifer French. Designed by Neil Pardington, Base Two, Wellington. 150 images. 264 pages. Hardcover. ISBN 978-1-77656-054-7.

Demented Architecture, 2015. Essay by Aaron Lister. Published by City Gallery Wellington. 28 pages. Designed by George Miller. ISBN: 978-0-9876575-9-6.

Unseen City: Gary Baigent, Rodney Charters, and Robert Ellis in Sixties Auckland, 2015. Essay by Robert Leonard and Andrew Clifford. A partnership between by City Gallery Wellington and Te Uru Waitakere Contemporary Gallery accompanying the exhibition Unseen City. Designed by George Miller. ISBN 978-0-9941272-0-4.

Julian Dashper and Friends, 2015. Essay by Robert Leonard. Photographs in full colour. 64 pages. Designed by George Miller. ISBN 978-0-9941272-1-1.

Bullet Time: Steve Carr. Daniel Crooks. Harold Edgerton. Eadweard Muybridge, 2016. Essay by Robert Leonard. 32 pages. Designed by Spencer Levine. ISBN 978-0-9941272-2-8.



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www.museumswellington.org.nz

Plimmer's Ark Galleries
Old Bank Arcade (timbers in situ)
www.museumswellington.org.nz

Wellington Regional Economic Development Agency
Annual Report

2016



Wins for Wellington

1. Tourism Promotion

Marketing campaigns & tourism trade activity supported
\$2 Billion
in estimated visitor spending.

+13.2%
DIRECT INTERNATIONAL VISITOR ARRIVALS

+7.5%
DOMESTIC COMMERCIAL GUEST NIGHTS

+5.3%
COMMERCIAL GUEST NIGHTS

2. Business Attraction

250-300 JOBS

to be established with the arrival of MINACS's first Southern Hemisphere tech service centre.

3. Talent Attraction

Highest migration levels of Australians moving to Wellington in 25 years.

↑86% SINCE 2012

4. International Students

Enrolments
↑9%

in most recent measurement period, translating to new economic benefit for the region of around
\$18 Million

7. Business Growth

Enabled 165 Wellington companies to access
\$9.9 Million
in capacity building and R&D funding

\$10 Million
Facilitated export deal, likely to succeed between Sunshine Group (Kunshan, China) and local producers for entry into the \$163 Billion Chinese supermarket retail sector

5. Business Events

76 Successful conference & event bids with a total value in excess of
\$12.8 Million

6. Media Programme

547 Australasian media stories with an Advertising Space Rate Value of more than
\$7.5 million

8. Screen Wellington

381 filming permits issued

Feature productions:
Ghost in the Shell
Pete's Dragon, Pork Pie

9. Venues

322 performances
286 conventions & business events
IN 365 DAYS

MORE THAN 600,000 patrons/attendees to events in our venues

10. Events Marketing

Marketing & media activity in support of events calendar including: WOW, Sevens, Visa Wellington On a Plate, NZ Festival, Blackcaps & Royal Edinburgh Military Tattoo

11. Digital Marketing

Visits to WellingtonNZ.com
over 3 million
↑14% OVERALL GROWTH
+56.4% Australian & +12.3% International

Chair's Report

Over the last year, The Wellington Regional Economic Development Agency took a positive step forward towards its vision of advancing Wellington so that, by 2025, it is the most prosperous, liveable and vibrant region in Australasia.

Across the region, Wellington has a new-found confidence, a new energy. Investment is on the up, so is opportunity.

In the past 12 months we have progressed the amalgamation of WREDA from four distinct organisations into a unified, multifaceted agency and at the same time continuing to deliver business as usual. In the process we've brought 150 people together into one team, focused on a single purpose and a single vision for the entire region.

Our approach to this process has been deliberate and methodical. In any construction project, the foundations are critical. If you want to build something strong, take your time, dig them deep and dig them well. Our challenge was also to re-engineer a machine in motion. As we took the legal, financial, organisational, governance and human resourcing steps towards our merger, WREDA's staff continued delivering on the full breadth of responsibilities to our funders, partners, clients and customers.

"Sharing insights and expertise enables our WREDA working groups to take advantage of opportunities with more efficiency and coherence."

I'm immensely proud of how the team, under the direction of inaugural Chief Executive Chris Whelan, has managed this process. As a Board, attracting Chris to Wellington to lead WREDA was one of our most pleasing moments of the past 12 months. Chris assembled an exceptional Senior Leadership Team, conducted a comprehensive organisational design process and developed a three year strategic approach as articulated in WREDA's Statement Of Intent. It would have been comparatively quick and easy to drop a

management layer across the pre-existing organisations and announce the amalgamation 'mission accomplished'. It would also have been a wasted opportunity. Making best use of our talented people, and maximising the resources entrusted to us by Wellingtonians, meant building a new organisation optimised for the future.

As WREDA came together, the concept began proving itself. Sharing insights and expertise enables WREDA's working groups to take advantage of opportunities more efficiently. These efficiencies and performance enhancements of amalgamation are increasing steadily under WREDA.

Throughout the amalgamation process, the team has remained dedicated to maintaining high service levels towards our partners, clients, investors and shareholders. As these pages will demonstrate, their many successes have contributed to a positive year for the region's economy. We now embark upon WREDA's first years under a unified Statement of Intent, with new initiatives and programmes designed to increase momentum.

I'd like to thank the WREDA Board of Directors for their enthusiastic collaboration along every step of the journey so far. I'm also grateful to all of our key stakeholders and commercial partners for their stalwart support during a time of change. In particular, our relationships with the Wellington Regional Strategy Committee and its Chair, Wayne Guppy, and our two principal funders and shareholders, Wellington City Council and Greater Wellington Regional Council, have been a critical component of WREDA's success this year.

The time of transformative change for this organisation has now passed. It's now time for WREDA to play a leading role in transformative change in Wellington.

PETER BIGGS | Board Chair

Chief Executive's Report

The role of WREDA can be described in two words: Make Connections.

The power of business and the public sector, of capital flows and the global marketplace - these are the energy sources of our economy. Only they have the capacity to shift the performance of an entire region through sheer force. As an economic development agency, what we can do is act as a catalyst, advocate, enabler, adviser and agitator. By forging connections, enhancing conditions, intervening, attracting and persuading, we can unlock latent economic potential. We connect entrepreneurs with mentors. We connect businesses with capacity building funding. We connect people around the world with Wellington's unique destination qualities. We connect performers with audiences and exhibitors with delegates.

Everything WREDA does is through partnership; connecting people and opportunities.

This year, as we connected four diverse organisations and entities to become WREDA, our partners have demonstrated tremendous faith and support. From local and central government, business and residential ratepayers across the region, commercial partners, suppliers and clients, we are grateful to have you on board. Working together, Wellington has achieved a great deal in a year characterised by increasing connectivity to deliver sustainable economic growth opportunities.

Investments in Wellington by international companies demonstrate confidence in the region. So too does the flow of migrants arriving in Wellington from Australia and further afield, drawn by our world-class quality of life and career opportunities. WREDA has made a valuable contribution to these developments, and we continue to leverage the benefits.

WREDA's role in many of Wellington's wins this year is even more explicit.

Our teams partnered with airlines and Wellington Airport to support the sustainability of new services through marketing, media and trade promotion, resulting in record numbers of visitor arrivals. Our marketing partnership with Te Papa helped tell the story of the remarkable Gallipoli: The scale of our war exhibition across Australasia, driving record visitor numbers.

Uniting a consortium of institutions across the region's education sector, we launched a multi-year programme to increase Wellington's international education exports. We enabled 165 companies across the region to access \$9.9 million in capacity building and R & D funding. When the iconic World of WearableArt® took an exhibition to Seattle, our teams built a programme of promotion and events around the opportunity, delivering a broader message of Wellington's unique creative enterprise, tech and education expertise on the west coast of the US.

Our teams cultivated a successful relationship with global delivery centre managers Minacs, ensuring the Canadian company chose Wellington as the location for their first southern hemisphere operation, on behalf of a major international technology client. We introduced Chinese supermarket chain Seashine to Wellington's high-quality food & beverage producers, enabling them to break into this multi-billion-dollar export market. Through our subsidiary Creative HQ, the Lightning Lab XX programme brought together start-ups with female founders in a New Zealand-first business accelerator. Working for the first time with innovative hardware-focussed startups, the Lightning Lab Manufacturing programme also led to the establishment of the 1st Assembly workshop space in the region's manufacturing heartland, Hutt Valley.

By connecting promoters and conference organisers with facilities across the region, our teams secured more than \$100 million in event and conference revenue for Wellington, with over 35,000 delegates and 100,000 audience members hosted in the venues we manage alone. And in the last cruise season, our people on the ground helped 75,000 passengers make the most of their few hours in Wellington, for an estimated value of \$58 million to our economy.

We enhanced the regional relationship with central government this year, forging new connections across a number of areas. Tourism New Zealand partnered with us on an in-market campaign for the first time. Creative HQ ran a second R9 Accelerator, bringing public-facing government departments together with Wellington tech innovators to address solutions to specific service delivery bottlenecks. We re-signed our contract as New Zealand Trade & Enterprise's Regional Business Partner, enabling Wellington businesses to access millions of dollars in development funding.

As we begin a new financial year as a united organisation, we will be delivering new opportunities, forging new partnerships and launching new initiatives. We'll continue to lead the Wellington International Student Growth Project. Our Infrastructure Investment Leverage programme will seek out further connections for incoming major projects to maximise the ancillary benefits for the region. We're creating an intensive programme to assist 10 scale-ready Wellington businesses per year to grow towards major exporter status, by facilitating skills-, capital-, and market-access. Convening a Wellington Partnership of top-level leaders and decision-makers will harness their insight and influence towards addressing our region's challenges.

From major retail operations, to new hotels and businesses - not to mention civic investment in productive infrastructure, like the Movie Museum/ Convention Centre - energy is flowing into Wellington's

economy. Across the region, more and more people are coming here, attracted by this energy, to visit, study, live, work and do business

"Everything WREDA does is through partnership; connecting people and opportunities."

At WREDA, we're proud to make connections that unlock new economic energy, helping Wellington become the most prosperous, vibrant and liveable region in Australasia.

CHRIS WHELAN | Chief Executive



Wellington Regional Economic Overview

Wellington's economy performed well in the 2015/16 financial year with regional GDP increasing a respectable 2.4%. Like New Zealand as a whole, the growth has primarily been driven by low interest rates, a buoyant construction sector and record numbers of tourists and migrants.

But it also has something to do with a set of endowments which make Wellington well-placed to benefit from current local and global economic trends.

The region's visitor boom is exemplified by commercial guest nights breaking through 3 million for the first time and increasing 5.3% on the previous year. Wellington was the fastest growing region in the country for domestic guest nights in 2015/16, up 7.5% compared with 4.1% for New Zealand as a whole. The increasing attractiveness of Wellington as a destination is likely to continue as its stock of visitor infrastructure expands.

Wellington has experienced substantial population growth over the last year, driven by returning expatriates and new migrants, many from Australia, who are attracted to Wellington's lifestyle and industrial make-up. The net migration gain for the Wellington region over the year to June 2016 was 3,167 people, the highest for at least 25 years.

The population surge, together with growing confidence in Wellington's future, contributed to a strong lift in house prices in the latter half of the year.

The region saw substantial job growth in 2015/16, with employment growing 2.6%; the equivalent of 7,000 new jobs. The proportion of jobs classified as high skill or medium-high skill is growing faster than New Zealand's as a whole, which bodes well for the future.

Wellington employers are still reporting skill shortages particularly in information and communication technology as a result of that sector's continued expansion. WREDA will continue to promote Wellington as a desirable place for those skills to settle, as well as a location for new businesses to establish themselves.

The fortunes of the primary sector were mixed in 2015/16, with a steadily rising dollar eroding some of the gains, although the overall contribution has been positive for the region. We have seen export growth in many sectors, although the downturn in the Australian economy saw some manufacturers face challenges in that market.

Growth in the construction sector has been ongoing as the \$2.4 billion state highway roading projects gain momentum and earthquake strengthening continues. The construction activity is providing a boost for the local economy and will lead to ongoing benefits for the region once the projects are complete.

JEREMY HARDING | GM, Foresight & Development,
WREDA

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01. Business Growth & Innovation

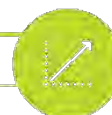


Business Growth & Innovation

From start-ups to multinationals, WREDA supports the growth of businesses across the Wellington region through its incubation and accelerator programmes, scale-up and research and development assistance (through the Government's Regional Business Partner Programme) and sector development initiatives in our priority sectors: tech, manufacturing, screen and primary.

By the numbers

YE June 2016	Total
New ventures in Creative HQ incubation	11
High growth exits from Creative HQ incubation	4
Entrepreneurs attending Lightning Lab programmes	108
Investment raised for Lightning Lab teams	\$3.8m
Creative HQ portfolio valuation	\$1.4m
FTES working for Creative HQ alumni ventures	249
Revenue of Creative HQ alumni ventures	\$24.6m
Research and development grants	22, worth \$9.4m
Growth action plans developed for businesses	383
Business capability grants	143, worth \$450,000
Businesses matched with mentors	202
Business connections made	800+
Customer satisfaction - net promoter score	40



Film permits issued	351
Internships and placements	192

Acceleration

Lightning Lab Accelerator Programmes

Four Lightning Lab acceleration programmes were held this year, including New Zealand's first hardware accelerator and Australasia's first accelerator for businesses with female-founders.

Developed in partnership with Callaghan Innovation and Hutt City Council, Lightning Lab Manufacturing gave start-ups making physical products the opportunity for rapid growth, using the Lightning Lab format usually applied to software start-ups. Over 12 weeks, seven companies received seed feeding, intensive mentoring and business development advice along with training in lean start-up and agile methodologies.

As of July, five of the companies are still going. One is crowd-funding their product launch, three are building their production volumes and sales, and one is negotiating to sell their business to a global consumer-products brand. The programme was a finalist in the 2016 Wellington Gold Awards and led to the creation of 1st Assembly – a new community space for prototyping and hardware development.

Lightning Lab XX set out to bring more gender balance into the start-up ecosystem by selecting teams that contained at least one female founder. Embracing cultural as well as gender diversity, the programme included the first "exchange" team to our accelerator programmes - LiangMa, a fresh chicken delivery service based in China. Five of the nine participating teams are currently seeking investment.

Govtech

Creative HQ delivered the second Govtech programme, the "R9 Accelerator 2.0" in collaboration with Ministry of Business, Innovation and Employment. One of the only Government start-up accelerators in the world, R9 Accelerator brings together the public and private sectors to work on real world problems. Ten teams of private sector entrepreneurs, developers, designers, business specialists and government experts worked on projects that could solve major pain points for New Zealand businesses and reduce costs of dealing with Government. The programme has raised over \$1 million for five teams to continue building their solutions.

Working with Government, Creative HQ delivered the Get Funded training programme to 120 scientists and researchers from around New Zealand. The two-day workshop encouraged scientists to think more deeply about their customers, market application, pitching and storytelling.

Disruption and acceleration for corporates

Creative HQ's three-day Lean 15 conference exposed New Zealand business people, government organisations and corporates to leading international experts in Lean Methodology.

The team at Creative HQ also worked alongside a major New Zealand tech company around how they could disrupt their own model using the principles of exponential organisations. The three-month programme not only showed the company how to grow their own organisation, but how external disruption could impact their day-to-day operations. Creative HQ is now running Corporate Accelerators with two of the largest companies in New Zealand.

Venture Up

Venture Up is an intensive six-week business accelerator programme for school leavers from all over New Zealand, which mentors and develops the next generation of Kiwi entrepreneurs. Five out of this year's eight teams went on to develop viable businesses, with one receiving private funding.

Business Attraction

Up to 300 new jobs will be created in Wellington, with international business process solutions company Minacs establishing their first southern hemisphere delivery centre in Wellington. The Business Attraction Team sourced the initial lead, hosted familiarisation visits and supplied business information and introductions to enable Minacs' decision to select Wellington as their location of choice.

Other business attraction activity included exhibiting at the Auscontact Expo in conjunction with Datacom and at the Australian Superannuation Fund Association conference.

Xiamen Connection

WREDA coordinated a delegation of business owners and property developers seeking investment to accompany a mayoral delegation to Xiamen, China; one of Wellington's sister cities. A relationship was formed with Seashine Supermarkets and commercial agreements have been signed with two Wellington regional producers, with four others in negotiation.

Regional Business Partner

WREDA was awarded the contract to provide the Government's Regional Business Partner Programme until 2019. Under the new agreement, we will work closely with the Wellington Chamber of Commerce, who will provide the Business Mentors service. The contract positions WREDA as the region's hub of business development and enables us to form new connections within and across industries.

Manufacturing

Craft Beer Connection: Oregon

The 'Craft Beer Connection' event in Portland, Oregon, put five of Wellington's top brewers in front of US brewing industry, media and tourism luminaries. Craft beer is one of the country's fastest-growing manufacturing industries and Wellington is its epicentre. In conjunction with the Ministry of Foreign Affairs and Trade and Tourism New Zealand, Wellington was promoted as New Zealand's craft beer capital in this important market.

Multinational engagement

Multinational companies make a strong contribution to the region's manufacturing exports and employ significant numbers of skilled people. In a series of workshops, WREDA explored how we could help Wellington-based subsidiaries build their profile and highlight their value with their parent companies, with the ultimate aim of expanding operations here in New Zealand, doing more R&D in New Zealand, and providing career pathways for the region's university students.

Tech

FinTech

WREDA partnered with Afniation, a network that grows the financial technology sector in New Zealand and Australia. Three Wellington companies attended the Afniation Showcase in Sydney and presented to an audience of 200 potential investors, partners and clients in the financial services industry. All three companies gained awards, including one winning the top prize.

Wellington WOW's audiences in Seattle

The opening of the WOW exhibition at the EMP Museum in Seattle, Washington provided Wellington with a great platform to share the Wellington story of creativity, growth, innovation and collaboration, and promote Wellington as a great place to visit, work and study.

WREDA and its Wellington partners conducted tourism and creative tech workshops to over 200 industry professionals on USA's West Coast.

Screen

Screen Wellington

WREDA's film office plays a significant role attracting large budget productions to the region, suggesting location options, showcasing facilities, recommending services and issuing permits on behalf of local councils. This year, the office was rebranded to Screen Wellington to reflect the industry landscape and recognise the changes to technology both within the industry and the way content is now consumed. In the past year, Screen Wellington issued 381 filming permits in the region, with major productions including Pete's Dragon (Disney), Ghost in the Shell (DreamWorks) and New Zealand feature Pork Pie.

Studio feasibility study

To help build a more sustainable local screen industry, we commissioned a feasibility study to ascertain the need for further studio infrastructure in the Wellington region.

AnimfxNZ

2015 was the 10th anniversary of AnimfxNZ, the digital entertainment conference for New Zealand's animation, game development and visual effects professionals. Two-hundred attendees heard from leading international and national experts and took part in workshops that explored storytelling and new technologies.

Masterclass

In conjunction with the Screen Producers and Directors Association, we offered a masterclass to improve producers' and directors' understanding of the requirements of delivering a sustainable and profitable production.

Primary

Wairarapa Land Use

As part of the Wairarapa Water Project, we assessed the viability of altered land use on three representative properties in Wairarapa. The project measured the potential financial, environmental and management impact of irrigation on un-irrigated land, with models for dairy, livestock finishing, mixed/arable, sheep dairy and apple farming. Results showed most land uses were viable. An independent study has indicated this project has the potential to add \$150 million annually to the regional economy, and create over 1,000 jobs.

Supplier Showcase

Eighty food and beverage producers exhibited at the Wellington Supplier Showcase, held annually as part of Visa Wellington On a Plate. The showcase provides a vehicle for producers/suppliers to demonstrate their products to the region's chefs as well as selected retail interests.

This year, retail buyers from across Wellington, Auckland, Australia (David Jones) and China (Seashine) attended the showcase.

Following on from the showcase a business clinic was held for small producers covering product development, innovation principles, growth and relationships with retailers.

Connection education and workforce

Through internship programmes and research placements, WREDA connects tertiary students with businesses to help build a suitably-skilled workforce in the region.

This year, the number of Summer of Tech internships in Wellington increased by 16% to 106 interns. Callaghan Innovation funded 25 Research and Development internships in the region and a further 27 students worked on IT project placements.

The Wellington ICT Graduate School launched in May 2016. As part of the establishment board, WREDA helped the school build their industry connections to ensure the course meets the demands of the tech sector.

Business meetups and industry events

WREDA organise a range of meetups and events to encourage businesses to share ideas, form partnerships and be inspired by experts.

These range from the Startup Garage, New Zealand's largest business meetup group with over 1,500 members, to Wellington Innovation, a bimonthly workshop for a select group of 30 innovation professionals.

Industry events this year featured screenwriters sharing their LA market research with a screen industry group, a pioneer in surgical robotics speaking to local biotech companies, a UK gaming guru at Startup Garage and panel discussions on the primary sector and manufacturing industry.

Case Studies



Part Timer

After coming into Creative HQ's Venture Up programme as new school leavers with nothing but a great idea, Part Timer left with a successful online platform that connected high school students with part time jobs through personality-led profiles, rather than CVs. They used Venture Up to validate their problem, market their solution and build a database of more than 1,300 students looking for jobs.

Part Timer identified that CVs aren't the most reliable means of assessing a young person's suitability for a job, particularly when they are new to the job market, and developed a website and researched potential alternatives to written CVs. The company has seen a rapid period of growth since graduating from Venture Up, securing private funding and expanding beyond students and becoming a service for everyone.



POW!Post

POW!Post, a sound agency created to help fill the troughs between Wellington-produced feature films, this year signed its first substantial contract to supply the soundtrack for an animated pre-schooler series Nori Roller Coaster Boy.

Over the past two years, WREDA has worked with Pow!Post founder John McKay to provide guidance on how to collaborate with other talented sound engineers, build a sustainable company by protecting intellectual property, create a story and build a brand. We also assisted with strategy sessions, building company and financial structures. The contract has created new jobs for Wellington, and will be screened in countries around the world.



Aviat Networks

Lower Hutt is home to a Research and Development centre for Aviat Networks, a multinational company specialising in wireless transmission systems for the telecommunications industry.

The company has more than 80 New Zealand staff and employs several university students each year as part of the Summer of Tech internship programme. This year, the company embarked on a significant new product development programme, co-funded by a Callaghan Innovation Research and Development Growth Grant. The new technology developed will improve microwave transmission for network operators.

Director of Software Development, Matthew Durkin said the three-year grant would enable Aviat to take on additional New Zealand employees and strengthen the New Zealand subsidiary's R&D capability.

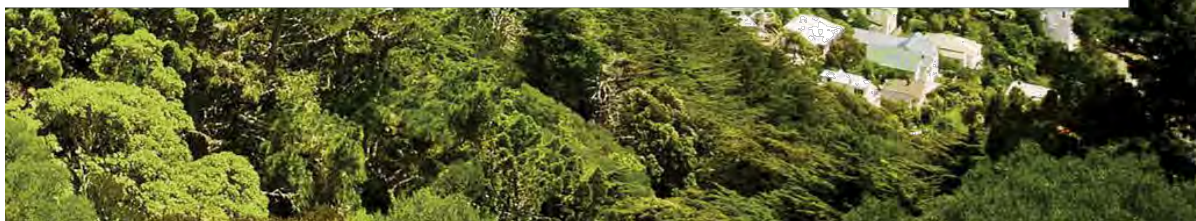
"The team at WREDA helped us through this process, With the grant funding and backing from our head office, we're able to drive new product development from New Zealand, providing challenging work for our Wellington team."



Pik Pok

Wellington's Pik Pok (under the name Sidhe) was established in 1997 to make gaming console games. It changed focus in 2006 to concentrate on publishing fun, addictive games for smartphones, tablets and desktop computers. It is considered the grandfather of New Zealand's gaming industry which is now worth more than \$88 million annually, up 13 per cent in the year ending March, according to data compiled by independent researchers. Pik Pok's status will be further by their newly structured R&D programme, part-funded by a six figure Callaghan Innovation grant.

WREDA's role was to understand the company's situation and steer them away from ad hoc project initiatives, in favour of an on-going R&D programme planned for three years, which then enabled access to a larger grant.



Student Attraction

International students bring cultural diversity to our region, build connections between Wellington and key export markets and contribute more than \$200 million to the region’s economy. WREDA has worked with local education institutions, Education New Zealand, and Wellington City Council to shape the Wellington International Student Growth Programme (WISGP). The programme, which WREDA is responsible for delivering, aims to double the number of international students in the region by 2025.

By the numbers

January – December 2015	Total	%Change (YOY)
International student enrolments	7,456	+9%

January – June 2016	Total	%Change (YOY)
International student visas	3,566	+7%



International student numbers are currently increasing in Wellington, providing a solid platform for growth through further additional activities. The 641 extra international enrolments in 2015 translate to an economic benefit of around \$18 million.

Work Ready in Wellington

Work experience and employment is a common goal for international students during or at the end of their study. To help international students get jobs locally, we developed Work Ready in Wellington, a free course for students to develop a better understanding of New Zealand workplaces and build on the range of skills that will help them find work.

"I got a job within a week of finishing the course, using all of the techniques I learnt in my application and in the interview. I got the job because of the course. The tutors were great and very enthusiastic - we were not bored for even one second!" Vandana Abhiruchi, Whitireia Institute of Technology graduate now Test Analyst at FNZ Wealth Management.

School Sector Support

WREDA has contracted a consultant to work with schools in the region and support their efforts to grow international student numbers. Twelve schools are taking part in the programme, which aims to give practical advice and guidance to schools wanting to establish a sustainable international programme in their school.

Agent Hosting

Education agents play a part in the decisions of more than half of all international students moving abroad to study. WREDA's education team works with Education New Zealand and the Education Wellington International membership to show agents from target markets the range of quality schools and tertiary courses the region has to offer. From January to June 2016, the team hosted 27 agents from six countries, and nine journalists.

WREDA also identified the need to build awareness of Wellington's education options to Auckland-based agents and hosted eight agents working with students in Korea, China, France/Germany, Russia and Colombia.

International student recruitment experts were commissioned to undertake a trade review to inform the way WREDA, and institutions in the Wellington region, work with agents. The comprehensive report contains recommendations for institutions' web presence and marketing materials and identified channels and messaging for agent communication.

Wellington was one of 11 regions featured in Education New Zealand's pavilion at the Australia/New Zealand Agent Workshop in Melbourne, and was part of their South America Roadshow. At these events we met agents from a range of existing and potential markets and gained insight into student interests.

Welcome in Wellington

We ran two events to welcome new students to the region and make them aware of lifestyle opportunities. The International Student Mayoral Welcome was attended by 450 students from 41 different countries and the International Student Sports Day by more than 100 high school students.

02. Visitor Economy



Visitor Economy

Tourism generates around \$5.5 million per day in the Wellington region, a total of some \$2 billion annually. WREDA supports the sustainable growth of this sector through marketing campaigns, event promotion, travel trade activity, domestic, Australian, and international media programmes, and business events attraction.

By the numbers

YE June 2016	Total	% change (YOY)
Commercial Guest Nights (All)	3,066,515	+5.3%
International Direct Arrivals	217,216	+13.2%
Australian Direct arrivals	160,496	+11.5%
Occupancy rate (hotels)	78.2%	+3.2%
Average length of stay (hotels)	2.08 days	+1.9%



This financial year has seen strong growth in the visitor economy. Commercial Guest Nights performance throughout the year was led by a series of six record-setting months across the summer high season. New trans-Tasman air connections, supported by targeted WREDA marketing activity, have contributed to a dramatic increase in international visitors arriving directly into Wellington. Our region's hotels have maintained a very high occupancy rate, rising as high as 90% in November and February.

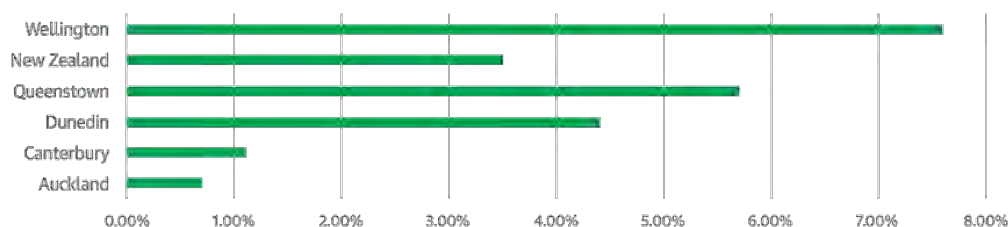
This performance has already attracted new investment in accommodation property, visitor attractions and services, and created jobs. WREDA will support further sector development, while continuing the destination marketing and promotional activity that will help ensure visitor demand remains strong.

Domestic Marketing

Our domestic visitor strategy has built on the successful *It's never just a weekend when it's in Wellington* brand campaign, in-market since October 2014. The campaign highlighted Wellington's unique offering as a domestic weekend getaway with its huge range of distinctive activities and experiences, in a compact, easily explorable destination. Tactically, *It's never just...* targeted domestic leisure market segments with a message that Wellington offers great "value for time".

In the past 12 months, domestic commercial guest nights in Wellington have risen by 7.5%. This growth is double that of New Zealand as a whole (3.5%), and has lifted our share of Domestic guest nights from 7.9% to 8.2%.

Domestic Commercial Guest Nights Growth (YE May 2016)



Campaign profile: *It's Never Just a Winter When it's in Wellington*

In the high summer season our accommodation providers are near capacity and our visitor economy is doing well. Tactically, it's important for us to invest in the lower season months, to support a sustainable flow of business for our industry partners and stakeholders, and enable overall capacity growth.

One way to address this is via an events strategy, and the alignment of the likes of WOW, Lux, Beervana and Visa Wellington On a Plate in late winter has been important. With the *It's Never Just a Winter* tactical campaign our aim is to increase the base level of non-event-dependent visitation over winter.

Our pitch was that Wellington does winter well. We have vibrancy, variety, culture and cuisine around every corner. Thanks to our compact geography, a weekend getaway to recharge from the doldrums of winter is always easy.

Adapting the assets created for the major brand campaign *It's never just a weekend*, we created a 45 second television and cinema commercial, three themed 15 second commercials for online, billboards and street posters in Auckland and Christchurch, plus print ads in *KiaOra*, *Sunday*, *Canvas* and *Cuisine* magazines. The campaign was supported with digital banner ads and social media activity.

To date, the volatile winter months of May and June have seen a net increase of 5,434 Commercial Guest Nights on the previous year, or 2.2% growth.



Australia Marketing

Australia is our single biggest international visitor market. Our campaign and PR activity has focused on leveraging the development of new direct air services between Wellington and Australia's east coast.

As a result, these flights delivered nearly 20,000 additional Australian visitors to our region in the past 12 months, representing growth of 13.4%, year-on-year.

Campaign profile: Inspired by Wellington

The *Inspired by Wellington* partnership campaign with Tourism New Zealand, which ran from November-January, generated 164,314 visits to WellingtonNZ.com & NewZealand.com and more than 76,000 completed video views across video advertising.

The content-focused campaign featured three videos where Australian influencers across the cuisine, fashion and music industries were inspired by their short break, generating a product that spoke to their experience.

Results:

More than 76,000 completed video views



Trade Marketing

To maximise our resources, particularly in the long-haul international market, we focus on trade marketing. This entails meeting with, and training, frontline travel sellers and agents in established and emerging international markets, and inbound tour operators here in New Zealand. We encourage them to include Wellington on the itineraries they take to market. We leverage Tourism New Zealand investment in offshore trade events, and host trade personnel in Wellington. We also work with local tourism operators on product development, with a focus on Asia-readiness and tailoring new products for the Chinese independent traveller.

In the past year, we have supported the new air services out of Australia, giving 400 Australian travel agents a taste of Wellington at a Tourism New Zealand training day in September. Wellington also hosted 600 Australian travel agency owners from the helloworld network at their annual conference last November. In preparation for the inaugural Singapore Airlines flights, we have been building new relationships in their feeder markets with familiarisation, training and market visits. Lastly, with the British and Irish Lion rugby tour in 2017, we have been updating UK tour planners on what Wellington has to offer travelling fans.

In 12 months, WREDA's two-person Trade Marketing team:



In the year to June 2016, MBIE's Regional Tourism Estimates put the total international visitor spend in Wellington at \$673 million, an increase of 10.8% on the previous year. This exceeds the overall national increase of 9.8%.

Commercial Guest Nights in Wellington RTO

Rolling 12-month average - since Rugby World Cup 2011



Media Programme

Alongside our destination marketing activity, influencing media to tell the Wellington story is an effective and efficient way to deliver our messages to a wide audience. Our activity includes pro-active PR and a programme of hosted familiarisation visits with media from across Australia and New Zealand. We also partner with Tourism New Zealand to host long-haul international media on the Wellington portion of full-country tours.

Results this year:

New Zealand media

36 hosted visits
 333 media clips/stories
 11,713,566 total cumulative audience
 \$2,387,596 Advertising Space Rate value

"The capital is unimprovable for a weekend away, the perfect people sized city; especially one of those unexpectedly hot and sunny March days that make you grateful for the last of summer"
 – Nelson Mail

Australian media

40 hosted visits
 204 media clips/stories
 124,911,421 total cumulative audience
 \$5,121,306 Advertising Space Rate value

"Wherever you are in the Kiwi capital, chances are you're a 10-minute stroll from the next place you want to be"
 – The Guardian Australia

International media

47 hosted visits
 48 media clips/stories

Hosted media from Asia, Europe, North and South America, including a range of bloggers, influencers, print media and broadcasters. One of the highlights was hosting Tourism New Zealand Asia Brand Ambassadors Sidharth Malhotra from India and Joe Taslim from Indonesia. Both high-profile movie actors, they had a strong affinity for 'Wellywood', shared with their combined social following of 6 million people.

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Events Marketing

WREDA provides marketing support across the breadth of Wellington's vibrant event calendar. Activity ranges from listings on WellingtonNZ.com, social and content support for smaller scale and local events, through to full campaign partnerships with major events that attract thousands to the region. Events marketing is designed to ensure Wellington receives maximum economic benefit from the events calendar.

Case study: World of WearableArt® Awards Show

A Wellington highlight every year, WOW® 2015 was 99% sold out, attracting 54,600 attendees, 65% from outside the region.

With the event performing strongly in terms of audience attraction, our team's focus is on partnering with WOW® and Wellington's hospitality and retail sector to encourage event visitors into their businesses. Each year the WOW® 'City Excitement' programme builds on a theme associated with the show, delivers marketing collateral, contests and street-level activity designed to drive hospitality and retail spending during the event.



Business Events Wellington (BEW)

By connecting local and international conference organisers with venue operators and suppliers, promoting Wellington at conferencing trade shows and assisting with business event bids, our BEW team supports the region's conferencing and business events industry. The BEW programme is supported by partnerships with operators and venues in the sector.

In the past 12 months, the Business Events Wellington team hosted 96 familiarisation visits in the region. Leads and referrals to our BEW partners of events with 100+ delegates increased by 4%. Of the event opportunities the team were involved in, 76 were successful, with a total value in excess of \$12.8 million.

In the year to June 2016, Wellington hosted 19% of New Zealand's multi-day conferences and 16% of the multi-day conference delegate days. This equates to a maintenance of our market share, with a 1% decline in events, and no change in delegate days.

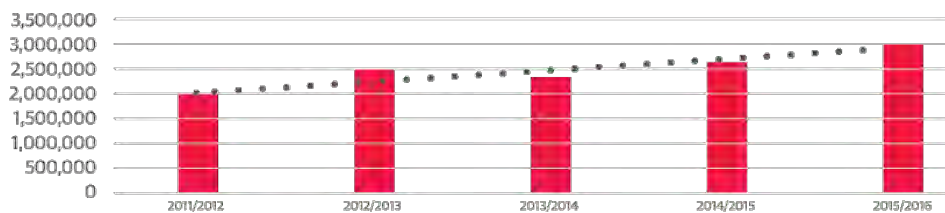
Looking ahead, BEW activity will be critical to maintaining Wellington's market share in the context of planned convention centre facilities in Auckland, Christchurch and Queenstown. All three of these have been taken to market with imagery, plans and collateral almost a year in advance of Wellington's convention centre project.

Digital Marketing

WellingtonNZ.com is the capital's primary online destination presence. Redeveloped for WREDA amalgamation it caters to those looking to visit, live, work, study, meet and make films in Wellington, it has developed into a multi-purpose digital portal for Wellington.

Visits to WellingtonNZ.com topped 3 million this financial year, an increase of nearly 14%, and well above target. Those visits were made by 1,740,073 unique visitors (+12%). This continues a strong growth trend in site traffic over recent years.

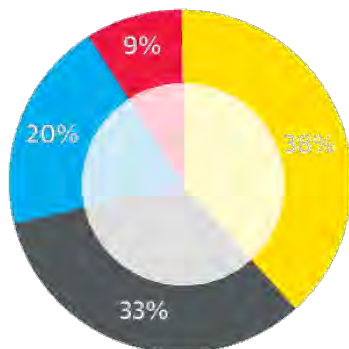
Total site visits



WellingtonNZ.com is used by people all over the world who are planning on coming to the region. Australian traffic rose particularly sharply in the past year, driven by focused digital campaigning in support of new air services. It's also a valuable resource for locals, particularly for its comprehensive coverage of events, bars, restaurants and retail businesses.

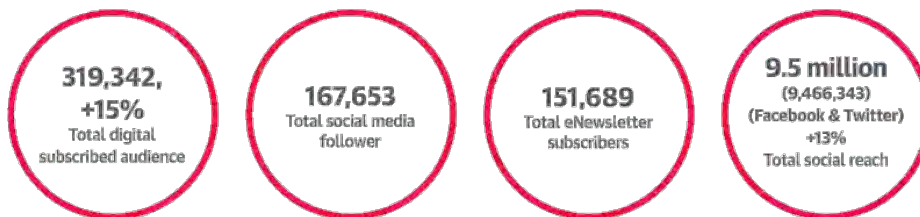
Market	15/16 visits	15/16 growth	YOY +/-%
Wellington	1,145,472	75,580	+7.1%
Domestic*	988,932	44,604	+4.7%
Australia	605,422	218,223	+56.4%
International	266,641	29,295	+12.3%

* Domestic traffic excluding the Wellington region.



One of the key drivers of traffic to WellingtonNZ.com is our digital subscribed audience. This includes our followers across our various social media channels, and subscribers to our suite of regular eNewsletters. These 'owned channels' are powerful tools for promotion of events and activities, providing useful information to various trade stakeholders, and sharing the Wellington story with people all over the world. They are actively cultivated through acquisition and retention strategies, and show strong growth year-on-year.

Wellington Australia
Rest of New Zealand Rest of the world



Campaign profile: The Wondrous Wellington Advent Calendar

Growing from strength to strength each year, the Wondrous Wellington Advent Calendar is one of our most successful digital campaigns. Designed to drive retail and hospitality spend in the lead-up to Christmas, we partner with local businesses to offer 24 days of redeemable voucher offers in an attractive and engaging digital advent calendar. Each year a different local artist creates a view of Wellington as the base design of the hugely popular calendar. This year illustrator Tim Gibson's artwork included playful animations and a 'night/day' light switch for greater engagement.

Advent Calendar key results:



03. Venues



Venues

WREDA manages a portfolio of five major Wellington venues - TSB Bank Arena & Convention Centre, Michael Fowler Centre, St James Theatre, The Opera House and New Zealand Academy of Fine Arts. A programme of performances, conventions and business events across these venues contributed more than \$53 million dollars to the regional economy during the 2015/16 financial year.

By the numbers

322	Performances in 355 days, attracting more than 380,000 patrons, 22% from outside the region
286	Conventions and business events delivered, including 37 conferences and nearly 240,000 attendees
125	The number of community events for which we discounted or deferred our fees, equating to \$1,246,000 in community support

Highlights of the year

Performance events

- Disney on Ice (July) performed for 24,000 patrons, with 46% of the attendees from outside the region, and saw our teams assist with the installation of a professional performance ice rink in the TSB Bank Arena.
- World of WearableArt Awards Show (September) set record sales with 546,000 attendees and 16 performances; with 65% of the audience from out of Wellington.
- Royal New Zealand Ballet's Wizard of Oz (May) by RNZB Artistic Director Francesco Ventriglia had its world premiere season at the St James Theatre.
- Blue Man Group (June), in their first ever visit to Wellington, brought their unique performance phenomenon to more than 8,000 patrons over two weeks at the St James Theatre.

Conference/Business events

- Our team managed and delivered Wellington's own conference industry tradeshow, Show Me Wellington hosting more than 760 buyers and stakeholders, along with 90 exhibitors in September.
- In October, the Royal Australasian College of Ophthalmologists (RANZCO) brought to Wellington the second largest conference ever delivered in the region, with more than 1,000 delegates, 250 exhibitors and 150 "satellite" conference delegates (see case study overleaf).
- Australian travel agency helloworld owner/managers conference saw 600 attendees in Wellington for a three-night conference in November, including influential travel industry consultants, leaders and suppliers. We secured this conference, worth \$225,000 to the region, against bids from Singapore and Dubai.
- In December we hosted New Zealand's premier information security conference Kiwicon, with 1,400 delegates at the St James Theatre discussing the theme "Cyberwar is Hell".

Case Studies



Conference events case study: Royal Australian and New Zealand College of Ophthalmologists

31 October - 4 November 2015

The 47th Annual Scientific Congress of RANZCO was hosted in Wellington for the first time in 2015. The Congress comes to New Zealand every 8-10 years with the last time in 2003.

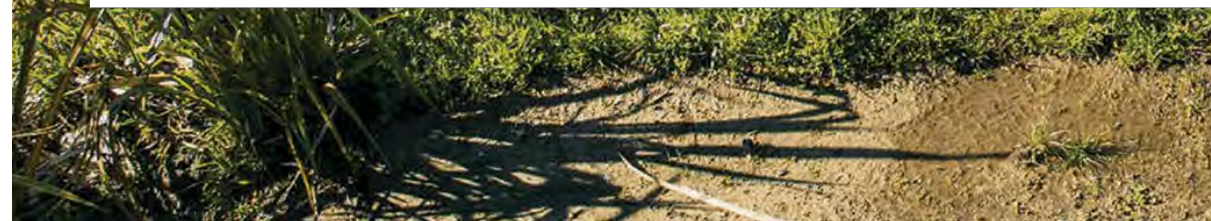
Discussions began in 2012, with our Venues and Business Events Wellington teams working with organisers to secure the event. The requirements for this large conference were varied and detailed, including: lecture style plenary for 1000+; 12 breakout rooms consisting of four small (10-40 people), four medium (80 people) and four large (250 people); three breakfast sessions (400+ banquet style), exhibition hall (2000+ square metres); speakers' room and organisers' office. Organisers also wanted delegates to experience unique venues for an opening ceremony (800+ theatre style), welcome reception for 200-350 guests, and a dinner venue for 350-400 guests.

Wellington's compact CBD, versatile venues, collaborative partners and suppliers - alongside WREDA's ability to coordinate multifaceted support - enabled us to present a comprehensive approach to meet the organisers' needs, to deliver across multiple venues and functions. To allay organisers' concerns about Wellington's ability to host an event of this scale, we hosted a series of trans-Tasman familiarisation and site visits, enabling them to see first-hand our capacity and capabilities.

As one of the biggest business events to be hosted in Wellington, the RANZCO Congress involved 1,150 delegates, (84% from beyond New Zealand) 250 exhibitors and 150 'satellite' conference delegates for an estimated value of \$1.5 million.

"The meeting in Wellington was said by many RANZCO members to be one of the best venues for many years. We were delighted with the ambience that Wellington city provided, and very happy with the service from WREDA"

- David Andrews, CEO, RANZCO





Performance events case study: NZ Festival

26 February - 20 March 2016

The biennial New Zealand Festival is a busy time for WREDA's venues teams, with high attendance and rapid turnover of performance events. It was the 30th anniversary year of the NZ Festival, and across all our managed venues we delivered 64 events in 24 days. Nearly 50,000 people attended these performances, 21% of them from outside Wellington.



Photo credits > This page > Matt Grace // New Zealand Festival Jazz at Lincoln Center Orchestra & New Zealand Festival Le Grand Continental crowds

04. Statement of Service Performance



Statement of Service Performance

Measurement	Measure/ Target	FY16 result	FY15 result	Comment on Result
Total direct spend from out of region visitors attending supported events	Visitor spend >\$90m			The transfer of Major Events to WREDA was deferred until July 2016.
Major events over the entire portfolio will achieve an economic benefit for every dollar invested	Economic benefit 20:1			The transfer of Major Events to WREDA was deferred until July 2016
Major events will exceed attendances at their supported events	Attendance >500,000			The transfer of Major Events to WREDA was deferred until July 2016
Venues will achieve a minimum utilisation rate across all of its venues. Venues utilisation measures the number of days a venue is used compared to the number of days available for use. The measure includes bookings for rehearsals, event setups and packouts but excludes blackout dates for annual maintenance	Utilisation rate >56%	56.3%	52.4%	Venues can be partly booked either by booking areas within a venue or booking a venue for only part of any given day. Infrequently a venue with multiple client bookings on any day may result in utilisation over 100% for that day.
Maintain Wellington's Convention and Incentive market share (of the multi-day conference market) within the NZ market	Market share 16%	16% at June 2016	15% at June 2015, 16% by June year end	Wellington's C&I multi-day share of delegate days for the year ended June 2016 was 16%. (Source: Convention Activity Survey)
Number of direct Australian visitor arrivals will exceed 2014/15 levels	+2%	+11.2%	+1.4%	Australian visitor arrivals were 11.2% ahead of last year (Source: International Visitor Arrivals, Statistics NZ)
Increase in international commercial guest nights	+4%	-3.9%	+13.3%	WREDA is investigating this measure. MBIE Monthly Tourism Estimates show a 10.8% increase in international visitor spending in the YE June 2016, and the International Visitor Arrivals to Wellington are up 11.5% in the same period.
Spend of international visitors to Wellington will exceed 2014/15 levels	+4%	+11%	+18%	International spending rose 11% in the year to June 2016. (Source MBIE Regional Tourism Estimates)
The number of 'visits' to the WellingtonNZ website will exceed 2014/15 levels.	+10%	+14%	+11%	The number of visits to WellingtonNZ.com increased by 14% over the previous year, reaching 3,006,367

The value of shareholdings in third party companies received by WREDA in return for providing services will exceed	\$1.4m	\$1.4m	New performance measure	Achieved
Completion of growth sector plans for: - Screen - ICT/Digital - Education and approved by stakeholders. Develop sector plan for Creative sector	June 2016		New performance measure	ICT/Digital completed and published. Wellington International Student Growth Project (major component of education strategy) plan completed and funded. Creative on hold until FY2017 pending organisational redesign.
Increase in value of new businesses setting up in Wellington from the pipeline	Total of \$45 million EVA over 3 years	\$1.9m	New performance measure	Three new international businesses have set up in Wellington in the energy, management advice/consulting, and forestry sectors. Using conservative valuation methodology, these equate to an economic value of at least \$1.9m. NB This figure excludes the Minacs result.
Attract screen production to Wellington with a combined production value of:	\$20m	\$84.4m	\$120m	Final result, year ended June 2016
WREDA is a single integrated organisation with new structure	By June 2016	Completed by July 2016	New performance measure	Process of Phase 2 Organisational Design completed.
Increase in the number of jobs in the region	Average of 2,000 jobs per year over 3 years	7,050	New performance measure	Final result, year ended June 2016. Annual average increase from Household Labour Force Survey.
Number of businesses established in region increased by:	200	261	Not audited last year	This figure is for the year to March 2015. Final result not available at time of publishing.
Help accelerator and incubator companies raise capital	\$3m pa	\$3.8m	\$5.7m	\$3.8 million of investment has been raised for companies within the Lightning Lab programmes

Independent Auditor's Report

To the readers of Wellington Regional Economic Development Agency Limited group's financial statements and performance information for the year ended 30 June 2016

The AuditorGeneral is the auditor of Wellington Regional Economic Development Agency Limited group (the Group). The AuditorGeneral has appointed me, Bede Kearney, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information of the Group, consisting of Wellington Regional Economic Development Agency Limited and its subsidiaries, on her behalf.

Opinion on the financial statements and the performance information

We have audited:

- the financial statements of the Group on pages 47 to 70, that comprise the statement of financial position as at 30 June 2016, the statement of comprehensive revenue and expense, the 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 Group on pages 40 to 41.

In our opinion:

- the financial statements of the Group:
 - 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 with reduced disclosure requirements
- The performance information of the Group presents fairly, in all material respects, the Group's actual performance, compared against the performance targets and other measures by which performance was judged in relation to the Group's objectives for the year ended 30 June 2016.

Uncertainties in the carrying value of unlisted shares in incubator and accelerator companies

Without modifying our opinion, we draw your attention to; the investments in incubator and accelerator companies accounting policy, note 3, and note 12 of the financial statements, that explain how the fair value of shares in incubator and accelerator companies has been determined and the uncertainties in measuring that fair value. Although the fair value of unlisted shares in incubator and accelerator companies is based on the best information available, there is a high degree of uncertainty about that value due to the early stage nature of the investments, the absence of quoted market prices and the reliance placed on the information supplied by the incubator and accelerator companies. This uncertainty could have a material effect on the statement of comprehensive revenue and expense and statement of financial position. This uncertainty also impacts the reported result for 'The value of shareholdings in third party companies received by WREDA in return for providing services' value on page 41 in the statement of service performance.

Our audit was completed on 30 September 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 AuditorGeneral'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 Group'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 Group'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 Group'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 Group that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparation of the performance information for the Group.

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 the 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.

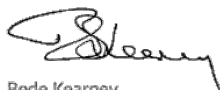
Responsibilities of the Auditor

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 AuditorGeneral, which incorporate the independence requirements of the External Reporting Board.

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



Bede Kearney
Audit New Zealand
On behalf of the AuditorGeneral, Wellington, New Zealand

Wellington Regional Economic Development Agency Limited

Financial Statements

30 June 2016

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WREDA

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Statement of compliance and responsibility

Statement of compliance

The Board and Management of the Wellington Regional Economic Development Agency Limited (WREDA the Company and Group) confirm that all the statutory requirements in relation to this annual report, as outlined in the Local Government Act 2002 and the Companies Act 1993, have been met.

Statement of responsibility

The Board and Management accept responsibility for the preparation of the annual financial statements and judgements used in them and hereby adopt the financial statements as presented. They also accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting and service performance reporting. In the opinion of the Board and Management, the annual financial statements for the year ended 30 June 2016 fairly reflect the financial position, financial performance and service performance achievements of the Wellington Regional Economic Development Agency Limited and Group.

Overview

On the 29th June 2016, WREDA and its subsidiary Grow Wellington Limited, amalgamated. WREDA remained as the continuing entity. Grow Wellington Limited's subsidiary, Creative HQ is now therefore a 100% subsidiary of WREDA.

2016 reflects the first full year of financial results for the operating units within WREDA. 2015 comparatives reflect 6 months of results for the operating units formerly known as Grow Wellington and Positively Wellington Tourism. This results in comparative results varying significantly from the full 12 month result in 2016.



Peter Biggs
Chair
30 September 2016



Paul Mersi
Chair, Risk and Audit Committee
30 September 2016

Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2016

	NOTE	GROUP 2016 ACTUAL	GROUP 2015 ACTUAL
		\$	\$
Revenue			
Service revenue	4	12,609,432	6,929,244
Management Fee	5	5,656,160	5,885,323
Interest revenue		68,869	37,202
Investment revenue		39,534	31,000
Rental revenue		107,315	57,914
Other revenue	6	6,061,104	2,939,648
Total Revenue		24,542,414	15,880,331
Expenses			
Personnel costs	7	13,015,076	9,228,766
Directors fees	25	277,583	198,583
Depreciation and amortisation	10,11	136,503	72,720
Other expenses	8	11,115,143	6,881,430
Total Expenses		24,544,305	16,381,499
Surplus/(deficit) before income tax and subvention payment		(1,891)	(501,168)
Subvention payment		54,728	931
Income tax expense	9	(62,567)	(2302)
Surplus/(deficit) for the year after tax		5,948	(499,797)
Other comprehensive revenue and expense			
Movement in fair value of investment assets		(20,510)	398,563
Total comprehensive revenue and expense		(14,562)	(101,234)

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2016

	NOTE	GROUP 2016 ACTUAL	GROUP 2015 ACTUAL
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	16	1,958,494	1,650,995
Trade and other receivables	14	1,168,104	1,141,736
Prepayments		49,968	42,103
Inventories	13	1,597	1,816
Total Current Assets		3,178,163	2,836,650
Non-current assets			
Property, plant and equipment	10	281,128	362,477
Intangible assets	11	17,007	33,346
Other financial assets	15	51,226	46,569
Investments in incubator and accelerator companies	12	1,427,407	1,400,992
Deferred tax asset	9	117,473	54,906
Total Non-Current Assets		1,894,241	1,898,290
Total Assets		5,072,404	4,734,940
Liabilities			
Current liabilities			
Trade payables	19	1,009,204	1,248,629
Employee entitlements	18	846,607	756,049
Sundry creditors and accruals	20	545,186	765,465
Revenue in advance		974,422	330,386
Taxes and Kiwisaver payable	21	182,040	104,894
Total Current liabilities		3,557,459	3,205,433
Total Liabilities		3,557,459	3,205,433
Net Assets		1,514,945	1,529,507
Equity			
Share capital		1,000	1,000
Capital injection from shareholder	17	1,577,137	1,577,137
Accumulated funds		(63,192)	(48,630)
Total Equity		1,514,945	1,529,507

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2016

	NOTE	GROUP 2016 ACTUAL	GROUP 2015 ACTUAL
		\$	\$
Balance at 1 July		1,529,507	100
Issuance of new shares		-	900
Capital injection from shareholder	17	-	1,577,137
Total comprehensive revenue and expense for the year		(14,562)	(101,234)
Prior year adjustment		-	52,604
Balance at 30 June		1,514,945	1,529,903

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2016

	NOTE	GROUP 2016 ACTUAL \$	GROUP 2015 ACTUAL \$
Cash flows from operating activities			
Receipts from activities and other income		12,807,157	9,049,309
Receipts from grants and subsidies - operating		12,549,037	6,515,026
Payments to suppliers/employers		(25,113,195)	(14,500,117)
Net GST paid		(111,181)	(69,979)
Income tax (paid) / received		(31,331)	(1,203)
Net cash flows from/(used in) operating activities		302,848	993,036
Cash flows from investing activities			
Interest received		68,869	37,202
Share sale receipts (CHQ incubator companies)		(64,925)	31,000
Acquisition of subsidiaries, net of cash	17	-	668,302
Held-to-maturity loan		-	(75,000)
Purchase of intangibles		-	(5,283)
Purchase of property, plant and equipment		(38,827)	(165,150)
Net cash flows from/(used in) investing activities		(34,883)	-491,071
Cash flows from financing activities			
New borrowings		-	-
Repayment of borrowings		-	-
Dividend Income (paid)		39,534	-
Assets transferred from Partnership Wellington Trust, net of cash		-	1,000
Proceeds from issue of share capital		-	900
Net cash flows from/(used in) financing activities		39,534	1,900
Net increase/(decrease) in cash and cash equivalents		307,499	1,486,007
Cash and cash equivalents at beginning of period		1,650,995	164,988
Cash and cash equivalents at end of period		1,958,494	1,650,995

The accompanying notes form part of these financial statements.

Notes to the financial statements

For the year ended 30 June 2016

STATEMENT OF ACCOUNTING POLICIES

1. GENERAL INFORMATION

The Wellington Regional Economic Development Agency Limited (WREDA the Company and Group) combines the activities, functions and funding of business units previously under the control of the Wellington City Council and the Greater Wellington Regional Council. WREDA now pools the resources of Grow Wellington (the region's economic development agency), Creative HQ Limited from the Greater Wellington Regional Council, with the resources of Positively Wellington Tourism and Positively Wellington Venues from the Wellington City Council.

WREDA aims to integrate, streamline, strengthen and, as required, modify the core activities of these organisations so that the Wellington Region's prosperity will be improved and its global reputation as a centre of creativity, enterprise, diversity and liveability will be enhanced. As a result, the Region will be more attractive to visitors, investors, migrants, students and entrepreneurial businesses, and will also retain existing enterprises and enable them to grow.

The Wellington City Council's wholly owned subsidiary, Wellington Venues Limited was incorporated under the Companies Act 1993 on 19 January 2011. Wellington Venues Limited name was changed to Wellington Regional Economic Development Agency Limited (WREDA Limited) on 5 December 2014. WREDA Limited remains domiciled in New Zealand and the address of its registered office is 111 Wakefield St, Wellington.

Also, on 5 December 2014, the Wellington City Council and the Greater Wellington Regional Council entered in a share transfer agreement to transfer 200 ordinary shares of the 1000 ordinary shares available in WREDA Limited to the Greater Wellington Regional Council in consideration for 100% in Grow Wellington Limited.

As a result of the share transfers, WREDA Limited is owned 80% by Wellington City Council and 20% by Greater Wellington Regional Council. WREDA Limited received 100% shareholding in Grow Wellington Limited as an equity injection from the Wellington City Council, also on 5 December 2014. Grow Wellington Limited also had a wholly owned subsidiary, Creative HQ Limited.

On 12 December 2014, WREDA Limited accepted the transfer of assets including liabilities, free from all security interests, from the Partnership Wellington Trust. The activities of the Partnership Wellington Trust, trading as Positively Wellington Tourism also transferred to WREDA Limited on this date.

On 29 June 2016 WREDA Limited and Grow Wellington Limited amalgamated. WREDA Ltd remained as the continuing entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies which materially affect the recognition, measurement and disclosure of items in the preparation of these financial statements are set out below.

2.1. Basis of Preparation

The financial statements of WREDA are for the year ended 30 June 2016. The financial statements were authorised for issue by the Board of Directors on 30 September 2016.

Statement of Compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). These financial statements comply with Public Benefit Entity (PBE) accounting standard.

WREDA is a public benefit entity that qualifies for Tier 2 reporting as total expenses are greater than \$2 million but less than \$30 million. The Company has elected to report in accordance with Tier 2 PBE standards with reduced disclosure requirements (PBE standards RDR) as defined by External Reporting Board (XRB) A1 framework.

Measurement Base

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that have been measured at fair value or amortised cost. The accounts have been prepared on a going concern basis.

The financial report is presented in New Zealand dollars and all values are rounded to the nearest dollar unless otherwise stated.

Comparative Information

The comparatives shown in these financial statements are for the 12 months ended 30 June 2015. Due to the activities of Positively Wellington Tourism, Grow Wellington and Creative HQ being included from January 2015, comparatives of the Group are lower than actuals for the full 2016 financial period, showing only 6 months results for those included entities.

Changes in Accounting Policies

There have been no elected changes in accounting policies during the financial period. Public Sector PBEs with reporting periods beginning on or after 1 July 2014 are required to transition to the new PBE Accounting Standards. The first time adoption of the new suite of Public Benefit Entity Accounting Standards with reduced disclosure requirements (PBE standards RDR) after having previously applying NZ IFRS PBE (differential reporting) or "old NZ GAAP" does not constitute a change in accounting policies.

2.2. Basis of consolidation

The consolidated financial statements comprise the financial statements of WREDA and its subsidiaries (the Group) as at 30 June 2016. A Group structure diagram is included in note 31.

Notes to the financial statements (continued):

Subsidiaries

Subsidiaries are all those entities over which WREDA (the Company and Group) has the power to govern the financial and operating policies so as to obtain benefits from their activities.

Accounting policies of our subsidiary are aligned to ensure consistency with the policies adopted by the Company and Group. The financial statements of subsidiaries are prepared for the same reporting period as WREDA, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is lost. Assets, liabilities, income and expenses of a controlled entity acquired or disposed of during the year are included in the financial statements from the date the Group gains control until the date the Group ceases to control the controlled entity.

Business combinations

Business combinations are accounted for using the acquisition method. The acquisition method involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

Financial Assets

WREDA's financial assets include cash and cash equivalents, trade and other receivables, and loans receivable. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through surplus or deficit, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets are recognised on the date that the Group commits to purchase or sale of the asset.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in two categories:

- (i) Loans and receivables
- (ii) Held to maturity investments

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method, less impairment. Losses arising from impairment are recognised in the Statement of Comprehensive Revenue and Expense in finance and in cost of sales or other operating expenses for receivables.

This category generally applies to trade and other receivables.

(ii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when WREDA has the positive intention and ability to hold them to maturity. After initial measurement, held-to-maturity investments are measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognised in the Statement of Comprehensive Revenue and Expense in other expenses.

Impairment of financial assets

Collectibility of trade receivables is reviewed on an ongoing basis at an operating unit level. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 120 days overdue are considered objective evidence of impairment. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

Investments in incubator and accelerator companies

The measurement of financial assets depends on their classification based on the purpose for which financial assets were acquired. Management determines the classification of financial assets at initial recognition.

Creative HQ Limited (CHQ), receives shares from clients involved in its incubation programme as part consideration for the services and support provided by CHQ and the Lightning Lab to the client. The shares received represent a small proportion of the total equity of the client company. These shares are investments in equity instruments that do not have a quoted market price in an active market and are designated as available for sale.

CHQ recognises the initial investment in the companies according to the programme the company is involved in, incubator programme or accelerator programme. Companies in the incubator programme do not have a value on initial recognition as no external investment has yet occurred and therefore the fair value of the initial investment is valued at nil.

Companies in the accelerator programme have initial recognition at fair value through other comprehensive revenue and expense. This is determined by the value per share based on the funding provided to each company in the programme in exchange for equity in the company. As at 30 June 2016 the valuation of CHQ's investments is based on the price of the most recent investment made by

external investors, unless there is evidence that the value of the investment should be adjusted as the performance of the investment is significantly below the expectations on which the investment was based, leading to a diminution in value. CHQ is reliant on receiving recent investment information from incubator and accelerator companies directly through yearly information requests.

The valuation of these investments is undertaken by CHQ using accepted industry guidelines. The International Private Equity and Venture Capital Valuation Guidelines (IPEV) have been accepted as the industry standard valuation guidelines and are based on the principle of 'fair value' and are reviewed following any relevant changes in accounting standards or market practices. The IPEV Guidelines provide a framework for private equity and venture capital investors to arrive at a fair value for their investments. The IPEV are of the view that compliance with PBE accounting standards can be achieved by following the guidelines.

IPEV Guidelines recommend that for early stage investments, where it is difficult to assess the future profitability of the company, fair value is generally determined by the price of the most recent investment. This methodology is appropriate until the circumstances of the company change such that an alternative valuation methodology (such as, but not limited to price/earnings analysis or discounted cash flow) is appropriate or there is evidence that the value of the investment should be adjusted. An adjustment is considered necessary where the performance of the investment is significantly below the expectations on which the investment was based, leading to a diminution in value. The level of adjustment can range from nil to 100% of the value.

A significant or prolonged decline in fair value of the investment below its cost is considered to be objective evidence of impairment. Where the asset is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the fair value reserve is reclassified from equity to profit or loss as a reclassification or adjustment. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive revenue and accumulated as a separate component of equity in the fair value reserve.

Impairment of non financial assets

Assets with finite useful lives are reviewed for impairment whenever an event or change in circumstances indicates that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Revenue

Revenue may be derived from either exchange or non-exchange transactions and comprises grants, management fees, interest income, investment income, rental income and other revenue and is measured at the fair value of consideration received or receivable. Revenue is included in the Statement of Comprehensive Revenue and Expense unless stated otherwise.

(i) Revenue from exchange transactions

Revenue from exchange transactions arises where WREDA provides goods or services to another entity or individual and directly receives approximately equal value or greater in a willing arm's length transaction (primarily in the form of cash in exchange).

(ii) Revenue from non-exchange transactions

Revenue from non-exchange transactions arises from transactions that are not exchange transactions. Revenue from non-exchange transaction arises when WREDA receives value from another party without giving approximately equal value directly in exchange for the value received. An inflow of resources from a non-exchange transaction recognised as an asset, is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As WREDA satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Approximately equal value

Approximately equal value is considered to reflect a fair or market value, which is normally commensurate with an arm's length commercial transaction between a willing buyer and willing seller.

(i) Grants

Grants are in large received from shareholders Wellington City Council and Greater Wellington Regional Council but also from some Central Government organisations. Grants are recognised when received and all the conditions associated with the grants have been met. Where grants have been given for specific services, income will be recognised in the same period in which the specific service is provided. At balance date any unexpended specific funding is treated as a liability (income in advance).

(ii) Management fee

WREDA manages venues on behalf of the Wellington City Council and receives Management fee revenue for those services. The venues currently managed on behalf of the Wellington City Council include the Michael Fowler Centre, St James Theatre, Opera House, TSB Bank Arena and Conference Centre (Shed 6). Management fee income is recognised in the accounting period in which the services are rendered.

(iii) Interest revenue

Interest income is recognised as the interest accrues to the net carrying amount of the financial asset using the effective interest method.

(iv) Rental revenue

Rental revenue is recognised on a straight line basis over the lease term.

(v) Other revenue

Other revenue received includes fee revenue, capital raising success fees and sponsorships. Fee revenue received from incubator residents partly offsets the costs of running the incubator and is recognised when the future economic revenue is measurable and probable of future economic revenue being received.

Notes to the financial statements (continued):

Capital raising success fees received from the introduction of companies and individuals to angel investors. These fees are received when those introduced raise capital. The fee is based on a negotiated percentage of the capital raised.

Sponsorships are received from third parties to partly cover the costs of running the subsidiary programmes and projects. Sponsors were linked to the programme and recognised in all promotions associated with the activity they sponsored. Sponsorships are recognised when measurable and probable of future economic benefits being received.

Other revenue received are from third parties to cover contracted and other services provided for the third party. These will include training courses, services provided to Education Wellington International and expenses recovered.

Property, Plant and Equipment

Property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

(i) Additions

The cost of acquiring or replacing part of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential will flow to the Group and the cost of the item can be measured reliably.

(ii) Disposals

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Comprehensive Revenue and Expense.

(iv) Depreciation

Depreciation is charged on a straight-line basis on all property, plant and equipment other than land over the estimated useful life. Depreciation is charged to the Statement of Comprehensive Revenue and Expense. The useful lives and associated depreciation rates have been estimated as follows:

Class of asset depreciated	Estimated useful life
Computer hardware	2-3 years
Equipment	2-8 years
Furniture and fittings	3-10 years

(v) Subsequent costs

Subsequent costs for property, plant and equipment are capitalised only when future economic benefits or service potential will flow to the Group and the cost of the item can be measured reliably.

(vi) Capital work in progress

Capital work in progress is recognised at cost less impairment and is not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated.

Intangible assets

Intangible assets that are acquired, which have finite useful life, are measured at cost less accumulated amortisation and accumulated impairment losses. The useful lives and associated amortisation rates have been estimated as follows:

Computer Software	3 years
Website	3 years

(i) Amortisation

Amortisation is recognised in the Statement of Comprehensive Revenue and Expenses on a straight-line basis over the estimated useful lives of the intangible assets. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised.

(ii) Computer software

Acquired software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. The costs associated with maintaining computer software are recognised as an expense when incurred.

(iii) Website maintenance

Costs associated with developing websites are recognised as an intangible asset where it can be demonstrated that the asset will generate probable future economic benefits or service potential. Costs associated with maintaining websites are recognised as an expense when incurred.

Impairment of property, plant, and equipment and intangible assets

Property, plant, and equipment and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Assets are assessed for indicators of impairment at each financial period. Where an asset's carrying value exceeds its recoverable amount, the asset is impaired down to its recoverable amount, with losses recognised in the Statement of Comprehensive Revenue and Expenses. External and internal sources of information are assessed for indications of impairment.

Inventories

Inventories are stated at the lower of cost and net realisable value (being the net selling price), with due allowance for any damaged and obsolete stock items.

Cost is based on the first-in-first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Net selling price is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make the sale.

Any write-down in the cost of inventory to net realisable value is recognised in the Statement of Comprehensive Revenue and Expense.

Creditors and Other Payables

Creditors and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers and are recorded at their face value. They are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

These amounts represent liabilities for goods and services provided to WREDA prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. 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 as an integral part of the total expenses of the lease expense, over the term of the lease.

Personnel Costs

(i) Short term benefits

Short-term employee entitlements are those that WREDA expects to be settled within 12 months of balance date and are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, and annual leave earned, but not yet taken at balance date.

(ii) Superannuation scheme

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in Statement of Comprehensive Revenue and Expense when incurred.

Provisions

The Group recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event. It is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Parent from a contract are lower than the unavoidable cost of meeting its obligation under the contract.

Income Tax

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Notes to the financial statements (continued):

Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Balance Sheet.

Commitments and contingencies are disclosed exclusive of GST.

Equity and Share Capital

Equity is Wellington City Council and Greater Wellington Regional Council's interest in WREDA, being a council controlled organisation, as measured by total assets less total liabilities. Equity has been classified into various components to identify those portions of equity held for specific purposes. These components of equity are:

- Accumulated funds
- Share capital
- Capital injection from shareholder
- Available for sale reserves

Related Parties

Related party means parties that are considered to be related if one party has the ability to (a) control the other party, or (b) exercise significant influence over the other party in making financial and operating decisions, or if the related party entity and another entity are subject to common control.

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 the Council and Group would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Council Group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions.

Related parties include key management personnel, directors and their close family members and entities controlled by them. Key management personnel are the chief executives of WREDA and Subsidiaries. Subsidiaries are also related parties due to WREDA's influence over them.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reporting amounts of assets and liabilities, income and expenses and the accompanying disclosures, and the disclosure of contingent liabilities. Where material, information on 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

In distinguishing between exchange and non-exchange revenues, substance rather than the form of the transaction should be considered. Professional judgement is exercised in determining whether the substance of a transaction is that of a non-exchange or an exchange transaction.

In assessing if an impairment of property, plant, equipment and intangible assets was required, WREDA considered the plans to discontinue or restructure the operation as a result of the merger and the effect any merger will have on the useful life of the assets or the ability to generate continued cash from the assets. No impairment is considered necessary.

Uncertainties are inherent in estimating fair value of the investments in incubator and accelerator companies and care has been made in exercising judgement and making the necessary estimates. Accounting standards require a gain or loss on fair value of these investments to be recognised in surplus or deficit but there is no certainty that any gain or loss based on the estimate of fair value will actually be realised if a sale was completed.

Notes to the financial statements (continued)

4. SERVICE REVENUE

	GROUP 2016	GROUP 2015
Total	12,609,432	6,929,244

Service revenues are grants received by WREDA in large from its shareholders Wellington City Council & Greater Wellington Regional Council as well as some central Government organisations. Service revenues are used to further economic development in the Wellington Region. Comparative figures for 2015, include only 6 months of results for Grow Wellington, Positively Wellington Tourism and Creative HQ Limited. 2016 is the first full year of operation of those entities within WREDA.

5. MANAGEMENT FEES

	GROUP 2016	GROUP 2015
Total	5,656,160	5,885,323

Management fees are earned from managing venues owned by Wellington City Council. Fees are chargeable at a value equivalent to the aggregate of employee and directors' costs contained within the Parent's venue management division.

6. OTHER REVENUE

	GROUP 2016	GROUP 2015
Wellington i-SITE Visitor Information Centre revenue	2,669,331	1,418,285
Partner revenue	1,596,959	854,899
Cruise shuttle revenue	271,671	104,633
Fees for service, non-government	1,437,901	561,831
Other Income	85,242	-
Total	6,061,104	2,939,648

Comparative figures for 2015, include only 6 months of results for Grow Wellington, Positively Wellington Tourism and Creative HQ Limited. 2016 is the first full year of operation of those entities within WREDA.

7. PERSONNEL COSTS

	GROUP 2016	GROUP 2015
Salaries / Wages	12,349,429	8,842,729
Kiwisaver contributions	294,200	191,685
Increase/(decrease) in employee entitlements accruals	(43,067)	63,056
Other personnel costs	414,514	131,296
Total personnel costs	13,015,076	9,228,766

Comparative figures for 2015, include only 6 months of results for Grow Wellington, Positively Wellington Tourism and Creative HQ Limited. 2016 is the first full year of operation of those entities within WREDA. Employee entitlements include annual leave and salary and wage accruals.

Notes to the financial statements (continued)

8. OTHER EXPENSES

	GROUP 2016	GROUP 2015
Advertising, printing and publications	4,884,290	3,642,739
Audit fees	89,589	70,669
Conferences and catering	250,715	57,327
Consultants and legal fees	567,400	119,831
Contractors	710,548	361,693
Direct costs	2,387,784	1,470,848
Grants and contributions	9,320	116,957
Information and communication technology	390,792	260,706
Loss on disposal of asset	1,208	282
Leased copiers and office equipment	37,122	9,627
Utilities	39,384	18,133
Rent	622,538	298,352
Travel	327,263	175,471
Stationery	55,713	40,686
Technical Services	188,784	-
Membership fees	48,966	21,378
Impairment of loan	-	28,431
Other expenses	503,727	188,300
Total other expenses	11,115,143	6,881,430

Comparative figures for 2015, include only 6 months of results for Grow Wellington, Positively Wellington Tourism and Creative HQ Limited. 2016 is the first full year of operation of those entities within WREDA.

9. INCOME TAX

	GROUP 2016	GROUP 2015
Components of tax expense		
Current tax expense/(benefit)	-	-
Adjustments in current tax in prior years	-	-
Deferred tax expense/(benefit)	(62,567)	(2,302)
Tax expense/(benefit)	(62,567)	(2,302)

Relationship between tax expense and accounting profit

Net (deficit) surplus before tax	(1,891)	(501,168)
Tax at 28%	(530)	(140,327)
Plus (less) tax effect of:		
Non-deductible expenditure	3,233,580	1,119,197
Non-taxable income	(3,206,820)	(1,081,780)
Previously unrecognised tax losses now recognised	(49,008)	-
Tax losses forfeited	-	41,761
Group loss offset	-	(68,437)
Temporary losses not recognised	-	-
Deferred tax adjustment	(39,789)	127,284
Tax expense/(benefit)	(62,567)	(2,302)

Deferred tax asset (liability)

	PROPERTY, PLANT AND EQUIPMENT	INTANGIBLE ASSETS	EMPLOYEE ENTITLEMENTS	OTHER PROVISIONS	TAX LOSSES	TOTAL
Balance at 30 June 2014	(33,345)	(3,750)	82,236	4,717	2,746	52,604
Charged to surplus or deficit	(33,344)	(3,749)	(38,300)	3,841	(2,746)	2,302
Charged to other comprehensive income	0	0	0	0	0	0
Balance at 30 June 2015	(66,689)	(7,499)	120,536	8,558	0	54,906
Charged to surplus or deficit	(13,574)	2,737	26,943	358	46,103	62,567
Charged to other comprehensive income	0	0	0	0	0	0
Balance at 30 June 2016	(80,263)	(4,762)	147,479	8,916	46,103	117,473

It is expected that WREDA's taxable income for the current year will be eliminated by tax losses of \$356,965 transferred from WCC. No provision has been made for any payment in relation to the expected loss transfer. The group's tax liability for 2015 was eliminated by losses transferred from WCC by subvention payment of \$54,728 and loss offset of 140,729.

Notes to the financial statements (continued)

10. PROPERTY, PLANT AND EQUIPMENT

GROUP	FURNITURE AND EQUIPMENT	PROPERTY IMPROVEMENT	COMPUTER HARDWARE	TOTAL
Cost				
At 30 June 2015	247,407	27,887	150,990	426,284
Acquired upon acquisition	-	-	-	-
Additions	23,788	270	16,098	40,156
Disposals	(17,116)	-	(1,342)	(18,458)
At 30 June 2016	254,079	28,157	165,746	447,982
Depreciation				
At 30 June 2015	21,245	6,416	36,146	63,807
Depreciation for the period	47,269	7,396	65,499	120,164
Write back of depreciation on disposal	(17,117)	-	-	(17,117)
As at 30 June 2016	51,397	13,812	101,645	166,854
Net book value				
As at 30 June 2016	202,682	14,345	64,101	281,128
As at 30 June 2015	226,162	21,471	114,844	362,477

11. INTANGIBLE ASSETS - SOFTWARE/WEBSITE

	GROUP 2016	GROUP 2015
Cost	41,995	41,995
Amortisation	24,988	8,649
Net Book Value	17,007	33,346

12. INVESTMENT IN INCUBATOR AND ACCELERATOR COMPANIES

	GROUP 2016	GROUP 2015
Opening balance	1,400,992	-
Cost of acquisition of Creative HQ Ltd	-	1,008,054
Additions	64,925	-
Impairments to investment	(18,000)	-
Movement in fair value of accelerator and incubator companies for period	(20,510)	392,938
Total investment in incubator and accelerator companies	1,427,407	1,400,992

Creative HQ invests in unlisted early-stage companies. Unlisted investments are generally not publicly traded. As there may be no open market to establish an independent value for certain unlisted investments, there can be no assurance that a determination for fair value for an unlisted investment will be obtainable in the market, or that there will be a market for the unlisted investment.

The accounting policy is to recognise such investments both initially and subsequently at fair value following accounting standards. This will be based on the CHQ directors' assessment of fair value using the approach set out in note 2.2

In CHQ's accounts full year movement in the investments for the year ended 30 June 2016 is \$26,415 and the opening balance of its investments at 1 July 2015 was \$1,400,992. At year end, the fair value of its investments has been determined at \$1,427,407. Notwithstanding the uncertainty of the valuation of the investment, the CHQ Board is of the view that the fair values of unlisted investments in these financial statements represent the best available information and the WREDA Board has accepted this view.

CHQ's exposure to changes in investment value could be material to the financial statements. As CHQ is not reliant on the cash flows from the investments, changes in value do not impact the underlying viability of CHQ or the Group. The CHQ Board reviews regular reports from the companies.

In the event that an investment will be considered to be impaired, it will have a non-cash effect on the surplus / (deficit) of CHQ and Group.

13. INVENTORIES

	GROUP 2016	GROUP 2015
Inventory held for sale:		
Finished goods	1,597	1,816

Finished goods are held for sale at the Wellington i-SITE Visitor Information Centre.

Notes to the financial statements (continued)

14. TRADE AND OTHER RECEIVABLES

	GROUP 2016	GROUP 2015
Trade receivables	585,423	499,925
Management fee receivable	544,611	591,093
GST receivable	-	24,016
Income Tax receivable	19,909	7,826
Sundry receivables	18,161	18,876
Total receivables	1,168,104	1,141,736

Receivables from non-exchange transactions are non-interest bearing and are generally on terms of 30 to 90 days.

Non-exchange transactions

All receivables are derived from non-exchange transactions.

15. OTHER FINANCIAL ASSETS

	GROUP 2016	GROUP 2015
Loan	75,000	75,000
Less provision for impairment	(23,774)	(28,431)
Total other financial assets	51,226	46,569

At 30 June 2016 a loan provided to the Wellington Culinary Events Trust with an initial value of \$75,000 (2015:\$75,000) was recorded at its current fair value of \$51,226 (2015:\$46,569). This loan was drawn down in May 2015. An initial impairment in 2015 of \$28,431 has been written back to \$23,774 in 2016. This write back of impairment was taken to the Statement of Comprehensive Revenue & Expense by the Parent. The loan is repayable in 5 years from drawdown or on demand with 60 days written notice and no interest is charged. Its fair value shall be revisited yearly and adjusted if necessary. The Board and the Wellington Culinary Events Trust have an expectation that the full loan of \$75,000 shall be repaid.

16. CASH AND CASH EQUIVALENTS

	GROUP 2016	GROUP 2015
Cash at bank and on hand	1,958,494	1,650,995
Total cash and cash equivalents	1,958,494	1,650,995

17. INVESTMENT IN GROW WELLINGTON LTD

	2016	2015
Grow Wellington Group		
Equity contribution from Wellington City Council	1,577,137	1,577,137
Property, plant & equipment, and Intangibles	163,079	163,079
Intangible assets	-	-
Cash and cash equivalents	668,302	668,302
Receivable	298,901	298,901
Prepayments	22,900	22,900
Investments	1,022,860	1,022,860
Creditors	(276,670)	(276,670)
Employee liabilities	(107,589)	(107,589)
Income in advance	(161,352)	(161,352)
Other liabilities	(53,294)	(53,294)
Total identified net assets	1,577,137	1,577,137

On 5 December 2014, Wellington City Council and Greater Wellington Regional Council entered in a Share Transfer Agreement to transfer 200 ordinary shares of the 1000 ordinary shares available in WREDA to Greater Wellington Regional Council in consideration for 100% in Grow Wellington Limited being transferred to WREDA. As a result of the share transfers, WREDA Limited is owned 80% by Wellington City Council and 20% by Greater Wellington Regional Council. The acquisition by WREDA of 100% in Grow Wellington Limited has meant that WREDA also acquired on that date, its wholly owned subsidiary Creative HQ Limited.

As at 31 December 2014, which was the date of effective control, Grow Wellington Limited and its subsidiary had assets of \$2,176,042 and liabilities of \$598,905, resulting in a valuation of \$1,577,137. Wellington City Council purchased Grow Wellington Limited via a share transfer agreement on 5 December 2014. WREDA received a capital injection of \$1,577,137 from its shareholders being the net assets of Grow Wellington Limited.

On 29 June 2016, Grow Wellington and WREDA Limited amalgamated and WREDA remained the continuing entity. All assets and liabilities of Grow Wellington Limited are now considered assets and liabilities of WREDA.

NAME OF ENTITY	LOCATION	PRINCIPLE ACTIVITY	2016 % HELD	2015 % HELD
Creative HQ Limited	Wellington, New Zealand	Start-up company incubation	100%	0%

Notes to the financial statements (continued)

18. EMPLOYEE ENTITLEMENTS

	GROUP 2016	GROUP 2015
Annual leave	528,884	534,151
Accrued salaries and wages	317,723	221,898
Total employee entitlements	846,607	756,049

No accruals are made for sick leave as the probability of any requirement cannot be accurately recorded, and payments made during the year have identified that the potential cost is not material.

19. TRADE PAYABLES

	GROUP 2016	GROUP 2015
Total trade payables	1,009,204	1,248,629

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 30-day terms. All payables are current.

20. SUNDRY CREDITORS AND ACCRUALS

	GROUP 2016	GROUP 2015
Expense accruals	436,565	679,251
Audit fee accrual	16,655	42,772
ACC payable	31,844	39,898
Other payables	60,112	3,554
Total sundry creditors and accruals	545,186	765,475

21. TAXES AND KIWISAVER PAYABLE

	GROUP 2016	GROUP 2015
GST payable	87,165	-
FBT payable	1,013	698
PAYE and Kiwisaver payable	77,095	104,196
Other	16,767	-
Total taxes and Kiwisaver payable	182,040	104,894

22. OPERATING LEASES

Operating leases as lessee

The Group lease buildings, plant and equipment in the normal course of its business.

Future minimum lease payments payable under non-cancellable operating leases are as follows:

	GROUP 2016	GROUP 2015
No later than one year	545,621	483,012
Later than one year but not later than five years	424,589	531,654
Total non-cancellable operating leases	970,210	1,014,666

Operating leases as lessor

The Group has entered into a commercial property sub-lease on a surplus building. This non-cancellable lease has a remaining term of 1 year and 3 months. The Parent has entered into a commercial property sub-lease at the Wellington i-SITE Visitor Information Centre. This lease expired on 4 August 2015. Renewal is still subject to renewal of the head lease and currently therefore operates on a month by month basis.

Future minimum rentals receivable under non-cancellable operating leases as at 30 June 2016 and 2015 are, as follows:

	GROUP 2016	GROUP 2015
No later than one year	47,000	52,024
Later than one year but not later than five years	19,583	66,583
Total non-cancellable operating leases	66,583	118,607

23. CONTINGENT LIABILITIES & GUARANTEES

At 30 June 2016, the Group and Parent had no contingent liabilities and had not entered into any guarantees.

24. RELATED PARTY TRANSACTIONS

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 favorable than those that is reasonable to expect the Group would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Group and the Group's shareholders (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions.

There are no required related party disclosures but WREDA makes the following disclosures in relation to key management personnel.

Directors

Prior to the commencement of a Chief Executive in September 2015, the Chairman of WREDA, Peter Biggs, had been performing the role of Executive Chair. Wellington City Council has remunerated Peter Biggs for undertaking this work.

On 21 September 2015, Peter Biggs took up a role as Chief Executive of Assignment Group Limited, a supplier to WREDA. From that time onwards WREDA will not accept any new contracts for services from the Assignment Group. All previous transactions with the Assignment Group have been at arm's length.

Director Thomas Pippas is the National Chief Executive of Deloitte. WREDA purchased tax advice services from Deloitte New Zealand in 2016 at arm's length. Deloitte also provided accountancy services to Creative HQ Ltd during the period and additionally Deloitte provided sponsorship for Creative HQ to run the Lean 15 Conference.

Brett Holland, who was a CHQ Board director at the beginning of the year, performed consultancy work at CHQ during the year and was paid at arm's length for these services. During August 2015, Brett accepted a salaried position with CHQ and resigned as a director.

Management

WREDA has incurred establishment costs at arm's length with suppliers. Where these are borne by one business within the WREDA group, they have subsequently been shared equally among the other business areas in the Group.

Subvention payment and group loss effect

WREDA is to make a subvention payment to Wellington City Council of \$99,950, in return for losses of \$257, 015. In the 2015 year, WREDA accrued a subvention payment of \$54,728 for \$140,729 of losses.

Notes to the financial statements (continued)

25. DIRECTORS' FEES

		2016	2015
Parent WREDA Ltd			
Peter Biggs (Chairman)	(appointed on 4 Dec 2014)	50,000	29,169
Helen Anderson	(appointed on 4 Dec 2014)	25,000	14,583
Matthew Clark	(appointed on 4 Dec 2014)	25,000	14,583
Sarah Gibbs	(appointed on 4 Dec 2014)	25,000	14,583
William (Grant) Guilford	(appointed on 4 Dec 2014)	25,000	14,583
Richard Laverty	(appointed on 4 Dec 2014)	25,000	14,583
Thomas Pippos	(appointed on 4 Dec 2014)	25,000	14,583
Lorraine Witten		25,000	20,833
Paul Mersi	(appointed on 4 Dec 2014)	25,000	14,583
David Gibson	(appointed on 1 November 2015)	14,583	-
Christopher Parkin (previous Chairman)	(resigned on 4 Dec 2014)	-	12,500
Cr. Simon Woolf	(resigned on 4 Dec 2014)	-	-
Daniel Bridges	(resigned on 4 Dec 2014)	-	6,250
Milke Egan	(resigned on 4 Dec 2014)	-	6,250
Linda Rieper	(resigned on 4 Dec 2014)	-	6,250
Samantha Sharif	(resigned on 4 Dec 2014)	-	6,250
Total WREDA directors' fees		264,583	189,583
Subsidiary Creative HQ Ltd			
Barry Brook (Chairman)		4,000	2,000
Christopher Whelan	(appointed on 16 Feb 2016)	-	-
Victoria Crone	(appointed on 28 Nov 2014)	4,000	2,000
Susan Reynolds	(appointed on 28 Nov 2014)	4,000	2,000
Gerard Quinn (Chairman)	(resigned on 22 April 2016)	-	-
Nicholas Lewis	(resigned on 26 Jan 2015)	-	1,000
Brett Holland	(resigned on 21 Aug 2015)	1,000	2,000
Total Subsidiary directors' fees		13,000	9,000
Total directors' fees		277,583	198,583

2015 Directors' fees for WREDA Ltd, contained only part year fees for most current directors, who were appointed on 4 Dec 2014. During 2016 directors of WREDA Ltd have received a full year's remuneration, other than David Gibson, who was appointed on 1 November 2015.

26. REMUNERATION

Total remuneration includes any non-financial benefits provided to employees.

The Group employed 166 (2015: 199) full time equivalent employees.

Severance payments

During the year the Parent has made termination payments totalling \$165,137 (2015: \$52,808).

Key management personnel

Key management personnel of the Group for 2016 were the Chief Executive of WREDA and the Chief Executives of the operating divisions (Positively Wellington Venues, Positively Wellington Tourism, Grow Wellington and Creative HQ Limited) and the directors WREDA and Creative HQ Limited. A senior leadership team joined WREDA during May 2016. Due to the minimal time to embed prior to year end this team has not been considered to be key management personnel but will be during 2017, as the Chief Executive positions for the operating divisions, other than Creative HQ Limited have been disestablished, in the later part of the 2016 financial year.

During 2015 the key management personnel consisted of a full year's remuneration for the Chief Executive of Positively Wellington Venues and 6 months remuneration for the other operating divisions as they joined the Group at 1 January 2015. The Chief Executive for WREDA joined in September 2015 and is therefore not included in key management personnel for 2015.

The total remuneration and the number of individuals, on a full-time equivalent basis, considered key management personnel receiving remuneration are:

	GROUP 2016	GROUP 2015
Key Management Personnel		
Directors' remuneration	264,583	189,583
WREDA director full-time equivalents	10	9
Creative HQ director full-time equivalents	4	5
Management remuneration of the operating divisions	1,321,841	717,803
Management full-time equivalents	5	4

Due to the difficulty in determining full-time equivalents for directors, the full-time equivalent figures are the number of directors serving on the boards of WREDA and Creative HQ Limited as at 30 June 2016.

Key management personnel did not receive any remuneration or compensation other than in their capacity as key management personnel (2015: nil).

The Group did not provide any compensation at non-arm's length terms to close family members of key management personnel during the year (2015: nil).

The Group did not provide any loans to key management personnel or their close family members.

Notes to the financial statements (continued)

Salary Bands

The annual remuneration by band for employees as at 30 June:

	NUMBER OF CURRENT EMPLOYEES	
	GROUP 2016	GROUP 2015
\$100,000 - \$109,999	6	4
\$110,000 - \$119,999	7	3
\$120,000 - \$129,999	4	5
\$130,000 - \$139,999	3	2
\$140,000 - \$149,999	0	2
\$150,000 - \$159,999	1	2
\$160,000 - \$169,999	4	1
\$170,000 - \$179,999	1	1
\$180,000 - \$189,999	1	0
\$190,000 - \$199,999	1	1
\$200,000 - \$210,000	1	0
\$230,000 - \$239,999	0	1
\$250,000 - \$259,999	1	0
\$260,000 - \$269,999	1	1
\$270,000 - \$279,999	1	0
\$300,000 - \$309,999	1	0
\$390,000 - \$399,999	1	1

2016 is the first full financial year of the Group, as the Group was formed on 1 January 2015. Therefore some comparatives above only included 6 months of salary cost.

27. RECONCILIATION OF NET CASH FLOW FROM OPERATING ACTIVITIES TO SURPLUS

	GROUP 2016	GROUP 2015
Surplus/(deficit) for the period	(1,891)	(502,099)
Add/(deduct) non-cash items:		
Depreciation and amortisation	136,503	72,720
Other fair value changes	-	5,624
Non-cash movements in provisions	(9,314)	-
Total non-cash items	127,189	78,344
Add/(deduct) Working Capital movements:		
Trade and other receivables	(115,259)	(100,364)
Prepayments	(7,865)	7,529
Inventories	218	(406)
Trade and other payables	(351,385)	1,785,188
Revenue in advance	675,650	(378,650)
Employee benefit liabilities	84,594	173,832
Provision for other liabilities	-	-
Total working capital movements	285,953	1,487,129
Add/(deduct) investing and financing activities:		
Dividends received, including CHQ sale of shares in investments	(39,534)	(31,000)
Interest received	(68,869)	(37,202)
Tax paid	-	(1,205)
Interest paid on borrowings	-	-
Subvention Payment	-	(931)
Total investing and financing activities	(108,403)	(70,338)
Net cash flows from operating activities	302,848	993,036

28. AUDITOR FEES

The auditor of WREDA Limited is Audit New Zealand.

	GROUP 2016	GROUP 2015
Fees to Audit New Zealand for:		
Audit of financial statements	89,589	59,669
Fees paid to Grant Thornton for:		
Audit of divisions financial statements (WREDA Tourism)	-	11,000
Total fees paid to auditors	89,589	70,669

The audit firms responsible for auditing WREDA Limited have not been paid a fee for any other services. The audit fee for the year has increased due to the 2016 year being the first full financial year of the Group.

29. EVENTS AFTER THE BALANCE DATE

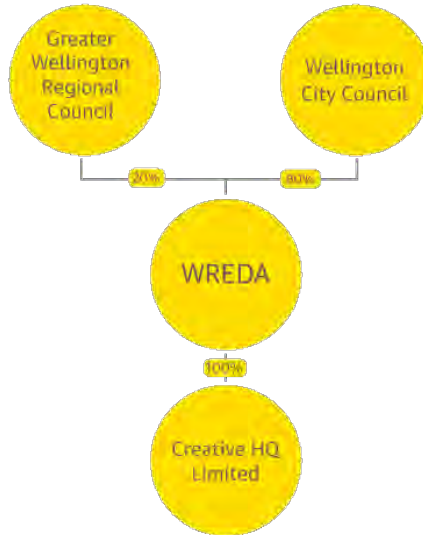
On 1 July 2016, the Major Events division of the Wellington City Council joined the WREDA group. Staff were transferred into WREDA and funding provided to undertake agreed activities.

30. OPERATING FUNDS

WREDA is reliant for a large part of its revenue from its shareholders, Wellington City Council and Greater Wellington Regional Council (the Councils).

The Councils have accepted the Group's Statements of Intent, which includes funding for the Group and its activities for the next three years.

31. COMPANY STRUCTURE



WREDA is owned 20% by Greater Wellington Regional Council and 80% by Wellington City Council. WREDA has a 100% owned subsidiary, Creative HQ Limited.
On 29 June 2016 WREDA's subsidiary, Grow Wellington Limited was amalgamated with WREDA and WREDA remained as the continuing entity.

Directory

For the year ended 30 June 2016

Shareholders

Wellington City Council
800 shares (80%)

101 Wakefield Street, Wellington 6011
New Zealand

Greater Wellington Regional Council
200 shares (20%)

Shed 39, Harbour Quays, Centreport
Wellington, 6011
New Zealand

Registered Office

111 Wakefield Street, Wellington Central
Wellington 6011
New Zealand

Auditors

Audit New Zealand
Level 1, 100 Molesworth Street
Wellington 6140
New Zealand

Bankers

ANZ Bank New Zealand Ltd
22 Willis Street, Wellington 6011
New Zealand

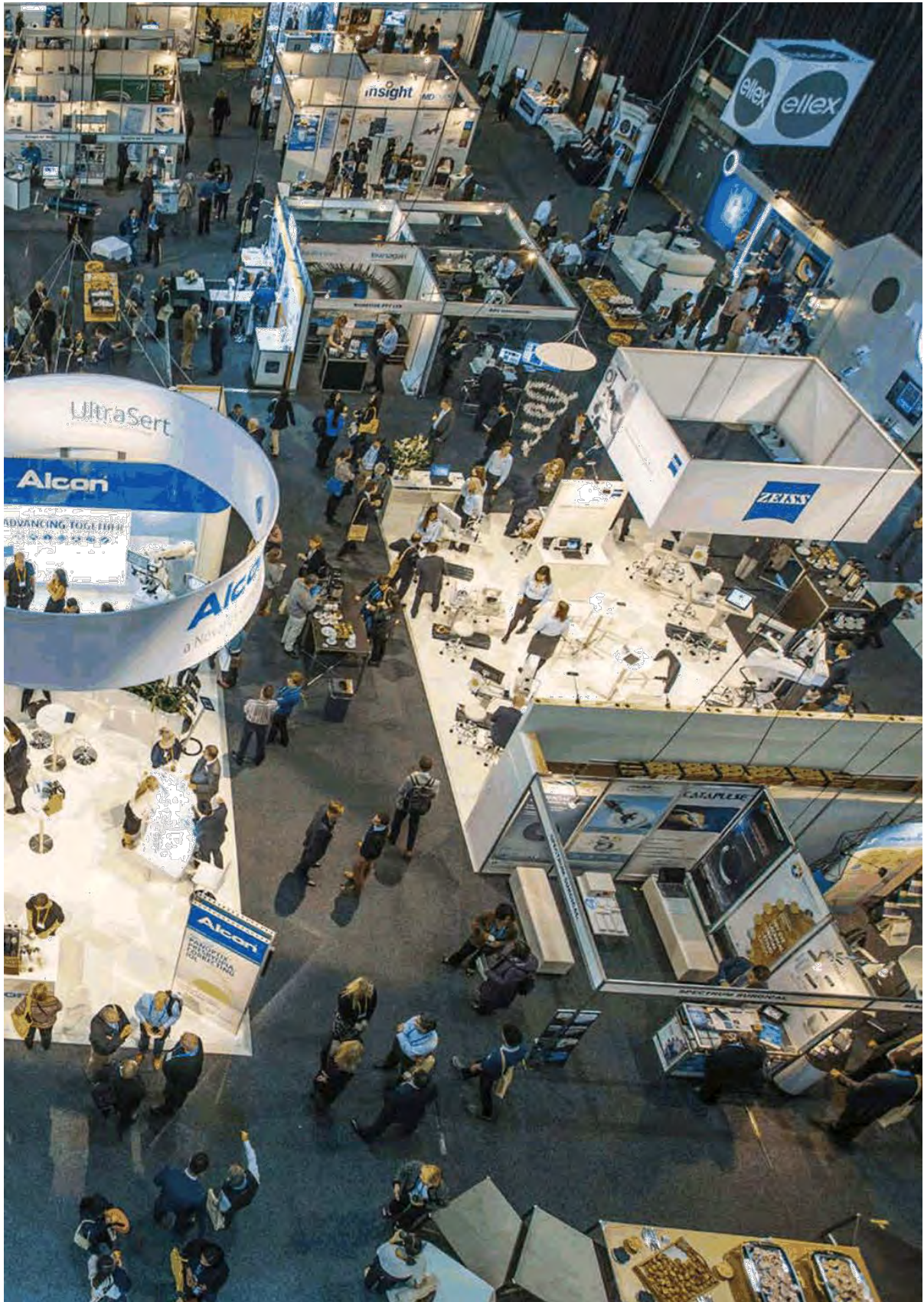
Solicitor

DLA Piper
50-64 Customhouse Quay,
Wellington 6140
New Zealand

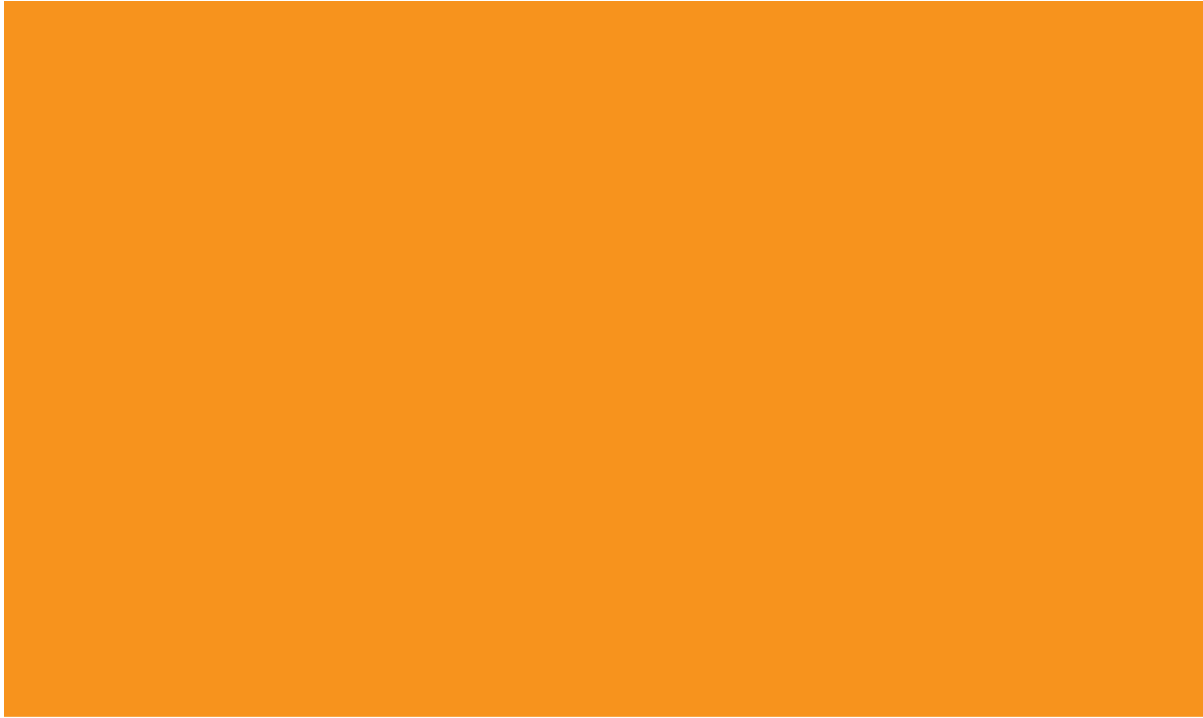
Registered Company Number 3237332

Item 2.3 Attachment 5

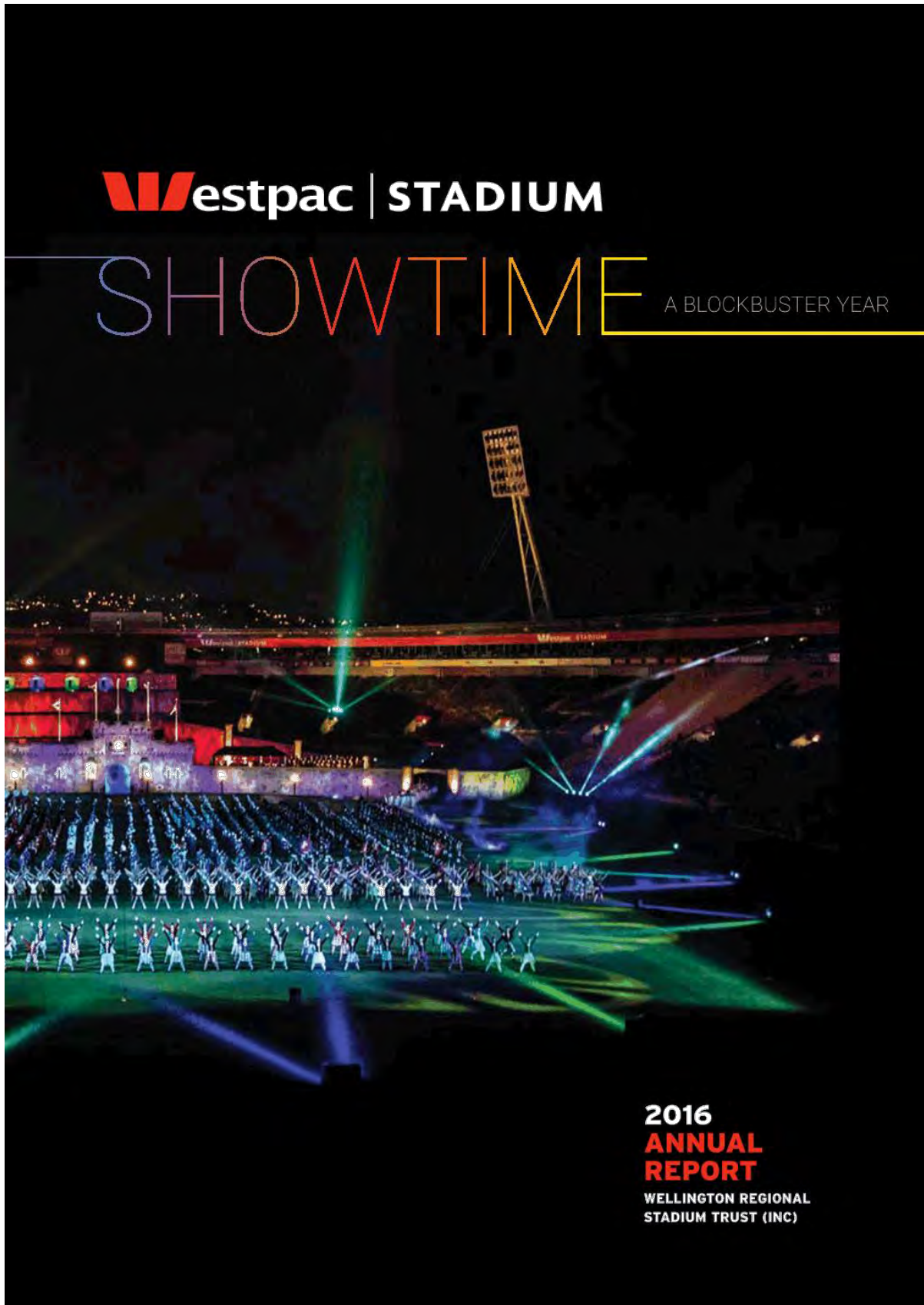




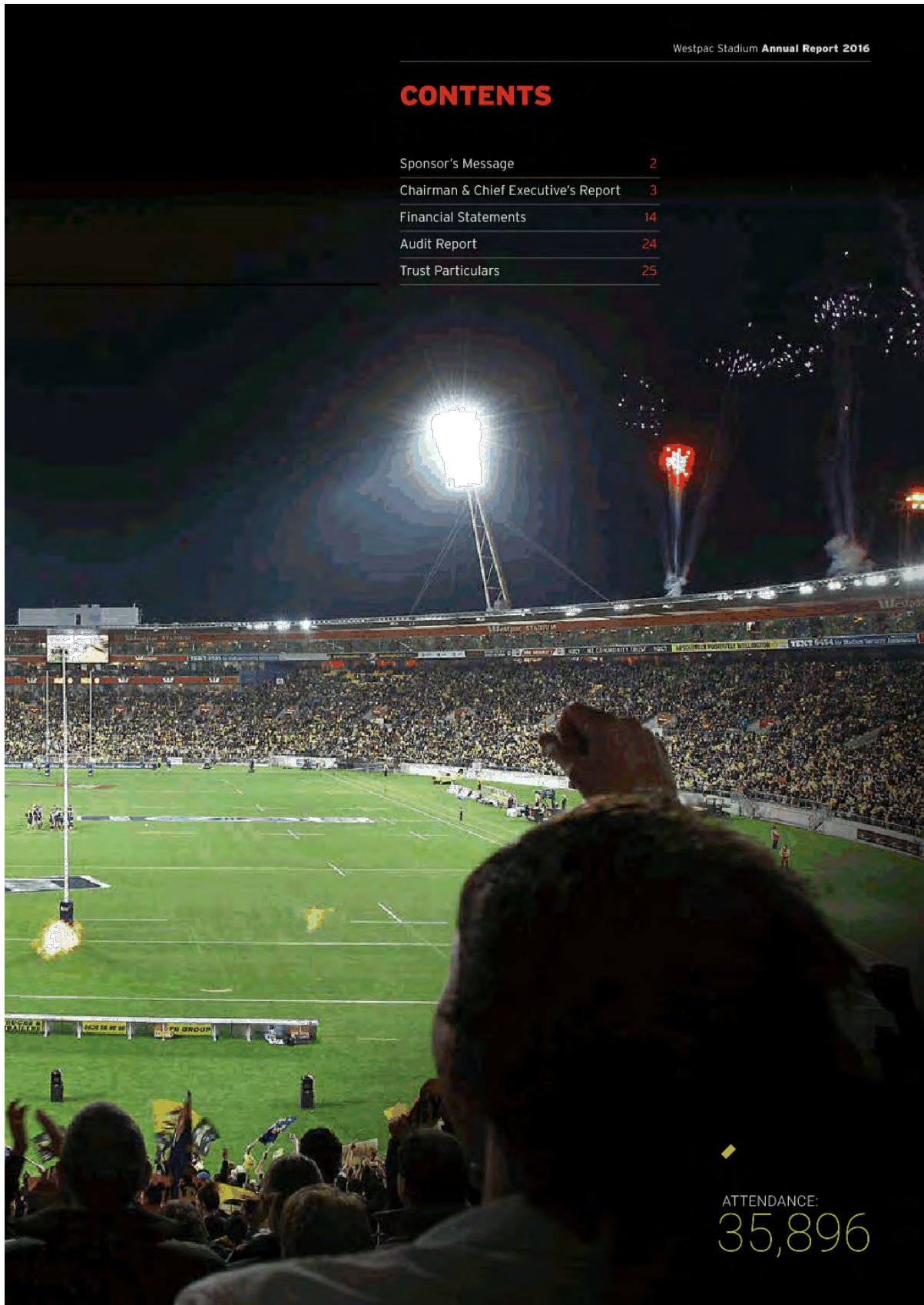
Item 2.3 Attachment 5



WellingtonNZ.com







Westpac Stadium Annual Report 2016

SPONSOR'S MESSAGE

2016 has been another great year for Westpac Stadium.

It hosted 59 events, drew crowds from around New Zealand and once again contributed massively to the vibrancy of our capital city.

Westpac is proud of its sponsorship, which continues to deliver large economic, cultural and community benefits for Wellington and New Zealand.

Highlights of the past year include sold out All Blacks and Hurricanes games, Elton John and AC/DC concerts and the ever popular Royal Edinburgh Military Tattoo.

Rounding out the breadth of offerings were Black Caps games against Australia and Pakistan, the Phoenix, NRL, Beervana and a range of other exhibitions.

High quality events such as these play an important role for the local economy, creating buzz and providing a range of benefits to local businesses.

Alongside its economic contribution, Westpac Stadium continued to support the community, hosting training days for the New Zealand Defence Force, and the Fire Service, among 11 community events.

Looking ahead there is plenty to be excited about with a varied line up of sporting, music and lifestyle events planned for 2016/17, as well as a continuation of the improvements that have been making visiting Westpac Stadium an even better experience.

Once again, I'd like to acknowledge and congratulate the Westpac Stadium Board, management and staff for delivering another year of outstanding sport, culture and community events.

Westpac has a strong history in Wellington and has sponsored the Stadium since it opened. We look forward to that relationship continuing and many more world class events at Westpac Stadium in the future.

David McLean

Chief Executive
Westpac New Zealand Limited



CHAIRMAN & CHIEF EXECUTIVE'S REPORT

What a blockbuster year it has been here at Westpac Stadium. The past 12 months have been packed full of events of every kind, providing something for all Wellingtonians and visitors to our region.

From finals to bagpipes, bulldogs to craft beer, this year's events calendar was a diverse array of sport and entertainment. Hosting a total of 59 event days, Westpac Stadium once again cemented its position as New Zealand's busiest stadium.

Some highlights of the year:

- Hosting the Super Rugby final for the first time in 2015
- The return of concerts, with Elton John and AC/DC both performing in front of big crowds
- A Chappell-Hadlee match featuring the two top ODI teams in the world
- The spectacular return of the Royal Edinburgh Military Tattoo over four nights
- Bumper crowds across all events saw attendance reach the highest levels since 2011/12
- A sell-out test match between the All Blacks and Wales
- Wellington Phoenix secured its immediate future in the A-League

This was truly a year of stadium-filling blockbuster events.

We started the financial year with a huge milestone, hosting the Hurricanes in their first ever Super Rugby home final against the Highlanders. While the result of the game did not go our way, the passion and interest that this match generated was incredible.

We were also proud to welcome back concerts to the Stadium, with not one but two world-class performances. First we were treated to a special one-off New Zealand show from the masterful Elton John, closely followed by the legendary rock act AC/DC.

It was a great honour to host once again the Royal Edinburgh Military Tattoo. One of the first events held at the Stadium when it opened in 2000, the event returned with over 2,500 performers putting on a spectacular display of precision and entertainment, enjoyed by a record breaking crowd of over 80,000 over four nights.

Looking ahead, we have a full calendar of exciting events secured for 2016-17 including all our sporting favourites, concerts and the highly anticipated New Zealand Lions Series 2017. The British & Irish Lions play two games at the Stadium, going up against the Hurricanes and the All Blacks.

With our events calendar secured, our focus remains firmly on continuous improvement of the patron experience.

The Trust is focussing on three key projects in 2016-17:

1. The replacement of the stadium turf. Due to commence in December 2016, this project will see the entire turf replaced for the first time since it was planted in 2000.
2. Implementation of the connected venue project, with the aim of providing free high-density wifi throughout the entire venue, providing exciting opportunities for digital fan engagement.
3. The upgrade of the internal concourse. Features of the upgrade will include removing some of the cladding on the harbour side and utilising creative lighting and wayfinding to create a 'home team' feel.

We would like to pass on our sincere thanks to the Board of Trustees for their ongoing guidance and support and to our staff for their hard work and dedication over what has been a very busy year. We also express an enormous amount of appreciation to all our hirers for choosing Westpac Stadium to host their events, and of course fans and patrons for attending these events in very healthy numbers.



EVENTS

HURRICANES 2015/16		
vs Highlanders (2015 Final)	LOSS	14-21
vs Kings	WIN	42-20
vs Jaguares	WIN	40-22
vs Chiefs	LOSS	27-28
vs Reds	WIN	29-14
vs Highlanders	WIN	27-20

WELLINGTON LIONS 2015		
vs Northland	WIN	29-0
vs Tasman	LOSS	17-36
vs Otago	LOSS	36-37
vs Hawke's Bay	DRAW	22-22
vs Manawatu	LOSS	33-39
vs Otago (Semi Final)	WIN	34-14



WELLINGTON SEVENS TOURNAMENT
 30-31 January 2016



WELLINGTON LIONS VS TASMAN
 11 September 2015

Westpac Stadium hosted a total of 59 major event days for the year, plus 11 community event days. Over 570,000 fans attended events during the 12 months, the highest since the Rugby World Cup year, with the cumulative attendance since opening now at 8.8 million.

RUGBY

SUPER RUGBY

We kicked off the financial year with the Super Rugby final against the Highlanders, played in front of a passionate crowd of 35,896 fans all keen to see their team secure their first ever Super Rugby title. Unfortunately the result did not go the way of the Hurricanes who fell 14-21 at the final hurdle.

We bade farewell to Hurricanes centurions and legends Conrad Smith, Ma'a Nonu and Jeremy Thrush. We wish them the very best in their future endeavours.

The 2015 season performance provided the Hurricanes with momentum into 2016, with a big boost in crowds and a significant increase in Hurricanes memberships. Average crowds for the season (excluding finals) saw growth of 15% on last season.

Westpac Stadium hosted a total of six home games across the financial year (the 2015 final and five games in 2016) including Kiwi derbies against the Chiefs, Highlanders and Blues. The Canes once again thrilled fans with some fantastic rugby, winning all but one of their home games in 2016 and ultimately progressing through as the top seed in Super Rugby to host a quarter final, semi-final and another home final, this time taking out the ultimate prize.

Congratulations to CEO Avan Lee, coaches Chris Boyd and John Plumtree, the players, the Hurricanes Board, management and staff on an exceptional year.

WELLINGTON SEVENS

The Wellington Sevens returned in January with a new look tournament including a Saturday/Sunday format and a more family friendly atmosphere with plenty of entertainment for the kids. 25,140 fans attended across the two days and were treated to some top quality on field action, with the NZ Sevens team beating South Africa 24-21 in the Cup Final in a nail biting finish.

ITM CUP

Despite a strong start to the season, defeating Northland 29-0, the Wellington Lions struggled to find form at home in the ITM Cup Championship. However with a couple of gutsy performances they made it through to the finals, defeating Otago 34-14 in the Championship semi-final. They then faced Hawkes Bay away for their chance to reclaim a spot in the Premiership Division in 2016 but missed out by the narrowest of margins going down 26-25.

We also welcomed Wellington Rugby's new chief executive, Steve Rogers to the role.

Westpac Stadium Annual Report 2016

EVENTS

ALL BLACKS VS WALES

We were delighted to welcome back the All Blacks on 18 June 2016 as they faced Wales in game two of a three match series. Another sell-out crowd witnessed an All Blacks victory of 36-22. This game was the first time these two teams had played each other at Westpac Stadium.

WELLINGTON PHOENIX

The Wellington Phoenix faced a challenging 2015/16 season both on and off the field. Westpac Stadium was proud to host the Phoenix for 11 of their home games of which they won three and drew two. One of those wins was against eventual A-League champions Adelaide United.

The club's future was also called into question with the Football Federation Australia holding off awarding a licence extension to the club. This promoted a wave of support for the team and the Save The Nix campaign took off. Fans visibly showed their support for the team right across the region with banners and scarves flying from street corners and an impressive turnout of 12,616 fans for the match against Adelaide. The support worked and the Phoenix received a four-year extension of its licence with two further three-year extensions.

We congratulate Chairman, Rob Morrison, General Manager, David Dome, Welnix and the Phoenix board, management and staff on achieving this outcome.

At the final game of the season, the club bade farewell to two of its stalwarts - Manny Muscat and Ben Sigmund. We wish them all the best with their future careers and look forward to seeing what the Phoenix have in store for next season.

CRICKET

Following on from their Cricket World Cup 2015 success, the BLACKCAPS returned with a T20 match against Pakistan in January. The match was the third and final decider of the series which was tied going into the game. New Zealand provided an impressive all round effort which included the highest T20 score achieved at Westpac Stadium to win by 95 runs.

A 20,000-strong crowd turned out to enjoy a great day of ODI cricket against Australia in February. This was the largest non-World Cup ODI crowd since 2002. With the Chappell-Hadlee trophy on the line, the BLACKCAPS gave it their all but were defeated by the reigning World Champions once again.

BLACKCAPS	
T20 vs Pakistan	NEW ZEALAND WON BY 95 RUNS
ODI vs Australia	AUSTRALIA WON BY FOUR WICKETS

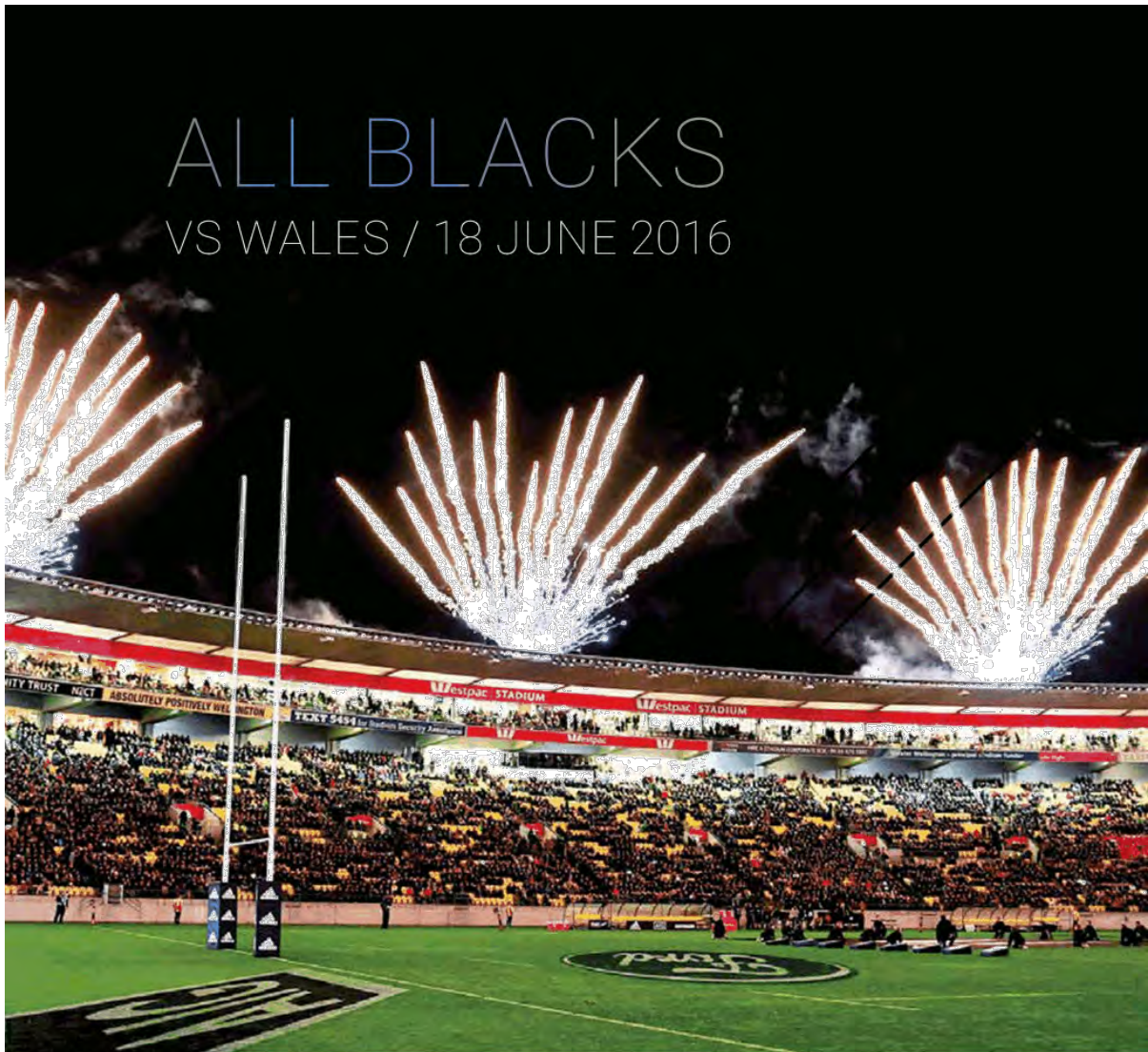
WELLINGTON PHOENIX 2015/16		
vs Newcastle Jets (2015)	LOSS	1-2
vs Brisbane Roar	WIN	3-2
vs Adelaide United	WIN	4-2
vs Sydney FC	DRAW	1-1
vs Brisbane Roar (2016)	DRAW	0-0
vs Perth Glory	LOSS	0-1
vs Melbourne City FC	WIN	2-1
vs Adelaide United	LOSS	0-4
vs Perth Glory	LOSS	1-2
vs Melbourne Victory	LOSS	1-4
vs Western Sydney Wanderers	LOSS	0-2



PHOENIX FC VS BRISBANE ROAR
 24 October 2015



BLACKCAPS VS AUSTRALIA
 6 February 2016

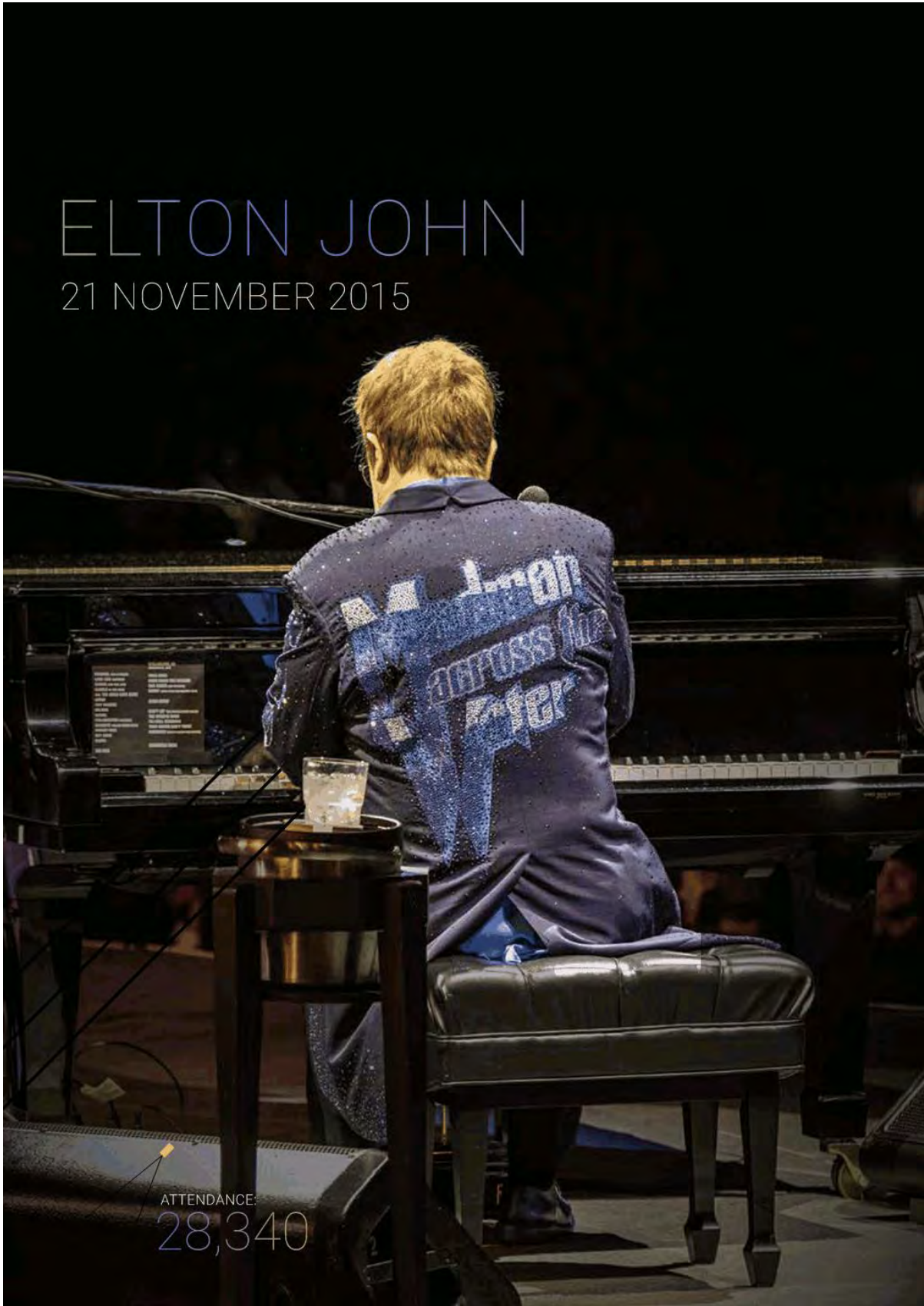


RUGBY LEAGUE

The Trust was pleased to be able to bring NRL action to Wellington on two occasions. The first match saw home side the New Zealand Warriors face the St George Illawarra Dragons in front of a crowd of 15,902. The game didn't go the Warriors' way but it was a great night of league action.

The second match saw the Canterbury Bulldogs as the home side up against the Warriors. This was a thrilling match which went right to the wire and saw the Warriors pip the Bulldogs.

RUGBY LEAGUE		
Warriors vs Dragons (2015)	LOSS	0-36
Bulldogs vs Warriors (2016)	LOSS	20-24



EVENTS

CONCERTS

ELTON JOHN

The legendary Sir Elton John returned to Westpac Stadium in November for a very special one-off New Zealand show. He masterfully entertained the crowd with a host of his greatest hits including a very moving tribute to the late Jonah Lomu who passed away just a few days earlier. We thank local promoter Phil Sprey for bringing a concert back to the Stadium for the first time in four years.

AC/DC

Rock legends AC/DC pulled off an incredible concert even in the face of poor weather and some technical difficulties. The band kept the 30,000-strong crowd entertained with a host of their iconic rock anthems, topped off by an Angus Young guitar solo. We express our appreciation to promoter Van Egmond Group for bringing AC/DC back to Wellington.

ROYAL EDINBURGH MILITARY TATTOO

In February, we welcomed a very different style show with four performances of the Royal Edinburgh Military Tattoo. This event saw over 2,500 performers take to the field for a spectacular display of precision and entertainment, enjoyed by a record breaking crowd of over 80,000 across the four nights.

We were particularly pleased to see the event take out Best Hosted Major Event at the 2016 New Zealand Event Awards. Congratulations to the NZ Arts Festival and The Royal Edinburgh Military Tattoo.

EXHIBITIONS

A busy event calendar in the previous year, where we hosted two World Cups, saw many of our regular exhibitions asked to move to new dates a little later in the calendar year. We hosted a total of 23 exhibition days compared to nine in the previous year and 14 the year before. These events continue to enhance Westpac Stadium's reputation as a multi-purpose venue and as a convenient location for large scale exhibitions.

COMMUNITY EVENTS

The Trust is proud to be able to give back to the regional community through the provision of several community events each year. This year we hosted 11 community event days including two Wellington Marathon events, the Sport Wellington Junior Sports Festival, a charity walk for Walk 2 D'Feet Motor Neurone Disease, and provided training venue for the NZ Fire Service and the NZ Defence Force.

STADIUM OPEN DAY

On Saturday 25 July, we opened the doors to Westpac Stadium to mark our 15th birthday and the Capital 150th anniversary celebrations. Over 2,900 people turned out for the event which included a special landing from the Lifeflight Westpac Rescue Helicopter, birthday cake and an opportunity to get out onto the pitch for skills and drills activities supported by a number of regional sports organisations. Over 600 people also enjoyed a guided behind the scenes tour of the stadium facilities.



ROYAL EDINBURGH MILITARY TATTOO
18-21 February 2016



BETTER HOME & LIVING SHOW
6-8 May 2016

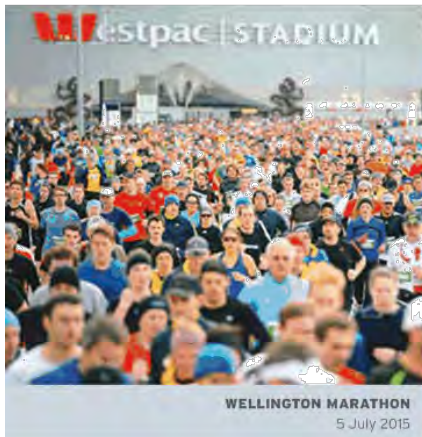


STADIUM OPEN DAY
25 July 2015

Westpac Stadium Annual Report 2016

EVENTS HELD DURING THE YEAR

DATE	EVENT	ATTENDANCE
4 July 2015	Super Rugby Final: Hurricanes vs Highlanders	35,896
17-19 July 2015	Exhibition: Armageddon	19,668
8 August 2015	NRL: Warriors vs St George Dragons	15,902
14-15 August 2015	Exhibition: Beervana	7,815
29 August 2014	ITM Cup: Wellington Lions vs Northland	2,389
4-6 September 2015	Exhibition: Food Show	9,250
11 September 2015	ITM Cup: Wellington Lions vs Tasman	3,307
17 September 2015	ITM Cup: Wellington Lions vs Otago	1,655
25-27 September 2015	Exhibition: The Home & Garden Show	15,000
30 September 2015	ITM Cup: Wellington Lions vs Hawke's Bay	2,986
10 October 2015	ITM Cup: Wellington Lions vs Manawatu	4,916
11 October 2015	A-League: Phoenix FC vs Newcastle Jets	5,529
17 October 2015	ITM Cup Semi Final: Wellington Lions vs Otago	3,178
24 October 2015	A-League: Phoenix FC vs Brisbane Roar	5,276
6-8 November 2015	Exhibition: Spa Expo	1,000
13 November 2015	A-League: Phoenix FC vs Adelaide United	12,616
21 November 2015	Elton John Concert	28,340
12 December 2015	AC/DC Concert	30,386
19 December 2015	A-League: Phoenix FC vs Sydney FC	8,117
10 January 2016	A-League: Phoenix FC vs Brisbane Roar	6,960
22 January 2016	Cricket T20: New Zealand vs Pakistan	15,252
30-31 January 2016	Sevens Tournament	25,140
6 February 2016	Cricket ODI: New Zealand vs Australia	20,495
7 February 2016	A-League: Phoenix FC vs Perth Glory	6,403
18-21 February 2016	Royal Edinburgh Military Tattoo (4 shows)	81,936
26 February 2016	A-League: Phoenix FC vs Melbourne City FC	5,926
5 March 2016	A-League: Phoenix FC vs Adelaide United	5,223
20 March 2016	A-League: Phoenix FC vs Perth Glory	5,145
25 March 2016	Super Rugby: Hurricanes vs Kings	15,284
2 April 2016	A-League: Phoenix FC vs Melbourne Victory	3,914
9 April 2016	Super Rugby: Hurricanes vs Jaguares	14,055
10 April 2016	A-League: Phoenix FC vs Western Sydney Wanderers	9,763
16 April 2016	NRL: Bulldogs vs Warriors	16,180
23 April 2016	Super Rugby: Hurricanes vs Chiefs	22,221
6-8 May 2016	Exhibition: Better Home & Living Show	10,700
14 May 2016	Super Rugby: Hurricanes vs Reds	10,419
20-22 May 2016	Exhibition: Food Show	13,010
27 May 2016	Super Rugby: Hurricanes vs Highlanders	19,372
4-6 June 2016	Exhibition: Armageddon	14,459
18 June 2016	Rugby Test: All Blacks vs Wales	35,951
TOTAL ATTENDANCE		571,034



FINANCIAL PERFORMANCE

Our net surplus for the year was \$2.08 million compared to \$2.09 million in 2015, and well ahead of our budgeted surplus of \$0.2 million.

The increase over budget is partly due to a number of unbudgeted events such as the Super Rugby final in 2015. Other events achieved better results than had been budgeted for. While work on master plan projects continues, as outlined below, much of this has been in the planning phases. This has changed the timing of cash flows resulting in savings against budget in depreciation and interest costs.

With another very busy year of events, event revenues of \$8.6m were very similar to the prior year. Total revenues decreased because the 2015 year included the final element of the amortisation of the original 15 year member and box arrangements.

At 30 June 2016, bank borrowings are down to \$4.0m, but these are expected to increase in the coming year as the projects below progress.

Total attendance of just over 571,000 was ahead of our long term average of 527,000.

MASTER PLAN PROGRESS

Over the next three years, the Trust will invest \$14.33 million in the facility. This will be supported by a further \$5 million from the WCC long term plan. Three major capital projects were the subject of significant preparatory work in the 2015/16 year. They are all on track to be rolled out over the next 12 months.

TURF REPLACEMENT

This project will commence on 5th December 2016 and involves replacement of the entire field with a reinforced grass surface, which provides greater durability to support our busy event calendar. HG Sports has been appointed to assist the Turf Team manage this project. HG Sports is a major supplier to large stadia across Australia and New Zealand. The project will be completed in time for the Wellington Phoenix's home game on 1 January 2017.

CONNECTED STADIUM

The Trust is currently finalising a tender process for the appointment of companies with suitable experience to assist it implement a fully connected stadium solution which will include provision of a core network, high density wifi throughout the venue.

CONCOURSE UPGRADE

The Trust is working with its architect, Populous, on detailed designs for an upgrade of the internal concourse. The primary aim of the concourse upgrade is to deliver a warmer, more welcoming environment for fans, and at exhibitions.

Specifically the upgrade will seek to deliver a consistent look and feel for the concourse that better reflects the Wellington region, the local community and sporting achievements. This will include more natural lighting, improved food and beverage facilities and upgraded flooring.

Westpac Stadium **Annual Report 2016**

BASIN RESERVE

The Trust's Turf Team, led by Hagen Faith, also provides turf management services to the Basin Reserve Trust.

2016 was a busy year at the Basin, including the renovation and official opening of the groundsman's shed which was named after former groundsman Wes Armstrong. The Basin also welcomed the return of ODI cricket, hosting New Zealand vs Pakistan on Wellington Anniversary Day as well as a sold-out Test match against Australia.

The ground hosted:

Cricket match days	46
Cricket practice days	98
Senior Club Rugby matches	7
Other events (training days etc.)	25

MEMBERSHIPS AND CORPORATE BOXES

This was the first full year under the new Stadium Membership term. While the number of members has reduced compared to the first 15 years, the Members Club remains an active and passionate supporter group. The three member lounges have each developed their own match day atmosphere which is enhanced by the presence of more casual users enjoying the opportunity to enjoy a premium hospitality experience.

We also hosted our Annual Members' Function in October with an entertaining panel of guest speakers - Chris Boyd, Mike Hesson and Ernie Merrick - debating the topic of "Who'd be a Coach?!". The discussion was expertly navigated by MC Jason Pine and provided plenty of insights, stories and laughs along the way.

We thank both our members and corporate box holders for their ongoing support of the Stadium.

KEY SPONSOR

Our relationship with our naming rights partner Westpac continues to strengthen. The Trust enjoys the opportunity to work with the Westpac team throughout the year and we were thrilled to have their involvement in the Stadium Birthday Open Day.

We remain grateful to the Board of Westpac, Chief Executive Officer David McLean and the wider Westpac team for their ongoing support in what is one of New Zealand's longest commercial partnerships.



ALL BLACKS VS WALES
 18 June 2016



FOOD SHOW
 4-6 September 2015



BLACKCAPS VS PAKISTAN
 22 January 2016



BEERVANA
14-15 August 2015



PHOENIX FC VS ADELAIDE UNITED
13 November 2015



CHRISTMAS LONG LUNCH
2 December 2015

ACKNOWLEDGEMENTS

Westpac Stadium is proud of its position as an iconic venue for the Wellington Region.

The diverse range of events that we provide each year is possible thanks to the support of our key stakeholders, the Wellington City Council and Greater Wellington Regional Council. With the emergence of the new Wellington Regional Economic Development Agency (WREDA) we look forward to enhancing our relationships even further to position the region as a thriving, vibrant and enjoyable place for its residents, businesses and visitors.

We are able to achieve such a diverse and successful calendar of events only with the support of our clients. We are most appreciative and thank the following:

- Hurricanes Rugby
- Wellington Rugby Union
- New Zealand Rugby
- Wellington Phoenix Football Club
- Cricket Wellington
- New Zealand Cricket
- New Zealand Warriors
- Canterbury Bulldogs
- Jade Promotions
- North Port Events
- Wellington Culinary Events Trust
- Armageddon
- Phil Sprey and Capital C
- Van Egmond Enterprises
- New Zealand Festival
- Royal Edinburgh Military Tattoo

We pay tribute to Sir Ron Scott, who recently passed away. Sir Ron was one of the founding trustees of the Wellington Regional Stadium Trust, and as such was instrumental in the development of Westpac Stadium. We are very appreciative of his commitment and support in bringing this project to fruition, and so pleased that he was able to enjoy the results through attending many events at the Stadium in the years that followed its opening.

Thank you also to our dedicated staff, led by the senior management team of Linda Rieper, Katherine Andersen, Brian Stirton, Clare Elcome and Mathew Hellyer.

The team is supported by a number of key suppliers and contractors all of whom go above and beyond in their provisions, often with short notice. We thank you all for your professionalism and support.

Finally we offer our sincere thanks to the fans that support all of our events throughout the year. We hope that you have enjoyed your various experiences here at Westpac Stadium over the past twelve months and we look forward to welcoming you back again soon.

John Shewan
Chairman

Shane Harmon
Chief Executive



WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)
STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE FOR THE YEAR ENDED 30 JUNE 2016

	NOTES	2016 \$000	2015 \$000
Revenues			
Event Revenues		8,583	8,496
Corporate Box, Membership & Sponsorship Revenues		4,405	4,596
Amortisation of Membership & Corporate Box Funding		-	1,438
Interest income		29	15
Sundry income	1	2,835	2,753
Total Revenue		15,852	17,298
Less Operating Expenses	2	9,718	10,642
Operating Surplus before Depreciation & Finance costs		6,134	6,656
Less:			
Depreciation	8	3,573	3,775
Finance costs	3	480	788
Total comprehensive revenue & expense		2,081	2,093

WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)
STATEMENT OF CHANGES IN TRUST FUNDS & LIMITED RECOURSE LOANS
FOR THE YEAR ENDED 30 JUNE 2016

	NOTES	2016 \$000	2015 \$000
Balance at 1 July		84,436	82,343
Total comprehensive revenue & expense for the year		2,081	2,093
Balance at 30 June		86,517	84,436

The accompanying accounting policies and notes form part of these financial statements

WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	NOTES	2016 \$000	2015 \$000
TRUST FUNDS			
Accumulated Surplus		46,122	44,041
LIMITED RECOURSE LOANS			
Greater Wellington Regional Council	4	25,000	25,000
Wellington City Council	4	15,395	15,395
Total Trust Funds & Limited Recourse Loans		86,517	84,436
NON-CURRENT LIABILITIES			
Revenue in Advance		1,413	1,839
Borrowings	5	4,000	7,500
Total Non-Current Liabilities		5,413	9,339
CURRENT LIABILITIES			
Revenue in Advance	6	3,038	3,361
Payables	7	1,458	5,732
Total Current Liabilities		4,496	9,093
TOTAL FUNDING		96,426	102,868
Represented by:			
NON-CURRENT ASSETS			
Property Plant & Equipment	8	94,155	96,451
Total Non-Current Assets		94,155	96,451
CURRENT ASSETS			
Cash & Cash Equivalents	9	669	4,332
Receivables & Prepayments	10	1,602	2,085
Total Current Assets		2,271	6,417
TOTAL ASSETS		96,426	102,868

On behalf of the Trustees:



TRUSTEE

23 August 2016



TRUSTEE

23 August 2016

The accompanying accounting policies and notes form part of these financial statements

Westpac Stadium Annual Report 2016

WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

	NOTE	2016 \$000	2015 \$000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES			
Cash was provided from:			
Event and operating income		8,909	7,559
Corporate box, membership and sponsorship income		3,702	5,985
Funds held on behalf of hirer*		-	3,930
Interest received		29	15
Goods and services tax	16	-	82
Sundry income		2,871	2,865
		15,511	20,436
Cash was applied to:			
Payments to suppliers and employees		(9,410)	(10,332)
Funds held on behalf of hirer*		(3,930)	-
Interest paid		(616)	(612)
Goods and services tax	16	(162)	-
		(14,118)	(10,944)
Net cash inflow from operating activities*		1,393	9,492
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES			
Cash was provided from:			
Disposal of property, plant & equipment		15	6
Cash was applied to:			
Purchase of property, plant & equipment		(1,571)	(1,887)
Net cash (outflow) from investing activities		(1,556)	(1,881)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES			
Cash was applied to:			
Loan repayment		(3,500)	(3,390)
Net cash (outflow) from financing activities		(3,500)	(3,390)
NET INCREASE/(DECREASE) IN CASH HELD		(3,663)	4,221
Cash at beginning of the period		4,332	111
CASH AT END OF THE PERIOD	9	669	4,332

* Excluding funds held on behalf of a hirer, the net cash inflow from operating activities would be \$5,323,000 (2015: \$5,562,000).

The accompanying accounting policies and notes form part of these financial statements

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WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. SUNDRY INCOME

	2016 \$000	2015 \$000
Carpark income	1,695	1,653
Tenancy income	366	363
Other sundry income	774	737
Total sundry income	2,835	2,753

2. OPERATING EXPENSES

	NOTE	2016 \$000	2015 \$000
Event operating expenses		3,945	4,761
Maintenance and facility operation		2,432	2,760
Personnel*	12	2,215	2,172
Asset impairment	8	397	-
Loss on disposal of assets		8	8
Audit Fee - annual audit		32	31
Rental expense on operating leases		18	20
Other operating expenses		671	890
Total operating expenses		9,718	10,642

* Personnel expense includes Kiwisaver employee contributions of \$58,000 (2015: \$51,000).

3. FINANCE COSTS

	2016 \$000	2015 \$000
Interest on bank loan	572	603
Interest rate swaps - fair value adjustment	(98)	183
Other financing charges	6	2
Total finance costs	480	788

4. LIMITED RECOURSE LOANS

The development of the stadium was partially funded by the Wellington City Council (\$15 million) and the Greater Wellington Regional Council (\$25 million). The funding was by way of unsecured limited recourse loans. No interest has been charged on these loans by the Councils.

The Wellington City Council loan includes an amount for accrued interest (face value \$394,893) which arose under a membership underwrite agreement. The interest component is not payable until both of the original Council limited recourse loans have been repaid. The underwrite was fully repaid in a previous financial year and no further interest will accrue.

The Trust is required to pay surplus funds to the Wellington City Council and the Greater Wellington Regional Council in reduction of their loans after meeting costs, liabilities, and debt reductions and after allowing for the appropriate capital expenditure and transfers to reserves. No surplus funds are available for repayment in the current year.

To maintain the Stadium asset to a suitable standard will require ongoing investment in the asset. This will be funded either from accumulated earnings or commercial borrowings. The Trust's view is that it will need to maintain a level of commercial borrowing for the foreseeable future. Until the commercial loan is extinguished, the Trust is not required to make any repayments of the settlor loans.

5. BORROWINGS

	2016 \$000	2015 \$000
Non-Current Borrowings		
Westpac New Zealand Ltd	4,000	7,500

The Westpac borrowing is secured by Composite General Security Agreement and a registered first mortgage over the Stadium property.

The following interest rate swap has been entered into, effectively fixing the interest rate at:

	Interest Rate	Expires
\$2.5 million	5.88%	October 2018

The balance of the loan is on a floating rate of 4.09% at balance date.

At balance date the loan limit is \$13 million, and therefore \$9 million remains available for drawdown if required. Repayment terms relating to the balance of the loan at 30 June 2019 will be renegotiated at or before that date.

Westpac Stadium Annual Report 2016

6. REVENUE IN ADVANCE (CURRENT)

This balance represents the portion of funds received from corporate box holders, stadium members and signage and sponsorship agreements that will be recognised as revenue in the next 12 months, as the services deliverable under the contracts are delivered to those clients.

7. PAYABLES

	NOTE	2016 \$000	2015 \$000
Trade payables		955	736
Funds held on behalf of hirer	9	-	3,930
Accrued expenses		216	563
Employee entitlements		170	287
Fair value of interest rate swaps		117	216
		1,458	5,732

The funds held on behalf of the hirer were held as the Term Deposit detailed in Note 9.

8. PROPERTY PLANT & EQUIPMENT

	1-JUL-14 \$000	30-JUN-15 \$000	ADDITIONS \$000	DISPOSALS & IMPAIRMENT \$000	30-JUN-16 \$000
Cost					
Land	4,225	4,225			4,225
Pitch	1,186	1,217			1,217
Stadium Buildings	86,248	86,272	6		86,278
Fitout	16,474	16,544	15	(5)	16,554
Replay Screen & Production equipment	3,849	3,853	75	(154)	3,774
Fittings	1,591	1,650	54	(3)	1,701
Plant, machinery & equipment	26,483	28,163	345	(161)	28,347
Work in progress	662	450	1,212	(421) *	1,241
	140,718	142,373	1,707	(744)	143,336
Depreciation					
Land	-	-			-
Pitch	(125)	(187)	(17)		(204)
Stadium Buildings	(21,448)	(23,157)	(1,709)		(24,866)
Fitout	(6,746)	(7,401)	(626)	5	(8,022)
Replay Screen & Production equipment	(2,201)	(2,487)	(227)	147	(2,567)
Fittings	(1,198)	(1,274)	(82)	3	(1,353)
Plant, machinery & equipment	(10,465)	(11,416)	(912)	159	(12,169)
Work in progress	-	-			-
	(42,183)	(45,922)	(3,573)	314	(49,181)
Carrying value					
Land	4,225	4,225			4,225
Pitch	1,061	1,030			1,013
Stadium Buildings	64,800	63,115			61,412
Fitout	9,728	9,143			8,532
Replay Screen & Production equipment	1,648	1,366			1,207
Fittings	393	376			348
Plant, machinery & equipment	16,018	16,747			16,178
Work in progress	662	450			1,241
	98,535	96,451			94,155

* Refer to next page

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* The opening balance of work in progress contained an amount of \$397,000 for design and professional fees relating to a potential mezzanine bar to be constructed on the western side of the Stadium. This work was carried out at the same time as the designs for the eastern mezzanine bar (opened April 2014) were drawn up. The Trustees now consider there is insufficient certainty around the future construction of the western mezzanine bar to continue carrying this amount on the balance sheet, and the \$397,000 has been written off as an impairment. The remainder of the \$421,000 shown on this line in the Disposals & Impairment column represents assets that have been capitalised during the year.

There is no evidence of impairment in the carrying amount of any other Property Plant and Equipment at balance date.

For details of the security held by Westpac over the stadium land and buildings refer to Note 5.

9. CASH & CASH EQUIVALENTS

	2016 \$000	2015 \$000
Cash at bank	669	402
Bank Term Deposits held on behalf of hirer	—	3,930
	669	4,332

10. RECEIVABLES

	2016 \$000	2015 \$000
Trade receivables	1,328	1,744
Prepayments	274	341
	1,602	2,085

11. FINANCIAL INSTRUMENTS RISK

INTEREST RATE RISK

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Trust uses interest rate swaps to manage the interest rate risk on its borrowings. The interest rates on the Trust's borrowings are disclosed in Note 5. The interest rate swaps are recorded at fair value and classified as held for trading.

CREDIT RISK

Financial instruments which potentially expose the Trust to credit risk consist of bank deposits, short term investments, accounts receivable and interest rate swaps. The Trust invests with high credit quality financial institutions. Accordingly, the Trust does not require any collateral or security to support financial instruments with organisations it deals with. There is no concentration of credit risk with respect to accounts receivable.

CURRENCY RISK

The Trust has no exposure to currency risk.

12. RELATED PARTY TRANSACTIONS

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include the settlors of the Trust, the governing body and key management personnel.

Related party disclosures have not been made for transactions with related parties that are within normal supplier relationships on terms and conditions no more or less favourable than those it is reasonable to expect the Trust would have adopted in dealing with the party at arm's length in the same circumstances.

SETTLORS OF THE TRUST

Wellington City Council

During the period Wellington City Council's representative on the Board of Trustees has been Councillor Simon Marsh. Trustee Fees for Councillor Marsh are paid directly to the Council.

Details of the Advance from the Wellington City Council are given in Note 4.

The Basin Reserve Trust is a Council Controlled Organisation of the Wellington City Council. During the year the Trust received income from the provision of turf management services to the Basin Reserve Trust, of \$276,048 (2015: \$252,078). The receivables balance outstanding is \$84,292 (2015: \$59,817).

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Greater Wellington Regional Council

Councillor Nigel Wilson is the Greater Wellington Regional Council's representative on the Board of Trustees. Trustee Fees for Councillor Wilson are paid directly to the Council.

Details of the Advance from the Greater Wellington Regional Council are given in Note 4.

	2016 \$000	2015 \$000
Key management personnel compensation		
Board members		
Trustee Fees	171	169
Full time equivalents based on number of Trustees	8	8
Management team		
Remuneration	1,171	1,147
Full time equivalent members	6	6

13. COMMITMENTS

The following amounts have been committed to by the Trust, but not recognised in the financial statements:

	2016 \$000	2015 \$000
Operating leases		
Non cancellable operating lease commitments		
Within one year	13	17
Between one and five years	52	52
More than five years	44	57
	109	126
Capital expenditure		
Amounts committed to capital expenditure	1,673	127

14. CONTINGENCIES

The Trust has no contingent liabilities at 30 June 2016 (2015: Nil).

15. EVENTS AFTER BALANCE DATE

There were no events subsequent to balance date that require adjustment of amounts in the financial statements or additional disclosures.

16. GOODS & SERVICES TAX IN CASH FLOW STATEMENT

In the Statement of Cash Flows, the GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

17. SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY AND PERIOD

Wellington Regional Stadium Trust Incorporated (the Trust) is a charitable trust established by the Wellington City Council ('WCC') and Greater Wellington Regional Council ('GWRC'). The Trust is domiciled in New Zealand.

The Trust is responsible for the planning, development, construction, ownership, operation and maintenance of the Westpac Stadium, Wellington, as a multi-purpose sporting and cultural venue.

The Trust was incorporated under the Charitable Trust Act 1957. The Trust is also a charitable entity under the Charities Act 2005, registration CC10754.

The financial statements of the Trust are for the year ended 30 June 2016. The financial statements were authorised for issue by the Trustees on 23 August 2016.

STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Trust Deed which requires compliance with generally accepted accounting practice in New Zealand.

As the primary purpose of the Trust to provide a community and social benefit, it is a public benefit entity for financial reporting purposes.

The financial statements of the Trust comply with Public Benefit Entity (PBE) standards.

The financial statements have been prepared in accordance with Tier 2 PBE Standards. The Trust meets the requirements for Tier 2 reporting as does not have public accountability and is not large (as defined by XRB A1).

The financial statements have been prepared on a historical cost basis, except for interest rate swaps.

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars (000) unless otherwise stated.

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

REVENUE

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

Corporate Box, Memberships & Sponsorship Revenues

Licenses for Corporate boxes are issued for terms of between four and six years. Signage and sponsorship properties are sold for a range of terms of between one and 10 years. The related license fees/revenues are paid annually with the revenue recognised on a straight line basis throughout the year.

Stadium memberships have been sold for terms ranging between two and five years. Payment may be made upfront or in a series of instalments. The payments received are recorded as Revenue in Advance, and recognised on a straight line basis over the term of the membership.

Amortisation of Initial Membership and Corporate Box agreements

The development of the Stadium was partially funded by the sale of stadium club memberships, corporate boxes and sponsorship properties. The term of the original memberships and corporate box licenses was 15 years and this term expired on 31 December 2014. Payment for these items was received upfront and has been recognised as revenue on a straight line basis over the term of the agreement.

Interest

Interest income is accrued using the effective interest rate method.

Rental Income

Rents are recognised on a straight line basis over the term of the lease.

EXPENSES

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

Interest

Interest expense is accrued using the effective interest rate method. The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

TAXATION

As a Charitable Trust, the Trust meets requirements for exemption from income tax and accordingly no provision for income tax is recorded in the financial statements.

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive.

FINANCIAL INSTRUMENTS

The Trust classifies its financial assets and financial liabilities according to the purpose for which they were acquired.

The Trust determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Non-derivative Financial Instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Trust becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Trust's contractual rights to the cash flows from the financial assets expire or if the Trust transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date. Financial liabilities are derecognised if the Trust's obligations specified in the contract expire or are discharged or cancelled.

Financial Assets

Cash and cash equivalents comprise cash balances and call deposits with up to six months maturity. These are recorded at their nominal value.

Trade and other receivables are stated at their cost less impairment losses.

Financial Liabilities

Financial liabilities comprise trade and other payables and borrowings, and are all classified as other financial liabilities. Financial liabilities with duration more than 12 months are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Amortisation is recognised in the Statement of Comprehensive Revenue & Expense as is any gain or loss when the liability is derecognised.

Financial liabilities entered into with duration less than 12 months are recognised at their nominal value.

Derivative Financial Instruments

Derivative financial instruments are recognised at fair value as either assets or liabilities. The Trust does not hold any derivatives that qualify for hedge accounting. Derivatives that do not qualify for hedge accounting are classified as held for trading financial instruments with fair value gains or losses recognised in the Statement of Comprehensive Revenue & Expense. Fair value is determined based on quoted market prices.

EMPLOYEE ENTITLEMENTS

Employee entitlements that the Trust expects to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay. These benefits are principally annual leave earned but not yet taken at balance date, and bonus payments.

No provision for sick leave is accrued, as past experience indicates that compensated absences in the current year are not expected to be greater than sick leave entitlements earned in the coming year.

OTHER LIABILITIES & PROVISIONS

Other Liabilities and provisions are recorded at the best estimate of the expenditure required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

LEASES

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

PROPERTY, PLANT AND EQUIPMENT

Recognition

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

Measurement

Items of property, plant and equipment are initially recorded at cost.

The initial cost of property, plant and equipment includes the purchase consideration and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential and that can be measured reliably is capitalised. Borrowing costs are not capitalised.

Impairment

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

Disposal

Gains and losses arising from the disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Revenue & Expense in the period in which the transaction occurs.

Depreciation

Depreciation is provided on all property, plant and equipment, with certain exceptions. The exceptions are land, some aspects of the pitch category and assets under construction (work in progress). Depreciation is calculated on a straight line basis, to allocate the cost or value of the asset (less any residual value) over its useful life. The estimated useful lives of the major classes of property, plant and equipment are as follows:

Land	indefinite
Pitch	10 years to indefinite
Stadium Buildings	8 to 70 years
Replay Screen & Production equipment	3 to 25 years
Fitout	5 to 50 years
Fittings	3 to 20 years
Plant, machinery & equipment	2 to 70 years

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

Work in progress

The cost of projects within work in progress is transferred to the relevant asset class when the project is completed, and then depreciated.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimating useful lives and residual values of property, plant, and equipment

At each balance date, the useful lives and residual values of property, plant, and equipment are reviewed. Assessing the appropriateness of useful life and residual value estimates of property, plant, and equipment requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by Trust, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the statement of comprehensive revenue and expense, and carrying amount of the asset in the statement of financial position. The Trust minimises the risk of this estimation uncertainty by regular physical inspection of assets, a planned preventative maintenance and asset replacement programme.

STATEMENT OF CASH FLOWS

The statement of cash flows has been prepared using the direct approach. Operating activities include cash received from all income sources of the Trust; record the cash payments made for the supply of goods and services and include cash flows from other activities that are neither investing nor financing activities. Investing activities relate to the acquisition and disposal of assets. Financing activities relate to activities that change the funding structure of the Trust.

CHANGES IN ACCOUNTING POLICIES

There have been no other changes in accounting policies.

Westpac Stadium Annual Report 2016

INDEPENDENT AUDITOR'S REPORT

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the readers of Wellington Regional Stadium Trust's financial statements for the year ended 30 June 2016

The Auditor-General is the auditor of Wellington Regional Stadium Trust (the Trust). 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 of the Trust on her behalf.

OPINION

We have audited the financial statements of the Trust on pages 14 to 23, that comprise the statement of financial position as at 30 June 2016, the statement of comprehensive revenue and expense, statement of changes in trust funds and limited recourse loans 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.

In our opinion, the financial statements of the Trust:

- 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.

Our audit was completed on 23 August 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 Trustees 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 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. 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. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Trust's financial statements

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 Trust'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 Trustees;
- the adequacy of the disclosures in the financial statements; and
- the overall presentation of the financial statements.

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

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

RESPONSIBILITIES OF THE TRUSTEES

The Trustees are responsible for the preparation and fair presentation of financial statements for the Trust that comply with generally accepted accounting practice in New Zealand.

The Trustees' responsibilities arise from clause 15 of the Trust Deed of the Trust.

The Trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Trustees are also responsible for the publication of the financial statements, whether in printed or electronic form.

RESPONSIBILITIES OF THE AUDITOR

We are responsible for expressing an independent opinion on the financial statements 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.

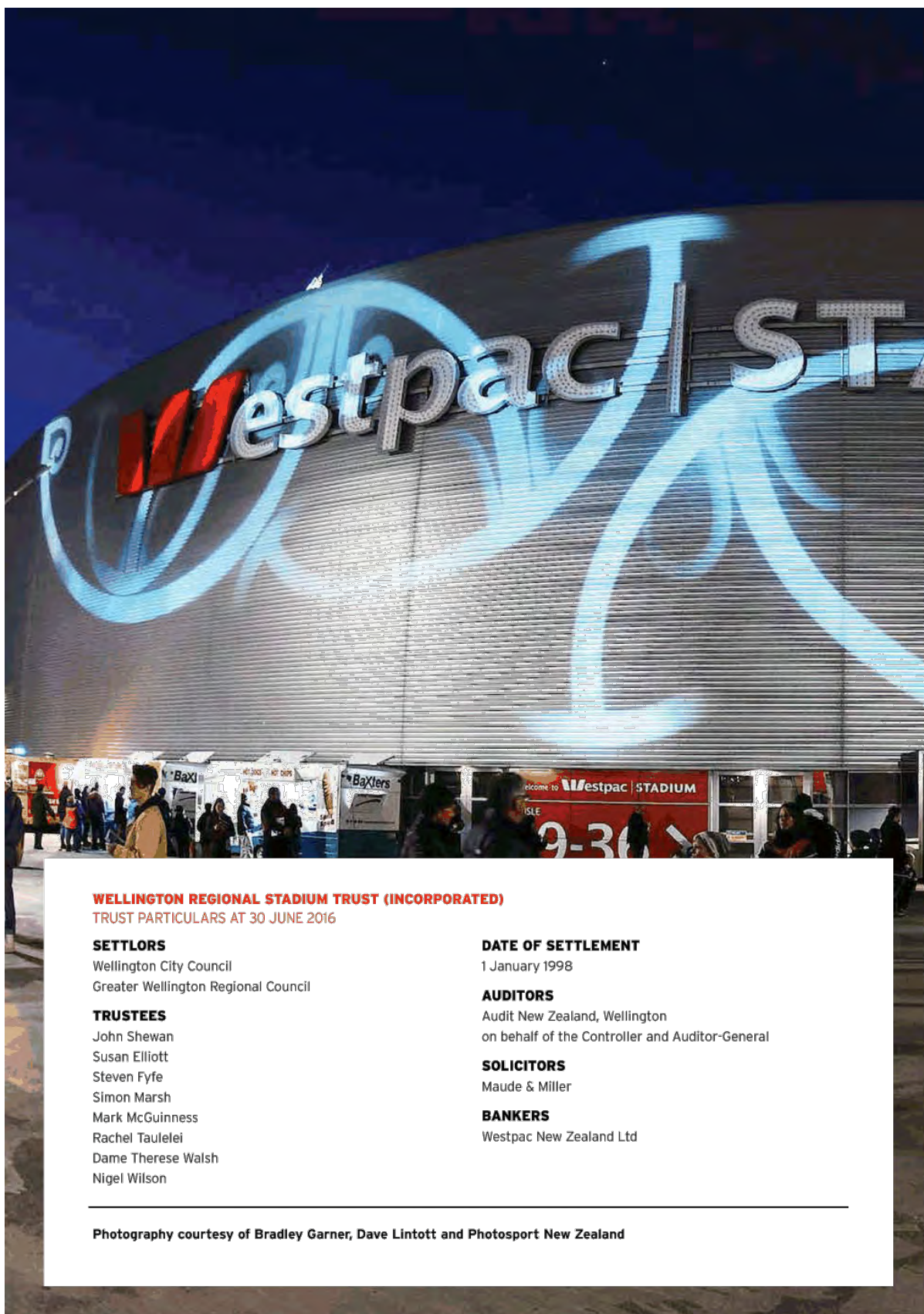
Other than the audit, we have no relationship with or interests in the Trust.



Mari-Anne Williamson

Audit New Zealand

On behalf of the Auditor-General
Wellington, New Zealand



WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)
TRUST PARTICULARS AT 30 JUNE 2016

SETTLORS

Wellington City Council
Greater Wellington Regional Council

TRUSTEES

John Shewan
Susan Elliott
Steven Fyfe
Simon Marsh
Mark McGuinness
Rachel Taulelei
Dame Therese Walsh
Nigel Wilson

DATE OF SETTLEMENT

1 January 1998

AUDITORS

Audit New Zealand, Wellington
on behalf of the Controller and Auditor-General

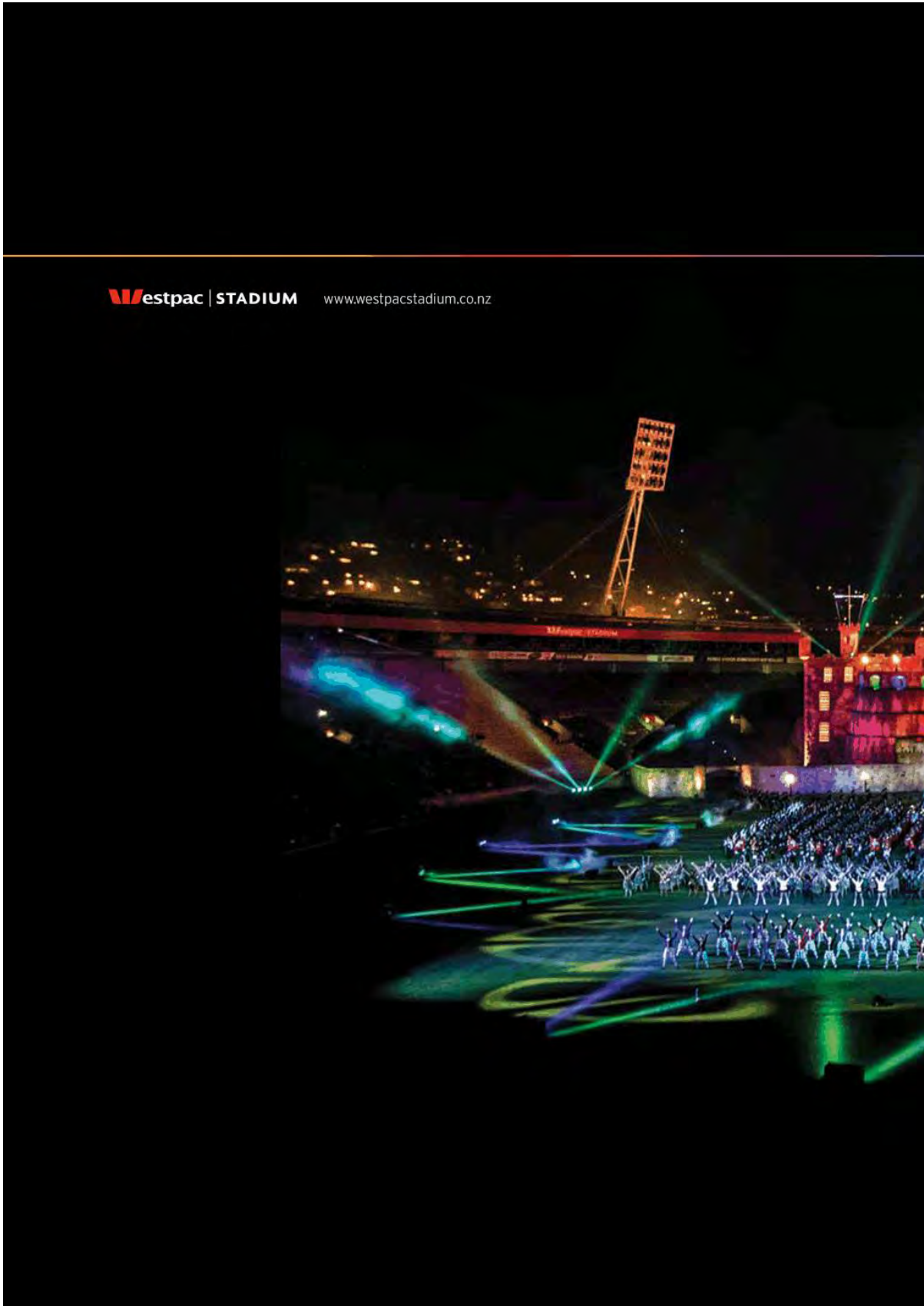
SOLICITORS

Maude & Miller

BANKERS

Westpac New Zealand Ltd

Photography courtesy of Bradley Garner, Dave Lintott and Photosport New Zealand





Trust Chair Report

As the incoming Chair of Wellington Zoo Trust I am extremely proud of our achievements and our people.

Wellington Zoo celebrates being 110 years old in 2016, and our aims for the next 110 years are that Wellington Zoo is renowned for its world leading animal care, conservation, sustainability and respected research. We expect to continue with excellent community engagement and learning outcomes.

Wellington Zoo is an iconic Wellington organisation and our intention is to have continuous improvement and really lead the way. The new strategic framework for our Zoo sets the direction for how we will do this and is underpinned by our values. Our aim is to ignite a Zoo revolution by connecting people with animals, saving animals in the wild, having a Zoo that people love and support, and leading the way in conservation and sustainability. We have been here for 110 years but we are continually creating a new Zoo, and new way of doing zoo work locally and globally.

We have supported our goal of having excellent animal care by being the first zoo in New Zealand to have a dedicated Animal Science Team to support the work of the Animal Care and Veterinary Science teams with the latest science in animal welfare and animal nutrition. We intend to focus our efforts in the Animal Care and Science area so that our core purpose as a zoo continues to be best practice.

I would like to express my thanks for the dedication of our Trustees in supporting the work of the Zoo. The Trustees

“ We have been here for 110 years but we are continually creating a new Zoo, and new way of doing Zoo work locally and globally. ”

work in partnership with the Zoo's Strategic Management Team to ensure Wellington Zoo achieves its goals. I especially wish to thank our outgoing Chair, Ross Martin, for leading the Zoo's Board for the last six years. His leadership has created a place of excellence, creativity and financial sustainability.

As we move into 2016-17 we are looking to build on our success and create a place of pride for

Wellingtonians. We will be aiming high and we hope you will be there with us.



Craig Ellison
Chair, Wellington Zoo Trust

Chief Executive Report

Wellington Zoo turned 110 this year. I wonder what the original Wellington Zoological Society members would think of us if they could be here today.

I think they would see a world leading zoo, a place of best practice animal care, community engagement with an ethical business approach to sustain the important conservation and sustainability work we do as a good zoo. I think they would be proud that their vision of 110 years ago has created an iconic community asset for Wellington.

We opened Meet the Locals He Tuku Aroha in October 2015 – our love story for New Zealand. This beautiful part of the Zoo celebrates New Zealand and looks to the future. This project is the last of the Zoo Capital Programme (ZCP) which began in 2006. We are very proud of what we have achieved through the ZCP investment.

This year we have welcomed new animals to the Zoo, many of whom are endangered in the wild. They are ambassadors for their wild cousins as the Zoo strives to save animals in the wild by engaging people who visit and supporting field conservation projects locally and globally which involve our endangered species who call Wellington Zoo home. However, we said goodbye to some long-time residents of our Zoo, notably Lanky the Pelican and Sam the Chimpanzee. These animals are part of the Zoo's history and will be missed.

Our partnerships have flourished this year and we thank everyone who loves and supports the Zoo as we cannot do our important work without your help. We welcomed 260,809 visitors this year, a record in the Zoo's history. We appreciate how our community supports us and loves what we do. Our new website has helped us reach out

even more to our community and it reflects the values of Wellington Zoo by being welcoming and vibrant.

We have been a finalist and winner in a number of awards this year and being named the Supreme Winner for the 2015 Wellington Region Business Awards was the standout. This award meant a lot to us as a social enterprise that works hard to deliver its objectives and support our cause to care for and save animals.

“ Their vision of 110 years ago has created an iconic community asset for Wellington. ”

The Trust was able to generate 60 per cent of its operational costs this year and finished with a positive financial result of \$15,322 after transfers to restricted reserves. Wellington Zoo Trust met or exceeded 22 of the 24 targets we set ourselves for 2015-16 – a 92 per cent success rate compared with 81 per cent last year.

As we prepare to start 2016-17 I am excited for what the next 110 years might bring for Wellington Zoo. I know we will all be working hard to make our dreams for our Zoo come true. We hope you will support us to continue to do our important work in the very best way possible.



Karen Fifield
Chief Executive, Wellington Zoo Trust

Strategic Direction

OUR STRATEGY: TO IGNITE A ZOO REVOLUTION

CONNECT PEOPLE AND ANIMALS

Design creative and exciting message-driven experiences

This year, we opened our love story to Aotearoa New Zealand, Meet the Locals He Tuku Aroha. We celebrated the opening of this special precinct with three days of fun for our visitors. We invited visitors to become a Wellington Zoo local through eight different activities placed around the Zoo.

“ Over the last 10 years, we have rebuilt most of the Zoo both physically and experientially. ”

The walkthrough experience of Meet the Locals He Tuku Aroha takes our visitors on a journey through New Zealand, starting at the coast with Penguin Point, a new home for our Kororā Little Blue Penguins. This flows into Pohutukawa Farm with sheep, Kunekune pigs, bees, rabbits, and chickens. The Farm also includes gardens that visitors can help plant and harvest, as well as a barn area where visitors can learn more about how we rely on animals for products like wool, honey, meat and milk. In the third area, Bush Builders, we designed a regenerating bush in which 4,000 native plants were planted to attract and support the native wildlife which live in the Zoo environs. There's also a load of nature play opportunities in the bush, including a 'worm tunnel', build your own bush fort, swing bridge and a slide. The final stage, Conservation Champions, introduces Zoo visitors to some lesser known locals including Grand Skinks, Otago Skinks and Maud Island Frogs and tells the story of how the Zoo is a conservation hub within New Zealand.

The visitor experience of Meet the Locals He Tuku Aroha is based around five voices woven throughout the space; the animal voice, Zoo voice, community voice, iwi voice, and future voice. This provides a multi-layered experience for visitors. Weaving these voices together provides a unique tapestry of storytelling, as well as providing a place to share the stories of our community and partner organisations.

Meet the Locals He Tuku Aroha was made possible thanks to the generous support of our principal funder Wellington City Council, and other organisations who have supported us including Pub Charity, New Zealand Lotteries Grants Board, Stout Trust, Wellington Community Trust, Infinity Foundation, Lion Foundation and NZCT.



Meet the Locals He Tuku Aroha is the final project of the Zoo's current ten year Zoo Capital Programme (ZCP). Over the last 10 years, we have rebuilt most of the Zoo both physically and experientially. Both the animals and visitors to the Zoo now have a much richer experience as a result. Our fundraising targets for ZCP were exceeded. While the project has been carried out within budget, the Kea aviary is due for completion in the next financial year.

MEASURE	TARGET 2015-16	STATUS
Fundraising targets for ZCP reached or exceeded	25% of ZCP Capex Spend	Achieved ✓
Meet ZCP project timing and budget programme	Complete Meet the Locals He Tuku Aroha	Delay of Aviary

Maximise the connections with animals for visitors

New Animal Arrivals

For every new animal arrival at Wellington Zoo, we contribute 5 per cent of the transport costs to TRAFFIC South East Asia, an organisation which works to combat the illegal wildlife trade.

Opening Meet the Locals He Tuku Aroha meant a lot of new animals making their home at the Zoo including six ex-battery hens, two lambs, two Flemish Giant Rabbits, a new Little Blue Penguin Kororā, and two whole swarms of bees. We also transferred five Maud Island Frogs from Zealandia, working in collaboration with our Wellington conservation colleagues and frog experts.

Two Veiled Chameleons, confiscated by MPI, are now being cared for here at Wellington Zoo. They moved into Hero HQ along with a new male and female Rainforest Mantids that arrived from Australia in March.



Our Agouti population received a boost from some additions from Hungary, introducing new genetics into our region. We also welcomed four Capybaras all the way from Paris. They have settled into their revamped habitat, and are one of the first animals that Wellington Zoo visitors see when they arrive at the Zoo. April saw the import of four new Eastern Gray Kangaroos for the Australian walk through habitat Neighbours.

This year, we also welcomed a male Pygmy Marmoset from Auckland Zoo to pair with one of our females and start a new breeding group in the Mini Monkey habitat. Two critically endangered Cotton Top Tamarins arrived at Wellington Zoo from

Europe in May to form a breeding pair.

A Red Panda male, Sundar, arrived from Auckland Zoo to be paired with our female Khushi who arrived from Hamilton Zoo last year as part of the international breeding programme.

A new Kiwi arrived in May from Rainbow Springs, after we transferred another Kiwi to Napier for release and a male North Island Kākā came from Auckland Zoo to join our Kākā flock.

We also have a temporary guest for a year in Maisha the Bongo who is being cared for at Wellington Zoo while in quarantine from Singapore Zoo before moving on to Taronga Western Plains Zoo in Australia.

Our Meerkat mob welcomed four pups that are all thriving.



A one year old female Giraffe, Zuri, travelled down the country from Auckland Zoo to join our two female Giraffes. Giraffes are a very social animal, and Zuri's move is part of regional species management.

“ For every new animal arrival at Wellington Zoo, we contribute 5 per cent of the transport costs to TRAFFIC South East Asia, an organisation which works to combat the illegal wildlife trade. ”

Farewells

This year, we had to say a sad farewell to Lanky the Pelican and Chimpanzees Sam and Temba.

After almost 40 years at Wellington Zoo, Lanky had worsening arthritis meaning he was hesitant to bear weight on his legs, and he was beginning to refuse food and medication. Zoo staff made the decision to euthanise him once his quality of life was compromised.

Sam had been battling heart disease for a long time and his health, and quality of life, started to deteriorate this year. Our team received expert advice

from cardiologists from Wellington Hospital and the Great Ape Heart Project and made the hard decision to euthanise Sam, who would likely not have recovered from surgery.



Temba, one of our male Chimpanzees, had surgery following an altercation with alpha male Marty in December. He was attended by our veterinary team at The Nest Te Kōhanga and had surgery to repair his leg wounds. Unfortunately, there were complications during the recovery and Temba was euthanised. The post-mortem examination showed that 21 year old Temba had existing health complications which would have prevented a full recovery from surgery.

We have also transferred animals to other zoos. Two Sun Conures and two Jackson's Chameleons went to Auckland Zoo. Three female Meerkats went to Brooklands Zoo in New Plymouth and three Pygmy Marmosets transferred to other zoos in the region as part of the regional breeding programme.

Close Encounters and Contact Animals



At Wellington Zoo, we know that meaningful interactions can play an important role in creating connections between people and animals. This year, our visitors were able to have 1,286 hours and seven minutes of contact time with animals across the Zoo. In Meet the Locals He Tuku Aroha, our Visitor Rangers have introduced new contact animals to the programme. Visitors have the chance to meet Forest Geckos, Weta, and Flemish Giant Rabbits; to

see our Kune Kune pigs go for a walk and to enjoy free contact with Sheep and Chickens.

Our Close Encounters remain incredibly popular this year, with over 3,670 people participating in these special experiences. 10 per cent from every Close Encounter goes directly to the Wellington Zoo Conservation Fund, so visitors feel empowered that by spending time with our animals, they're also helping to save animals in the wild.

“ We know that meaningful interactions can play an important role in creating connections between people and animals. ”

MEASURE	TARGET 2015-16	STATUS
Contact animals meeting visitors in Zoo	1,000 hours	1,286 hours 7 mins ✓
People participating in Animal Close Encounters	3,665	3,677 ✓

Ensure a holistic approach to the new Zoo experience

Creating opportunities to enrich our visitors' experience is another key element to making sure we recognise their needs. With the year filled with new animals, experience openings and special occasions, we hosted a multitude of events to engage our visitors with all the exciting new goings-on in the Zoo. Our events also prove effective in encouraging visitors to take action for the environment.

“ Our events also prove effective in encouraging visitors to take action for the environment. ”

Wellington Zoo hosted Open Lab in the barn on 15 November 2015. The Open Lab is a mobile laboratory run by Department of Conservation volunteers which aims to increase awareness of New Zealand's diverse and interesting population of invertebrates and provide a unique learning opportunity for our community. Amongst other things, visitors were able to sift through leaf litter and rip rotten logs to find invertebrates and then observe them under the compound or digital scopes.



We invited our community to experience the magic of the Zoo after hours in summer, keeping our doors open late every Wednesday in February for Zoo Twilights. And on Valentine's Day we hosted our 11th wildly successful adults-only evening at the Zoo, with over 600 visitors treating their loved ones to a romantic night out. Both of these events had a marked increase in attendance as visitors took the opportunity to explore Meet the Locals He Tuku Aroha.

Learning

Learning at the Zoo encompasses the whole site. All of our visitors are learners -whether they know it or not. Learning opportunities are everywhere at the Zoo - in our animal talks, for participants in a Close Encounter, during learning sessions with schools or just during a chat to our staff around the Zoo. We want to make meaningful visitor experiences rich in learning opportunities that look beyond our school programmes to help all of our visitors get excited about animals, and what they can do to help save them in the wild.

We are very proud of the opportunities for Learning Experiences Outside the Classroom (LEOTC) we provide at Wellington Zoo. Over the last year, 11,413 students participated in LEOTC sessions at the Zoo. In October, we hosted 17 teachers at an EnviroSchools Hui to showcase

our new precinct and highlight the opportunity for them to visit with their schools through our LEOTC programme or by getting involved in Bush Builders. In November, our Learning Team hosted teachers from five schools for a professional development event highlighting investigation methods and self-directed learning in Meet the Locals He Tuku Aroha. We also hosted the Wellington Region Environmental Educators Forum Hui in June 2016.

“ We want to make meaningful visitor experiences rich in learning opportunities to help all of our visitors get excited about animals, and what they can do to help save them in the wild. ”

We had our annual site visit from the New Zealand Council for Educational Research on behalf of the Ministry of Education to assess how we are delivering our LEOTC programmes. The report was very positive, and we also continued to receive positive feedback from our LEOTC advisory committee.

Our school holiday programme continues to be popular and we developed several new themed daily sessions. We welcomed almost 1,700 children over the four school holiday periods throughout the year.



Students from Makara Model School took our Conservation Challenge and developed their 'Bush Project' which was presented to a group of Zoo staff.

Over 70 Queen Margaret's College students took part in our Zoo Researchers programme. The students completed self-directed research projects based on the animals here at the Zoo. As the only programme of its kind in the Wellington region, the Zoo is a leader in providing specifically facilitated research opportunities for primary and secondary schools.

“ The Zoo is a leader in providing specifically facilitated research opportunities for primary and secondary schools. ”

MEASURE	TARGET 2015-16	STATUS
Number of students participating in LEOTC sessions	10,000	11,413 ✓

Bush Builders

In 2015 we helped five urban schools, including our first Kura and our closest neighbouring school, South Wellington Intermediate School, and over 570 students improve their environmental literacy. Participating students showed a great increase in awareness of nature around them. So far in 2016, we have welcomed just over 100 students from three schools to start their Bush Builders journey. Meet the Locals He Tuku Aroha has provided a great base for their initial phase of learning here at the Zoo.



The Warehouse Wellington Zoofari Partnership

This was a great year for our Zoofari partnership with The Warehouse. We had 1,650 students from 17 low-decile schools from Wellington and Tasman visit us to enjoy a

hands-on nature-based learning experience, including, for the first time, a secondary school and two teenage parent schools. Interislander and NZ Bus helped by providing free transport for the schools to reach the Zoo for their Zoofari experience.

The Zoofari initiative gives the students the joy of connecting with animals, and our unique learning environment is perfect for providing a deeper understanding of wildlife and the natural world around us.



The Zoofari fundraising campaign took place in The Warehouse stores from 16th – 28th March, with over \$14,000 raised for next year's Zoofari. We will be running in-store fundraising again next year. We hosted the regional managers from The Warehouse and gave them a special tour and experience.

Our General Manager Community Engagement and Learning Experience Manager have had their article on this partnership between The Warehouse and Wellington Zoo published in the 50th edition of the International Zoo Yearbook. This is a peer reviewed and referenced publication. *Hughes, A. & Allan, L. (2016): The Warehouse Wellington Zoofari: school visits to Wellington Zoo for conservation-based learning programmes – an example of effective collaboration between zoos and business. International Zoo Yearbook 50. DOI: 10.1111/izy.12119*

“ The Zoofari initiative gives the students the joy of connecting with animals, and our unique learning environment is perfect for providing a deeper understanding of wildlife. ”

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.[†]



Alongside the SROI research, the Wellington City Council Resident Survey found that the Zoo experience was highly valued – with a 96 per cent experience value rating. This experience value 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. 93 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 resources to encourage Zoo visitors to take action for the environment. The study has wrapped up this year 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.[†] ”

MEASURE	TARGET 2015-16	STATUS
Measure visitor feedback and satisfaction	1 research project	Achieved ✓
Participate in visitor research project re behaviour change	>1	Achieved ✓

[†]The SROI research has not been audited as part of this annual 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. ”

MEASURE	TARGET 2015-16	STATUS
Number of vulnerable, endangered or critically endangered species (IUCN list) in the Zoo's collection	≥26	26 ✓
Number of Field Conservation Projects supported for threatened (NZ) endangered or critically endangered (global) species	≥4	9 ✓
% of OPEX directly contributed to field conservation	3%	5.7% ✓



Support local and global conservation programmes

Conservation partners

Fauna and Flora International

The Northern White-Cheeked Gibbon morning chorus is an iconic feature at Wellington Zoo. Our work is also helping to make sure that sound is heard in the wild too. We are taking a pivotal role in a new partnership with the Fauna and Flora International (FFI) Vietnam Programme. By collaborating with Perth Zoo and Taronga Zoo as the main funding consortium for this targeted project, our collective efforts will make a difference for the animals and the community surrounding Pu Mat National Park, home to the only known viable wild population of these Gibbons in the world.

“ We are taking a pivotal role in a new partnership with the Fauna and Flora International (FFI) Vietnam Programme. ”

Our funding contribution will allow FFI Vietnam to develop improved enforcement and protection of key habitat areas to reduce the impact of hunting and habitat loss in Pu Mat National Park. This partnership also includes working alongside local communities to increase forest protection, as well as undertaking environmental education in key villages.

Red Panda Network

We have signed a Memorandum of Understanding with the Red Panda Network. The Red Panda Network is an organisation in Nepal that saves the endangered Red Panda and preserves their habitat. Wellington Zoo contributes to their Forest Guardian Programme which employs local people to organise awareness building workshops within their villages and schools to promote habitat protection. They also undertake Red Panda population and habitat monitoring supporting the Red Panda Network's research.

Jane Goodall Institute

We have signed an MOU with the Jane Goodall Institute (JGI) USA to support their work on the ground in the

Republic of Congo. We will be helping the centre install a species information management system (ZIMS) to allow their staff to better manage data on the Chimpanzees, and other primates, within the centre so they can continually review and improve their care.

Other conservation partners

We have increased our level of funding to Proyecto Titi for their work protecting Cotton Top Tamarins and 21st Century Tiger to reflect the importance of these critically endangered animals. We have also increased our level of funding to Madagascar Fauna and Flora Group for Lemur conservation.

We are continuing our great relationships with Associação Mico-Leão-Dourado (AML/D) for Golden Lion Tamarins, Cheetah Outreach, Free The Bears, Forest and Bird's Places for Penguins, Kea Conservation Trust, Save the Tasmanian Devil Program, and TRAFFIC South East Asia.

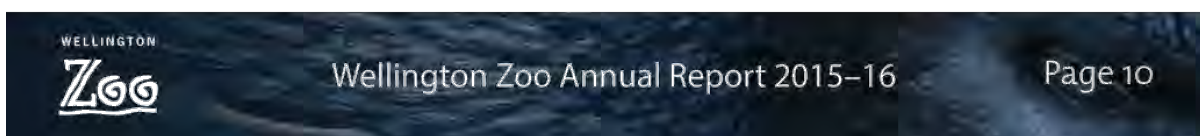
We have also been having discussions with the International Union for Conservation of Nature (IUCN) in the United Kingdom, to make the most of our relationship. Part of that relationship was Wellington Zoo hosting the NZ IUCN symposium on biodiversity offsets held at Wellington Zoo this year.

We have continued our relationship supporting Unmask Palm Oil and finding ways to combat the impact of the palm oil industry on conservation of Indonesian species. We met with Auckland Zoo, Hamilton Zoo and Orana Wildlife Park to discuss how our zoos can work together to continue our campaign to demand clear labelling on palm oil products. We have signed a joint positioning statement on sustainable palm oil with other zoos and NGOs across Australia and New Zealand.

Staff conservation contributions

The money we receive into the Wellington Zoo Conservation Fund enabled our people to use their expertise in field conservation projects in New Zealand and overseas. They lend their valuable skills to where they are needed most on the ground and Zoo staff members learn from our conservation partners.

Four Wellington Zoo staff members were supported by the Wellington Zoo Conservation Fund to work on a range of projects this year.



In November 2015 Visitor Ranger Anna McKenzie-Pollock worked with Save the Tasmanian Devil Programme (STDP) and helped release a zoo-bred population of endangered Tasmanian Devils back on to the Forestier Peninsula.

“All staff can take one week of annual conservation leave to help save animals in the wild.”

In December 2015 General Manager Business and Partnerships Daniel Warsaw assisted the Madagascar Fauna and Flora group with strategic planning so that they could be more effective in their work to save Lemurs in the wild.

In January 2016 keeper Esta Wilson-Burke researched Chimpanzees in the wild with the Jane Goodall Institute. She took part in the ecological survey, identification and habituation of the Chimp group. This research enables the monitoring of the Chimp communities in Senegal where they are facing loss of their habitat.



In June 2016 Cheetah Handler and Keeper Bonnie Cameron worked with Cheetah Outreach and Cheetah Experience. Spending three weeks in Cape Town to assist with Cheetah husbandry and enrichment, Bonnie spent her final week outside of Johannesburg working with the Cheetah Conservation Fund's livestock guarding dog programme.

Our Animal Welfare Advisor helped with Frog Research on Maud Island, our Veterinarian assisted with Kākāpō breeding season in Whenua Hou Codfish Island and our Keeper Nathan Spurdle was seconded to work in the field with Department of Conservation on Kōkako research.

All staff can take one week of annual conservation leave to help save animals in the wild, and Keeper Jacqui Hooper used this opportunity in March 2016 to work with the Sumatran Orangutan Conservation Project.

Care for native species at The Nest Te Kōhanga

The Nest Te Kōhanga continued to care for hundreds of native patients this year. Over 434 native birds and reptiles were treated by our dedicated veterinary team this year with a peak of admissions in December 2015 of 67. These patients included 33 native species which are considered threatened by DOC. The Nest Te Kōhanga is proving its reputation as the Wellington region's centre for native animal wildlife care as the community turns to us to help native wildlife. Birds and reptiles are brought to us by the SPCA, DOC, Zealandia, community groups and members of the community. This year, 57 per cent of our native patients were successfully released to the wild after we treated them – exceeding the international benchmark of 55 per cent.

We had many notable patients this year. A Northern Royal Albatross Tōroa was brought to The Nest Te Kōhanga with severe injuries to its left eye and resulting infection of the globe. The eye was surgically removed. The bird was rehabilitated in the salt water pool and Wellington Zoo veterinary team returned it to the wild with the help of New Zealand Police Maritime Unit.

We also rehabilitated and successfully released two critically endangered Fiordland Crested Penguins Tawaki. Veterinary Nurses travelled to the South Island for the Penguin releases.

“This year, 57 per cent of our native patients were successfully released to the wild after we treated them – exceeding the international benchmark of 55 per cent.”

MEASURE	TARGET 2015-16	STATUS
Number of threatened native species (DOC rating) treated in The Nest Te Kōhanga	≥30	33 ✓

A critically endangered Takahē from Zealandia was treated successfully for lameness and released back to the sanctuary. Four critically endangered Haast Tokoeka Kiwi were admitted to hospital after being observed to be unwell and underweight. The birds did well with medical care and were returned to the South Island.

A wild adult male Tuatara that lives under the ranger house on Matiu-Somes Island was brought in for treatment. As a result, a blood transfusion was required (with local iwi permission) and he is still recovering. The prognosis is guarded but he has shown improvement so far. We also took care of another Tuatara, from Victoria University, after she received head wounds. She recovered well and is back at the University.

An Olive Ridley Sea Turtle was found in Lyall Bay and admitted to The Nest Te Kōhanga in critical condition. She was treated for hypothermia and systemic infection due to a deep wound to her shell. After improvements, she was transferred to Kelly Tarlton's, as the facility is equipped for Sea Turtle rehabilitation.

Winter storms this year brought us interesting seabirds, including a Northern Giant Petrel and a Kergeulen Petrel. The last time a Kergeulen Petrel was reported in Wellington was in the 1980s. Both of these birds were successfully treated and released to the wild.



Veterinary care at The Nest Te Kōhanga

This year the Veterinary Team at The Nest Te Kōhanga continue to uphold their outstanding reputation for excellence in animal care and native species conservation. The team welcomed two new residents from the Massey University Masterate Programme in Zoo Animal and Wildlife Health. Supported by the Holdsworth Charitable Trust, this world-leading partnership between Wellington Zoo and Massey University helps to build specialist veterinary capability for New Zealand.



As well as consulting with cardiologists to care for Sam the Chimpanzee, Cara the Chimpanzee received care from a number of experts to resolve ongoing ear infections. Together with Ear, Nose and Throat Surgeon Dr Rebecca Garland, our team tried innovative techniques to resolve the issue after previous treatment methods proved futile. A specially designed plug was designed to keep treatment in her ears, but Cara quickly removed it. Dr Garland performed an ear canal ablation to remove it completely to avoid further infections. Dr Craig Johnson, Professor of Veterinary Neurophysiology at Massey University, used a technique called Brainstem Auditory Evoked Potentials, before and after surgery to objectively evaluate the change in her hearing ability to help inform how she would integrate back into the Chimpanzee community.

In May 2016, we hosted the stakeholders of The Nest Te Kōhanga for an evening to celebrate the collaborative efforts involved in conservation work and introduce our full team. We were able to share how our collective efforts have positive impacts for native wildlife conservation through the numerous success stories at The Nest Te Kōhanga.

Lead science and research projects

Wellington Zoo is also taking part in six science and research projects involving a number of our animals.

We are continuing our Kākā lead toxicity and Tuī lead toxicity studies and our Kākā microchip investigation with our partners. We are also working with Otago University on a Dingo genetics study. We published scientific papers on three of the procedures from The Nest Te Kōhanga, including a Giraffe C-section, Chimpanzee ear surgery and Bongo Rumenotomy.

Our Practice Manager and Senior Veterinarian at The Nest Te Kōhanga also contributed to an article for the 'Connected' Journal, aimed at children in years 4-8. This edition focuses on 'seeing the unseen' through x-rays, ultrasound and CT scans. Senior Veterinarian Dr Baukje Lenting has been interviewed as the 'case study' specialist.

“ This world-leading partnership between Wellington Zoo and Massey University helps to build specialist veterinary capability for New Zealand. ”

MEASURE	TARGET 2015-16	STATUS
Participate in animal based scientific projects	≥4	6 ✓

Our Veterinary Nurse and Life Science Manager published an article about reptile husbandry for veterinary clinics in the New Zealand Veterinary Nurse Association Journal. *Introduction to Reptile Husbandry. Sarah van Herpt and Chris Jerram.*

Build community action for wildlife

Take the Lead

Our work and leadership on Cheetah conservation has been recognised with our The Nest Te Kōhanga Practice Manager and Animal Science Manager contributing to a chapter in The Biology and Conservation of Cheetahs focussing on Australasian Cheetah Studbook Management. *Why keep cheetah in zoos? An integrative approach for cheetah conservation. Karin Schwartz, Markus Gusset, Adrienne Crosier, Lars Versteeg, Simon Eyre, Amanda Tiffin, Antoinette Kotze.*

In October 2015, we collaborated with Forest and Bird Wellington's Places for Penguins to launch our Take the Lead campaign. This campaign aims to help protect the Kororā Little Blue Penguins that share our coastline in Wellington. Dogs off-leash are one of the major threats to the survival of these shy native birds, so our message is simple: take the lead!

We rolled this campaign out to veterinary clinics, local cafes and dog day care centres across Wellington with poster and leaflet support. We also took part in PestFest, the Department of Conservation Wellington's event for Conservation Week to promote the Take the Lead campaign. Our Visitor Rangers and Volunteers took to the streets at the Newtown Fair with our Penguin costume to promote the campaign and protection for Kororā.



This campaign provides the perfect community outreach arm to the hands-on conservation work we do monitoring Kororā nest boxes on the Wellington coast.

“ Dogs off-leash are one of the major threats to the survival of these shy native birds, so our message is simple: take the lead! ”



Community engagement

Wellington Zoo has an important leadership role to play in the wider community. This year we took advantage of a number of opportunities to extend the reach of our sustainability and conservation messages.

We also shared our knowledge and expertise with other organisations. Our Chief Executive presented our submission to the Wellington City Council on the new animal bylaws and dog policy in Wellington. Our submission echoes our long-held position about pet responsibility – keeping dogs on leads in wildlife areas, and keeping cats in at night, as well as mandatory microchipping and desexing of cats. We support the establishment of more off-leash areas for dogs that provide fencing and clear boundaries to keep dogs safe, as well as clear, simple rules for where dogs can be exercised in the city. This was followed up by an opinion piece in the Dominion Post to clarify our position as animal welfare experts.

We utilised our great social media engagement to promote partner organisations' campaigns this year. We took part in the Forest Stewardship Council's FSC Friday social media campaign to promote our commitment to using sustainable products. We also participated in a social media campaign with Enviromark to encourage consumers to 'ask for proof' about what organisations are doing to help the environment.

PEOPLE LOVE AND SUPPORT THE ZOO

More people visit the Zoo and do more

More people visited Wellington Zoo this year than ever before, with 260,809 visitors coming through our doors – more than 11 per cent above our target. Since the start of the Zoo Capital Programme ten years ago, our visitation has increased by over 53 per cent.

MEASURE	TARGET 2015-16	STATUS
Increase total visitation by 2% each year on base year 2005/06 (170,116 visitors) as per the ZCP Business Case	234,714	260,809 ✓

“ More people visited Wellington Zoo this year than ever before, with 260,809 visitors coming through our doors. ”

Our partners at The Hits teamed up with the Zoo and Whittaker's to host an Easter Egg Hunt. This was in line with the launch of Whittaker's new chocolate Kiwi egg, drawing attention to the work Whittaker's and Wellington Zoo do for Kiwi conservation. Visitation exceeded expectations with over 1,300 more visitors than the previous Easter Saturday.

On 20 April 2016 we celebrated our 110th birthday, but we are making a big fuss for the whole year with special surprises through until April 2017. The 110th visitor each day receives free entry to the Zoo, and we have run a special auction with our partners at Trade Me highlighting 110 special reasons to visit the Zoo. We are also planning for birthday themed activities during the summer school holidays, a stakeholder celebration party, a big summer competition, a school competition and a promotion to find 110 people who have not visited the Zoo before.

On Sunday 15 May 2016, Wellington Zoo welcomed almost 800 race participants in Wellington's biggest navigation event - Metlink City Safari. Our participation

provided an opportunity to engage with a large number of people who had potentially not visited the Zoo recently or at all. The race organisers, Orienteering Hutt Valley, donated \$1,500 to Wellington Zoo in return for donating free child's passes in every race pack and for using the space within the Zoo during the race prologue.



We love meeting our Newtown neighbours and we look forward each year to treating them to a night at their Zoo. In January we held our 11th annual Neighbours Night and welcomed just over 1,100 of our neighbours to enjoy a free sausage sizzle, ice creams supplied by Tip Top, face-painting and special animal talks and enrichment activities. Wellington City Council (WCC) Housing again partnered with us, seeing the value in the benefit the night gives to their clients. We were extremely grateful for the participation from Zoo staff and volunteers, along with volunteers from WCC City Housing and our partners Trade Me to help us provide our neighbours with a truly special evening.

“ It's vital to us that Wellington Zoo remains accessible to our community. ”

It's vital to us that Wellington Zoo remains accessible to our community. In collaboration with Zealandia, we celebrated our second ever Open Weekend in May. It was a fantastic event and our busiest weekend of all time, with 13,362 visitors enjoying the Zoo for a \$2 donation. Over the weekend we raised over \$26,000 for the Wellington Zoo Conservation Fund.

We also continued our popular Winter Wednesdays, where visitors can come to the Zoo for a discounted

entry price. With visitation on par with last year, our final Winter Wednesday was extremely successful with 2,778 people visiting to make the most of what was a beautiful winter's day.

Zoo Crew

Our Zoo Crew family has continued to support the Zoo. This year we added new benefits to the Zoo Crew memberships. All new Zoo Crew memberships will have 10 per cent donated to the Wellington Conservation Fund to support conservation projects across the world and will get a 10 per cent discount on Close Encounters.



“ All new Zoo Crew memberships will have 10 per cent donated to the Wellington Conservation Fund to support conservation projects across the world. ”

Position the new Zoo in the community

Connecting with our community

Our media profile helped us share our stories with the wider community, and continued to grow with over 550 news stories placing us in the spotlight.

Our Chief Executive wrote an opinion piece for the Dominion Post which helped to position the new Zoo. She wrote about the completion of the Zoo Capital Programme, the success of being a good Zoo, and the support our community has given us during our redevelopment.

Our media stories included great coverage of the opening of Meet the Locals He Tuku Aroha, the arrival of a Red

Panda, Golden Lion Tamarin, and the journey of our new Giraffe Zuri.

High profile native patients in The Nest Te Kōhanga also attracted media attention throughout the year when they were released back to the wild. The return of a Northern Royal Albatross Taroa as well as wildlife care for an Olive Ridley Sea Turtle received extensive coverage across all major news outlets in New Zealand. The specialist care for Chimpanzee Cara's ear surgery gained wide attention, and the Zoo was recognised for our animal welfare accreditation.

We received strong interest in our conservation and sustainability stories this year. From our new projects supporting conservation of wild White-Cheeked Gibbons and Red Pandas through to the installation of solar panels on our front entrance building.

“ We received strong interest in our conservation and sustainability stories this year. ”

To help our visitors continue making the most of the Zoo's online resources, we launched a new website with new commercial systems on 1 December. This was a significant piece of work, and constitutes the first major rebuild of our website since 2008. This project provided the Zoo with new point of sale, bookings and memberships systems; all of which are now integrated with e-commerce functionalities on the new website. The new website is responsive, meaning that it works well on mobile devices to cater for the increasing number of people accessing the website from their mobile phones. These systems have already proved successful at improving productivity and adding new functionality over the summer visitation period. The new online experience more accurately reflect visitors experience onsite at the Zoo. The site is generously hosted for free by umbrellar, who have become partners to support our work online.

Our Facebook fan base grew from 31,283 to over 37,500. In the same timeframe, our Twitter following increased from 6,967 to nearly 7,600. To add to our strong community

on Facebook and Twitter, this year we launched @Wellington.Zoo Instagram channel in October which has already attracted nearly 1,000 followers. This new account provides us with a visual story-telling platform to connect people with animals and share how we are saving animals in the wild.



We continued our work with our Nature Connections partners. This year we carried out talk training with more partners in the POWER model and were involved in the joint marketing campaign 'Bring your Wild Things out'. The Wild Things campaign encouraged Wellingtonians to get out together in nature over the summer by visiting the Nature Connections attractions to find a 'Wild Thing' at each site. Our Wild Thing Zuzu was placed near the Cheetahs for visitors to discover.

Volunteer Support

We couldn't do what we do at Wellington Zoo without the support and hard work of our volunteers. We want to ensure that our volunteer programme is best serving the needs of the Zoo and our community. To assess this we welcomed Stanford University MBA student Billy Xia to evaluate the volunteer programme and help us to develop a new volunteer strategy.

“ We want to ensure that our volunteer programme is best serving the needs of the Zoo and our community. ”

In line with the new strategy, we realigned our volunteer programme and replaced our general volunteer role with three new dedicated volunteer roles; Animal Care Volunteer, Volunteer Ranger and The Nest Te Kōhanga Volunteer. The new volunteer structure became effective

29 February 2016. It provides volunteers with greater role clarity, more efficient lines of communication and supervision seven days a week. Co-ordinating and managing volunteers from within teams with functional responsibility has provided opportunities to more effectively integrate volunteers into activities at the Zoo and ensure they feel valued.

Part of improving our volunteer programme also included opening our new volunteer headquarters and enrichment room on the 25 September 2015. These new facilities are designed to meet the needs of our volunteers and are a vast improvement on the previous headquarters.

We now have a smart new volunteer uniform. Volunteers have benefited from health and safety training and a new induction programme which incorporates the Zoo's strategy and values and topics such as visitor etiquette and animal welfare. In addition to this they have received training targeted to their volunteer role with ongoing development is a key feature of the new programme.

Our volunteers contributed 11,003.35 hours to the Zoo – equivalent to 5.7 Full Time Equivalents, and we welcomed 35 corporate volunteer groups who gave us their gift of time.



MEASURE	TARGET 2015-16	STATUS
Volunteer hours	≥11,520 hours (6FTE)	11,003.35 hours (5.7 FTE)

Drive financial success

Significant investment is needed to run a 21st century zoo, keeping the needs of our visitors and community forefront whilst ensuring that we uphold the highest level of animal care. Since becoming a charitable trust in 2003 we continue to increase our share of our operational costs.

This year we generated direct revenue through visitation and Zoo products to cover approximately 60 per cent of these costs, and remain thankful for the generous support of principal funder Wellington City Council along with other partners and supporters.

“ This year we generated direct revenue through visitation and Zoo products to cover approximately 60 per cent of these costs. ”

We are proud to achieve another clean audit this year and have met or exceeded 22 out of 24 key performance measures.

Revenue from Close Encounters is also well ahead of budget and last year.



Following on from last year's great retail sales, we built on momentum and 2015-16 was our most successful year for retail sales. We have further increased our focus on environmentally friendly and conservation themed stock in our retail shop adding new items to our increasingly popular Green Zoo, Green You range of sustainable gifts.

In addition to our operating grant from Wellington City Council, this table below shows our key earnings for this financial year.

Visitor admissions	\$2,974,710
Fundraising for capital projects	\$240,742
Zoo shop retail sales	\$403,390
Operational sponsorship and grants	\$272,379

In addition to these returns we achieved our highest visitation year ever, welcoming 260,809 visitors through our doors.

MEASURE	TARGET 2015-16	STATUS
Percentage of operating costs generated by the Trust	55%	60% ✓
Ratio of Trust generated income as percentage of WCC grant	124%	138% ✓
Average income per visitor from Trust generated revenue	\$14.86	\$14.90 ✓
Average WCC subsidy per visitor	\$11.99	\$10.79 ✓
Full cost per visitor including WCC costs	\$21.19	\$19.01 ✓

Retail

The Zoo shop underwent a full refurbishment this year. The revamped space, combined with record visitation, has had a strong positive impact on our retail revenue. We had a record year for retail, with a total of \$403,390 – an increase of 19 per cent from the previous year. We have made a particular effort to source sustainable and local products and products that tie in to Meet the Locals He Tuku Aroha.

“ We have made a particular effort to source sustainable and local products. ”

Venues

We hosted our first Pop Up Wedding in January. It was a successful event with a very happy Bride and Groom. The

Pop Up Wedding was an in and out event, where the Bride and Groom could host their guests at the Zoo for their wedding ceremony, photos and drinks and nibbles in the magical environment only we can provide. This innovative event was a great way for us to give a couple the chance to have their special event at the Zoo.

Marks of Support

The ‘Mark of Support’ fundraising campaign exceeded expectations and raised \$22,802. These engraved metal plaques have been purchased by individuals and families to show their support for Wellington Zoo and are displayed along the pathway of Meet the Locals He Tuku Aroha.



Grants

This year we received several important grants that have allowed us to ensure we continue to lead the way, connect people with animals and help to save animals in the wild.

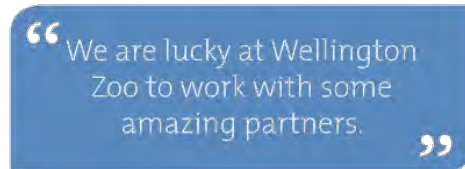
The New Zealand Community Trust approved our application for an \$80,000 grant for the visitor interpretation in the Barn in Meet the Locals He Tuku Aroha. This was the last of the grant applications for Meet the Locals He Tuku Aroha.

The Lottery Grants Board World War One Commemorations, Environment and Heritage Committee granted us \$66,500 towards the renewal of the visitor experience within The Twilight Te Ao Māhina, our Kiwi and Tuatara habitat.

We have received donations from Brian Whiteacre Trust for the Nest Te Kōhanga, and donations from the J & A Mauer Charitable Trust and Koala Trust to support the work of the Zoo.

Support from partners

We are lucky at Wellington Zoo to work with some amazing partners on some really exciting projects that get the whole community on board with our work.



Zoo Brew

Wellington craft beer brewer Garage Project, Wellington Zoo and Trade Me released a new beer known as 'Zoo Brew' at a launch event at the Southern Cross Garden Bar on 22 November. The beer was brewed at the Zoo, with flavours inspired by the African Savannah. The stunning artwork on the bottles was specially created for the project by renowned Wellington-based artist, Seraphine Pick. Total funds raised from the project for Wellington Zoo's conservation fund totalled to \$9,300.

Partnership Agreements

Trade Me has renewed its partnership agreement for another 12 months. This ongoing relationship has gone from strength to strength since we first signed with them in 2010. They have supported our various 'cool' auctions throughout the year – from a special 110th birthday behind the scenes tour to a bespoke proposal opportunity for Valentine's Day.

Our Tip Top partnership renewal officially began on 1 July; this is the first year of a five year agreement with Tip Top. Tip Top was at the Zoo on 17 January with a portable freezer selling Tiger Time scoop ice cream for a gold coin donation as part of our partnership. We raised \$1,100 through visitor donations for the day. Developed as part of Tip Top's commitment to sustainable palm oil, Tiger Time ice cream is gingerbread and vanilla flavoured with a percentage of supermarket sales going to our conservation partner, 21st Century Tiger.

Tip Top also supported other great events at Wellington Zoo. A visit from the characters from the Minions Movie, donations for Neighbours Night with over 900 ice creams which were enjoyed by all. They also supplied more ice

cream for the opening weekend of Meet the Locals He Tuku Aroha for visitors to enjoy.



We signed a renewed partnership agreement with Weta Digital in December 2015. Weta Digital is currently working on a plaque acknowledging our relationship to be placed near the Chimpanzee habitat.

We also signed a three year commercial agreement with Think Turf which has helped us to install artificial turf in Conservation Corner and the Cheetah Close Encounter area.

Our new partnership with Clemenger BBDO has already resulted in award winning creative success with the advertising campaign for Meet the Locals He Tuku Aroha. The radio creative won three gold and five silvers AWARD awards, with Wellington Zoo named fourth best client in Australasia. Clemenger BBDO is working with us to distil our brand essence.

The Zoo is also working with local data shop DOT loves data to use cutting edge information to make plans for future Zoo developments and improve daily operations. Using a product called Turn Up, we can predict attendance for any given day, week or month – which helps inform staffing levels, plan for Zoo maintenance activities and optimise visitor experience.



PRINCIPAL FUNDER
Wellington City Council
PARTNERS AND SUPPORTERS
Brian Whiteacre Trust
Clemenger BBDO
ComplyWith
DOT loves data
Interislander
Infinity Foundation
J & A Mauger Charitable Trust
Koala Trust
Massey University
Ministry of Business, Innovation & Employment
New Zealand Lottery Grants Board
NZ Bus
NZCT
Pacific Radiology
Pub Charity
Stout Trust
The Holdsworth Charitable Trust
The Lion Foundation
The Warehouse
Think Turf
Tip Top
Trade Me
umbrellar
Wellington Community Trust
Weta Digital

LEAD THE WAY

Model sustainable behaviours

We are passionate about conservation and saving animals in the wild. To do this we have to have a healthy planet. We are really proud of the work we have done to be a sustainable organisation and reduce our environmental impact. This year was no exception to that as we continued to strive to do even more and rise to the challenge

We have gained our carboNZero certification for the fourth time which we marked with a ceremony with Mayor Celia Wade-Brown, the Chief Executive of Enviro-mark Solutions, Wellington Zoo Trust Board Chair and our Green Team.

MEASURE	TARGET 2015-16	STATUS
Maintain carboNZero certification	Achieve	Achieved ✓



It's important to us that our sustainability projects are something that we and our visitors can see and feel. Our Strategic Management Team members went to Pigeon Bush Reserve in the Wairarapa where we offset our carbon emissions through carboNZero. It was a great opportunity to get up close and personal with the impact we are having in this area.

“ We are really proud of the work we have done to be a sustainable organisation and reduce our environmental impact. ”

We engaged the Sustainability Trust to install a solar panel array right on the front entrance building of the Zoo in

February 2016. They should result in approximately 2.3 per cent energy savings, which is critical to our continued certification through carbonZero as energy use is our largest emissions factor. We've had amazing feedback from the community so far, and we are already seeing proof of a reduction in our power usage.

We had restoration planting days in July 2015 and June 2016 to transform a section of Town Belt neighbouring the Meet the Locals He Tuku Aroha site. Over 1,000 plants, donated by Wellington City Council, were planted with the focus on saving animals in the wild and enhancing natural spaces for our community.

“ Part of our sustainability journey is sharing our experience with other organisations. ”

We have worked with our suppliers in the retail space to encourage use of Forest Stewardship Council (FSC) certified materials, and introduced more stock which supports our sustainability and conservation focus. This includes Tumbleweed T-shirts, with a portion of proceeds going towards Kea Conservation Trust, The Nest Te Kōhanga, and Places for Penguins.

Part of our sustainability journey is sharing our experience with other organisations. This year our General Manager Community Engagement shared our story with other companies. She and our General Manager Business and Partnerships gave a presentation to Flick Electric Company with GM Business and Partnerships on the topic of innovation in an old industry. She also shared our sustainability story with Z Energy. She also completed a Sustainable Business Council Leadership for Sustainable Value programme.

We hosted a Sustainable Business Network event in February 2016 about 'Making Change Matter' to find out more about how social and environmental programmes are making a difference.

Our Chief Executive was also voted on to the Board of the Sustainable Business Council this year.

Excellence in animal care

The welfare of our animals at the Zoo is of the highest importance to us. To ensure our high standards are maintained, we have formed a new Animal Science Team lead by the Animal Science Manager. This team includes a Nutrition Advisor, Stores Supervisor and Animal Welfare Advisor.



It's important to us that our animal care is not only up to our high standard but also to the high standards of external experts as well. We were thrilled to receive the Australasian Zoo and Aquarium Association Animal Welfare accreditation this year, highlighting our commitment to high levels of animal care.

“ We were thrilled to receive the Australasian Zoo and Aquarium Association Animal Welfare accreditation this year. ”

MEASURE	TARGET 2015-16	STATUS
Maintain Zoo and Aquarium Association Animal Welfare Accreditation	Achieve	Achieved ✓

Positive culture of professionalism and safety

Gold Agoutis

Our fourth annual Gold Agouti Award evening was a well-attended event which provided the opportunity to recognise, share and celebrate the achievements of our people. The event also incorporates our Aoraki Awards where we recognise the commitment of long serving staff members.

On 11 November 2015 a surprise afternoon tea and celebration was held for Murray Roberts to celebrate an impressive 50 years of working at Wellington Zoo as a Keeper. The event was well attended including the Mayor Celia Wade Brown, Murray's family and staff who all paid tribute to his dedication and commitment to the Zoo.



Values

This year we have completed our work on how we can articulate the Zoo's values. We held workshops with over 85% of our people to define what our Zoo values are. We wanted to ensure all staff had an input into this work, an understanding of how values apply to everyone, and to help us achieve our strategy. We also worked with Neavin Broughton from Taranaki Whanui to identify iwi concepts that align with our values. We're continuing our work to ensure that our values live and breathe and live across the whole organisation.



“We're continuing our work to ensure that our values live and breathe and live across the whole organisation.”

Health and Safety

We are committed to the health and wellbeing of our people. We've carried out fork-lift training, training on the use of epi pens and a defibrillator training session. Our managers have also undertaken resilience training. A series of four resilience workshops facilitated by Sven Hansen from the Resilience Institute have given our managers tools to improve resilience.

We have developed a Bullying and Harassment Policy, definitions, guidelines and procedures as part of our Health and Safety work plan.

We introduced a new role for a Health and Safety Manager in August 2015. This role is dedicated to lifting standards in line with the new health and safety legislation from 1 April 2016. Working with our 2015-16 Health and Safety strategy, the Health and Safety Manager has implemented a number of key tasks in the work plan for monitoring and reporting and increasing staff engagement with health and safety management. These initiatives include making sure our Situation Improvement Team has members from all staff levels and business areas, reporting to staff weekly on health and safety initiatives and achievements, and analysing health and safety trends.

MEASURE	TARGET 2015-16	STATUS
H&S Targets met	ACC work levy discount applied	Achieved ✓



Continued learning

Wellington Zoo is a place for people to learn. This applies to our staff as much as our visitors. This year, our staff had a lot of opportunities to learn on the job. We ran a number of initiatives to embed professional development of our people.



Neavin Broughton, our local Iwi representative, delivered a session to provide all staff with a basic understanding of our iwi stories for Meet the Locals He Tuku Aroha and what our pou korero represent.

Our Chief Executive ran a workshop for our women on 13 January 2016. This session, called A Brave New World, gave insights into resilience, establishing and maintaining networks and proactively taking personal ownership. All staff were invited to a leadership presentation by Rachel Taulelei, Chief Executive of Kono. She spoke about achieving personal success and leadership.

“ Wellington Zoo is a place for people to learn. ”

We utilised our partnership with Nature Connections when their Interpretive Trainer, John Pastorelli, ran a session with our Learning Team to help develop themes and build a tool kit for dealing with different visitor interactions during talks.

September was Bee Aware Month. Before we welcomed bees into our animal collection at Meet the Locals He Tuku Aroha, John Burnet from the Wellington Beekeeping Society delivered a well attended learning session on Bees 101 which left our people in awe of the complex social structure and work of bees.

Our learning calendar was reinstated, and staff had the opportunity to attend a learning session on Herding Small Cats: Behavioural Observation and Welfare Management presented by Dr Bridget Brox, WZ Animal Welfare Advisor. They were also able to attend a learning session ran by Debby Cox, Technical Advisor from the Jane Goodall Institute (JGI). She shared information about the

work she has been doing with the JGI in Africa to save chimps in the wild.

MEASURE	TARGET 2015-16	STATUS
Initiatives to embed professional development of our people	≥8	15 ✓

Structural alignment with strategy

We are continuing to realign our structure to make sure that our work more effectively support our new strategy.

Veterinary Science



With the departure of our Veterinary Science Manager this year we have taken the chance to review our structure and resourcing at The Nest Te Kōhanga. We appointed a The Nest Te Kōhanga Practice Manager and a Senior Veterinarian to ensure resources are in place for the strategic direction for our award winning veterinary hospital.

Animal Care



We have also redesigned our Animal Care Team which has included increased resourcing to more effectively deliver on our new strategy and to mitigate potential risks associated with health, safety and wellbeing. We have established a new Animal Care Manager role which provides for greater consistency, oversight and management of animal care outcomes. Four Animal Care

Team Leader roles will provide expertise, coaching and support on the ground for Keeping staff

The Keeper job description has also been revised and now sets out three levels of technical competency with a progression process that provides for a greater focus on career and professional development and appropriate recognition for different levels of skills, competence and experience.

Finance and People & Culture

In order to best support the Zoo's financial success and provide better services to staff, the role of Finance & Office Assistant was disestablished and two new 0.5FTE roles were created: Procurement & Finance Advisor and People & Culture Advisor.

Learning



Our Learning Team expanded to encompass all aspects of formal and informal learning at the Zoo. The Learning Experience Manager role now oversees the Zoo Educator and Bush Builders Educator as well as the Visitor Ranger team and Visitor Engagement volunteers.

Staff turnover

During this financial year, our staff turnover rate was 17.6 per cent.

“ We are continuing to realign our structure to make sure that our work more effectively support our new strategy. ”

MEASURE	TARGET 2015-16	STATUS
Staff turnover (permanent staff only)	≤20%	17.6% ✓

Staff leading the way

Wellington Zoo Staff represent us on a range of boards and committees and take a leadership role in the conservation field.

“ Wellington Zoo Staff represent us on a range of boards and committees and take a leadership role in the conservation field. ”

Our General Manager Community Engagement now sits on the International Zoo Educators Association (IZE) Board as the Australasian representative. She will look to grow IZE membership and relevance across Australasian Zoos and Aquaria, as well as representing Australasia at the biennial IZE international conference in 2016.

Our Animal Science Manager and Animal Welfare Advisor are members of the New Zealand Animal Behaviour and Welfare Consultative Committee.

This year, Wellington Zoo staff holds seven studbook and species coordinator positions which involves studbook maintenance for particular species in the Australasian region. Our Animal Science Manager holds the studbooks for Tuatara, Meerkats, Porcupines, Nyala and Auckland Green Geckos. He also shares the species coordinator position for Pygmy Marmosets with one of our Keepers; and Cheetah with our Practice Manager.

Our people also play important roles within the Zoo and Aquariums Association (ZAA). Our The Nest Te Kōhanga Practice Manager is the ZAA Cheetah Species Coordinator. This year, she presented at a Cheetah Workshop in Australia on the regional breeding programme. Our Senior Veterinarian has been appointed as the Principal Veterinary Advisor (PVA) for NZ Fauna on the Veterinary Specialist Advisory Group (SAG) for ZAA.

“ Wellington Zoo has been facilitating the introduction of singly-held Kea. ”

Our Chief Executive sits on the ZAA Board as Past President and the New Zealand representative. She also sits on the New Zealand committee for the International Union for Conservation of Nature (IUCN) and the Wellington Conservation Board.

Our Collections Development Manager is the convenor of the Carnivores and Small Exotic Taxonomic Advisory Group (TAG) and the ZAA New Zealand liaison for the Ministry of Primary Industries and Environmental Protection Authority. He is also a member of DOC's Permitting Processing Review Working Group and the Australasian Species Management Programme Committee. Our General Manager Animal Care, is the Ungulate TAG husbandry advisor.

Our Senior Veterinarian is also an adjunct lecturer in the Institute of Veterinary, Animal and Biomedical Sciences at Massey University, and has been appointed as a committee member for the New Zealand Veterinary Association Wildlife Society.

Our Veterinary Nurse has travelled to the South Island to assess three Kea holders in line with Kea Programme work alongside DOC. Kea are a social and intelligent species, so Wellington Zoo has been facilitating the introduction of singly-held Kea. While it was previously thought that it wasn't possible to introduce Kea that had been held alone, we have successfully integrated one pair and progress is well underway with another three Kea.



Sharing our expertise

Our staff presented at conferences throughout the region.

- National Association of Interpretation (US) and Interpretation Network of New Zealand joint conference, Wellington.**
General Manager Community Engagement and Visitor Experience Manager presented on Meet The Locals He Tuku Aroha.
General Manager Community Engagement presented on Nature Connections.
- Zoo and Aquariums Association New Zealand Conference, Rotorua.**
Visitor Experience Manager presented on collaboration.
- Zoo and Aquariums Association New Zealand Conference, Nelson.**
Nutrition Advisor presented on diets
Veterinary Nurse presented on Kea Programme work
Partnerships Manager presented about our Zoo Brew collaboration
Chief Executive presented with General Manager Pukaha Mount Bruce about our Nature Connections partnership
- Zoo and Aquariums Association Conference, Perth.**
Chief Executive and Visitor Experience Manager presented on development and design of Meet the Locals He Tuku Aroha.
Chief Executive presented on the ethics of Animal Encounters
- Victoria University**
Visitor Experience Manager was invited to deliver a guest lecture, and helped form the basis of study for a paper in the Tourism Management degree at Victoria University. The students used the Zoo as a case study to learn about visitor management.
Animal Science Manager presented to the Museum and Heritage Studies course. This year will also see a student from this course undertake a four week placement at the Zoo.
- Other staff member presentations**
Visitor Experience Manager attended the annual National Kiwi Hui in Nelson. As part of that event, there was a national engagement and advocacy working group meeting to discuss the strategic direction regarding Kiwi recovery.
Practice Manager at The Nest Te Kōhanga and Visitor Ranger presented to the Beekeeping Society.
Chief Executive and Animal Science Manager presented at the Ministry for Primary Industries (MPI) Conference in March about Working Together for Wildlife and People Protection
Chief Executive and Animal Science Manager presented at the MPI National Conference in June about Wellington Zoo and MPI Verification Services Better Together.
Senior Veterinarian presented at New Zealand Veterinarian Association Wildlife Society Conference about Microchip Migration into the Infraorbital Sinus of North Island Kākā.

Awards

We are always very pleased when we receive recognition from others for our work. This year, we were extremely proud to get recognition for our organisational progress and achievements.

In July 2015, we were inducted into the Wellington Region Business Hall of Fame. We were one of only eight organisations to have this honour. We were also extremely proud to be named Supreme Award Winner at the 2015 Wellington Region Business Excellence Awards on Friday 6 November, on top of taking out the Not for Profit category. The awards were presented by the Hutt Valley Chamber of Commerce. We were also a Finalist in Wellington Airport Community Award for our annual Neighbours' Night event.

We were very proud of our people who were also recognised for their leadership and achievements this year. Our Chief Executive was a finalist in the 2015 Westpac/Fairfax Media NZ Women of Influence Awards in the Board and Management section. Our General Manager Business and Partnerships was one of three national finalists in the 2015 NZIM/Eagle Technology Young Executive of the Year Awards. Our Veterinary Nurse Angelina Martelli was a Finalist for 2015 NZ Veterinary Nurse of the Year.

“ In July 2015, we were inducted into the Wellington Region Business Hall of Fame.”



Independent Auditor's Report

To the readers of Wellington Zoo Trust's financial statements and performance information for the year ended 30 June 2016

The Auditor-General is the auditor of Wellington Zoo Trust (the Trust). 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 Trust on her behalf.

Opinion on the financial statements and the performance information

We have audited:

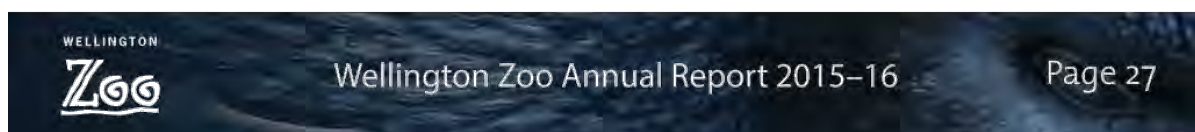
- the financial statements of the Trust on pages 31 to 51, that comprise the statement of financial position as at 30 June 2016, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Trust on pages 4 to 26.

In our opinion:

- The financial statements of the Trust:
 - 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 Trust presents fairly, in all material respects, the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust's objectives for the year ended 30 June 2016.

Our audit was completed on 5 August 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 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 Trust'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 Trust'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;
- the appropriateness of the reported performance information within the Trust'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

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

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

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

Mari-Anne Williamson

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

Statement of Compliance and Responsibility

For the year ended 30 June 2016

Compliance

The Board and management of the Wellington Zoo Trust confirm that all the statutory requirements of the Local Government Act 2002 regarding financial and operational management have been complied with.

Responsibility

The Board and management of the Wellington Zoo Trust accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.

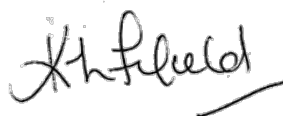
They also accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the financial reporting and performance information of the Wellington Zoo Trust.

In the opinion of the Board and management, the annual Financial Statements for the year ended 30 June 2016 fairly reflect the financial position, results of operations and service performance achievements of the Wellington Zoo Trust.



Craig Ellison
Chairperson and Chairperson Finance, Audit and
Risk Committee

5 August 2016



Karen Fifield
Chief Executive

5 August 2016

Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2016

	Note	Actual 2016 \$000	Budget 2016 \$000	Actual 2015 \$000
REVENUE				
Grants and Operating Revenue	1	6,866	6,253	6,390
Finance Revenue		94	50	114
Operating Revenue		6,960	6,303	6,504
Capital Grants and Donations	1	241	-	1,252
TOTAL REVENUE		7,201	6,303	7,756
EXPENDITURE				
Operating Expenditure	2	6,636	6,282	6,088
Depreciation		14	21	20
Operating Expenditure		6,650	6,303	6,108
Vesting of Capital Grants and Donations	3	167	-	595
TOTAL EXPENDITURE		6,817	6,303	6,703
NET SURPLUS/(DEFICIT) before taxation		384	-	1,053
Income Tax Expense		-	-	-
NET SURPLUS/(DEFICIT) for the year		384	-	1,053
Other Comprehensive Revenue		-	-	-
TOTAL COMPREHENSIVE REVENUE		384	-	1,053

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2016

	Note	2016 \$000	2015 \$000
Equity Opening Balances			
Accumulated Comprehensive revenue and expense		318	306
Restricted Funds		1,624	583
Total Equity-Opening Balance		1,942	889
Changes in Equity			
Retained Earnings			
Transfers from Comprehensive revenue and expense	9	(740)	(1,868)
Transfers to Comprehensive revenue and expense	9	371	827
Restricted Funds			
Transfers from restricted funds	10	(371)	(827)
Transfers to restricted funds	10	740	1,868
Comprehensive Revenue			
Surplus/(deficit) for the year to retained earnings		384	1,053
Total comprehensive revenue		384	1,053
Total changes in equity		384	1,053
Equity Closing Balances			
Accumulated Comprehensive revenue and expense		333	318
Restricted Funds		1,993	1,624
Total Equity-Closing Balance		2,326	1,942

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2016

	Note	Actual 2016 \$000	Budget 2016 \$000	Actual 2015 \$000
ASSETS				
Current Assets				
Cash and cash equivalents	4	2,822	2,053	3,456
Investments		500	-	-
Trade and other receivables	5	416	30	380
Inventories		69	60	64
		<u>3,807</u>	<u>2,143</u>	<u>3,900</u>
Non-Current Assets				
Property, Plant and Equipment	6	35	27	49
Work in Progress	6	-	-	18
		<u>35</u>	<u>27</u>	<u>67</u>
TOTAL ASSETS		<u>3,842</u>	<u>2,170</u>	<u>3,967</u>
LIABILITIES				
Current Liabilities				
Trade, other payables and accruals	7	730	771	1,267
Revenue in Advance		136	200	209
Monies held in trust	7	292	-	262
Employee Benefits	8	346	224	275
		<u>1,504</u>	<u>1,195</u>	<u>2,013</u>
Non-Current Liabilities				
Employee Benefits	8	12	12	12
		<u>12</u>	<u>12</u>	<u>12</u>
TOTAL LIABILITIES		<u>1,516</u>	<u>1,207</u>	<u>2,025</u>
NET ASSETS		<u>2,326</u>	<u>963</u>	<u>1,942</u>
EQUITY				
Accumulated Comprehensive revenue and expense	9	333	380	318
Restricted Funds	10	1,993	583	1,624
TOTAL EQUITY		<u>2,326</u>	<u>963</u>	<u>1,942</u>

The accompanying notes form part of these financial statements

Statement of Cash Flows

For the year ended 30 June 2016

	Note	Actual 2016 \$000	Budget 2016 \$000	Actual 2015 \$000
Cash flows from operating activities				
Cash was provided from:				
Operating Revenue		7,108	6,007	7,679
Interest Received		94	30	114
Net GST Received		-	-	17
Cash was applied to:				
Payments to Suppliers and employees		(7,312)	(6,016)	(6,273)
Net GST Paid		(42)	-	-
Net cash inflow from operating activities	11	(152)	21	1,537
Cash flows from investing activities				
Cash was applied to:				
Purchase of property, plant and equipment		18	-	(18)
Net cash (outflow) from investing activities		18	-	(18)
Net Increase/(Decrease) in Cash and cash equivalents held		(134)	21	1,519
Cash and cash equivalents at beginning of year		3,456	1,400	1,937
Cash and cash equivalents at end of year	4	3,322	1,421	3,456
Made up of:				
Cash and bank balances		1,422	1,421	3,456
Investments		1,900	-	-
Closing Cash Balance		3,322	1,421	3,456

The accompanying notes form part of these financial statements.

Statement of Accounting Policies

For the year ended 30 June 2016

Reporting Entity

The Wellington Zoo Trust (the Trust) is a charitable trust registered under the Charitable Trusts Act 1957 domiciled in New Zealand and is also a council-controlled organisation as defined under Section 6, Part 1 of the Local Government Act 2002, by virtue of the Council's right to appoint the Board of Trustees. The Trust was established on 1 July 2003 by the Wellington City Council.

The financial statements have been prepared in accordance with the requirements of the Charitable Trusts Act 1957 and section 69 of the Local Government Act 2002.

The Trust is reliant on the Wellington City Council (the Council) for the majority of its income and operates under a Contract for Services with the Council. The Contract for Services was negotiated for a period of five years to 30 June 2021. Ongoing funding for the Trust has been approved in the 2015/2025 Long Term Plan.

The primary objective of the Trust is to manage, administer, plan, develop, maintain, operate and promote the Wellington Zoo for the benefits of the inhabitants of Wellington and as an attraction to visitors to Wellington, not to make a financial return. Accordingly, the Trust has designated itself as a public benefit entity for the purposes of New Zealand PBE IPSAS

Under this framework, the Trust is eligible to apply the reduced disclosure regime (Tier 2 entity) of the Public Benefit Entity Accounting Standards.

The reporting period for these financial statements is for the year ended 30 June 2016. The financial statements were authorised for issue by the Board of Trustees on 5 August 2016.

Statement of Compliance with International Financial Reporting Standards

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice. They comply with New Zealand equivalents to PBE IPSAS and other applicable Financial Reporting Standards, as appropriate for Tier 2 public benefit entities.

Measurement Base

The measurement base applied is historical cost. The accrual basis of accounting has been used.

Functional and Presentation Currency

These financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless otherwise stated. As a result of rounding there may be slight discrepancies in subtotals.

Significant Accounting Policies

Critical Accounting estimates and assumptions

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future. The Trust has assessed the financial records and there are no significant critical accounting estimates. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Grants

Grants received from the Wellington City Council are the primary source of funding to the Trust and are restricted for the purposes of the Trust meeting its objectives as specified in the trust deed. The Trust also receives other assistance for specific purposes, and these grants usually contain restrictions on their use.

Grants are recognised as revenue when they become receivable unless there is an obligation to return the funds if the conditions of the grant are not met. If there is such an obligation the grants are initially recorded as grants received in advance, and recognised as revenue when the conditions of the grant are satisfied.

Revenue

Revenue comprises revenue from operating activities, investment revenue, grants and donations and other revenue and is measured at the fair value of consideration received or receivable.

Revenue may be derived from either exchange or non-exchange transactions.

Most of the services that the Trust provides for a fee are subsidised by grants therefore do not constitute an approximately equal exchange. Accordingly most of the Trust's revenue is categorised as non-exchange.

Donated, subsidised or vested assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Such revenue is recognised when control over the asset is obtained.

Interest

Interest revenue is recognised using the effective interest rate method.

Volunteer Services Recognition

The Trust benefits from the service of dedicated volunteers in the delivery of its activities. Due to the difficulty in determining the value of these donated services with sufficient reliability, donated services are not recognised in these financial statements.

Taxation

The Trust is registered as a Charitable Trust and is exempt from income tax under the Income Tax Act 2007. The Trust is not exempt from indirect tax legislation such as Goods and Services Tax and accordingly is required to comply with these regulations.

Goods and Services Tax (GST)

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

Debtors and other receivables

Debtor and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of less than three months.

Investments

Term deposits are initially measured at the amount invested.

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Inventory

Inventories are recorded at the lower of cost (determined on a first-in first-out basis) or net realisable value. This valuation includes allowances for slow moving and obsolete stock. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Property, Plant and Equipment

Recognition

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

The Trust also manages the construction and development of buildings, structures and enclosures on behalf of the Council. These assets are not recorded in the Trust's financial statements as ownership vests in the Council.

Measurement

Property, plant and equipment are valued at historical cost less accumulated depreciation and impairment losses.

The initial cost of property, plant and equipment includes the purchase consideration, and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential is capitalised.

Impairment

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use.

Disposal

Realised gains and losses arising from the disposal of property, plant and equipment are recognised in the Statement of Comprehensive Revenue and Expense in the period in which the transaction occurs.

Depreciation

Depreciation is provided on all assets owned by the Trust excluding assets under construction (work in progress). Depreciation is calculated on a straight line basis, to allocate the cost or value of the asset (less any residual value) over its useful life. The estimated useful lives of the assets are as follows:

Plant

Audio Visual Equipment	3 years
Projector	5 years
Shade Sail	10 years
Hospital Equipment	10 years
Garden Furniture	10 years
Living Room Furniture	15 years
Endoscope	8 years

Furniture and Equipment

Composter	10 years
CCTV	3 years
Incubators	12.5 years

Work in Progress

The cost of projects within work in progress is transferred to the relevant asset class when the project is completed and then depreciated.

Employee Benefits

A provision for employee benefits (holiday leave, long service leave, and retirement gratuities) is recognised as a liability when benefits are earned but not paid. The Trust recognises a liability and an expense for a one off payment where contractually obliged or where there is a past practice that has created a constructive obligation.

Short Term Employee Benefits

Holiday leave (annual leave, long service leave qualified for and time off in lieu) is calculated on an actual entitlement basis at the greater of the average or current hourly earnings in accordance with sections 16(2) & 16(4) of the Holidays Act 2003.

Long service leave (not yet qualified for) and retirement gratuities have been calculated on an actuarial basis based on the likely future entitlements accruing to staff, after taking into account years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and other contractual entitlements information. The present value of the estimated future cash flows has been calculated using an inflation factor and a discount rate. The inflation rate used is the annual Consumer Price Index to 31 March prior to year end.

Other Contractual Entitlements

Other contractual entitlements include termination benefits. Termination benefits are recognised in the Statement of Financial Performance only when there is a demonstrable commitment to either terminate employment prior to normal retirement date or to provide such benefits as a result of an offer to encourage voluntary redundancy. Termination benefits settled within 12 months are reported at the amount expected to be paid, otherwise they are reported as the present value of the estimated future cash outflows.

Provisions

The Trust recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

Other Liabilities and Provisions

Other liabilities and provisions are recorded at the best estimate of the expenditure required to settle the obligation.

Contingent Assets and Liabilities

Contingent liabilities and contingent assets are disclosed in the notes to the financial statements. Contingent liabilities are disclosed if the possibility that they will crystallise is not remote. Contingent assets are disclosed if it is probable that the benefits will be realised.

Animal Collection

In accordance with customary practice among Zoological organisations, animals are not recorded as there is no objective basis for establishing value. Additionally, animals have numerous attributes, including species, age, sex, relationship and value to other animals, endangered status and breeding potential whereby it is impracticable to assign value. Expenditure related to animal acquisitions is expensed in the period of acquisition.

Equity

Equity is the residual interest in the Trust and is measured as the difference between total assets and total liabilities. The components of equity are accumulated surpluses and deficits and restricted funds (special funds, trusts and bequests).

Restricted funds are those reserves that are subject to specific conditions of use whether under statute or accepted as binding by the Trust because of the specific reason for which the funds were provided.

Transfers from these reserves may be made only for specified purposes or when certain specified conditions are met.

Statement of Cash Flows

The statement of cash flows is prepared using the direct approach. Operating activities include cash received from all revenue sources of the Trust and record the cash payments made for the supply of goods and services. Investing activities relate to the acquisition and disposal of assets. Financing activities relate to transactions that change the equity and debt capital structure of the Trust.

Related Parties

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include Wellington City Council, key management personnel and the governing body (Trust Board).

Trustees' remuneration is any money, consideration or benefit received receivable or otherwise made available, directly or indirectly, to a trustee during the reporting period. The disclosures for the Trust include the remuneration of the Trustee board as they occupy the position of a member of the governing body of the Trust.

Changes to Accounting Policies

There have been no changes in accounting policies this year.

Note 1: Revenue

	2016	2015
	\$000	\$000
Exchange Revenue		
Sale of Goods	403	339
Other Corporate Income	113	80
Total Exchange Revenue	<u>516</u>	<u>419</u>
Non-Exchange Revenue		
Admissions	2,975	2,644
Other Revenue	127	303
Contractual Revenue		
Ministry of Education	82	82
Wellington City Council Operating Grant	2,894	2,757
Operating Grants and Donations		
Koala Trust	8	6
Classic Hits	3	5
Fonterra Brands	30	19
Brian Whiteacre Trust	5	-
Department of Conservation	9	-
T G McCarthy	-	10
General Donations	160	85
Trade Me	30	30
Interislander	-	10
Wela	20	-
JAMauger Charitable Trust	3	-
GBC Winstone	4	-
Wellington Community Trust	-	15
Nikau Foundation	-	5
Operating Grants and Donations	<u>272</u>	<u>185</u>
Total Non-Exchange Operating Revenue, Grants and Donations	<u>6,350</u>	<u>5,971</u>
Capital Grants and Donations		
General Donations	54	142
Pub Charity	-	500
New Zealand Community Trust	80	-
Bequests	40	-
Stout Trust	-	50
Lion Foundation	-	30
Lotteries Trust Board	67	500
Infinity Foundation	-	30
Total Non-Exchange Capital Grants and Donations	<u>241</u>	<u>1,252</u>
Total Non-Exchange Revenue	<u>6,591</u>	<u>7,223</u>
Total Revenue	<u>7,107</u>	<u>7,642</u>

Grants and Donations include grants and bequests received for capital and operational purposes of \$513,123. These grants were received for specific purposes. This income is transferred from Retained Earnings to Restricted Funds until it is needed, refer to Note 10.

Note 2: Expenditure on operating activities

	Note	2016	2015
		\$000	\$000
Marketing and Commercial costs		356	268
Auditor's remuneration:			
- Audit Services		22	21
Authorised entertainment		8	6
Consumables		377	365
Cost of goods sold		178	148
Other Costs		800	735
Insurance premiums		9	9
Materials and Services		272	278
Personnel costs		4,269	3,925
Trustee's remuneration	16	88	86
Utilities		257	247
Total Operating Expenditure		6,636	6,088

- Personnel costs include costs such as salaries, wages, leave and other employee earned compensation.
- Other costs include expenditure not separately disclosed, such as:
 - professional costs
 - travel
 - administration costs
 - animal collection costs
 - vehicle fleet costs
 - contracts

Note 3: Vesting of Capital Grants and Donations

Wellington City Council has approved a capital expenditure budget of \$15.661 million towards the Zoo Capital Plan to be spent over the 10 year period, starting in 2006/07. This funding is contingent on the Trust generating external sponsorship funding of \$5.221 million over the duration of the Zoo Capital Plan.

This entry relates to the transfer of these funds to Wellington City Council. In line with the contract for services, this amount is paid on receipt of external sponsorship funding and donations as the Zoo contribution towards the capital plan. The Zoo has transferred funds of \$167K (2015: \$595K) to Wellington City Council in line with our capital spend for this year. Refer to Note 13 for more detail.

Note 4: Cash and cash equivalents

	2016 \$000	2015 \$000
Bank Balances	1,418	3,452
Cash on hand	4	4
Short Term deposits	1,400	-
Total Cash and cash equivalents	2,822	3,456

Note 5: Trade and other receivables

	Note	2016 \$000	2015 \$000
Receivables (Gross)		119	139
Trade Receivables due from Wellington City Council	15	196	221
Less provision for impairment of trade receivables		-	-
Trade Receivables		315	360
GST Receivable		27	-
Prepayments		74	20
		101	20
Total Trade and other receivables		416	380

Trade Receivables comprises:

Receivables from the sales of goods and services (exchange transactions)	88	46
Receivables from transfers (non-exchange transactions)	227	314
	315	360

Further information on the collectability of trade and other receivables is contained in Note 12: Financial Instruments. As at 30 June 2016, no Trade Receivables were assessed as impaired.

Note 6: Property, Plant and Equipment

	2016 \$000	2015 \$000
Operational Assets		
Plant		
Plant at cost – opening balance	48	48
Accumulated depreciation	(39)	(35)
Total Plant – opening balance	<u>9</u>	<u>13</u>
Depreciation Expense	(3)	(4)
Total plant – closing balance	<u>6</u>	<u>9</u>
Furniture and Equipment		
Furniture and Equipment at cost – opening balance	171	171
Accumulated Depreciation	(131)	(115)
Total Furniture and Equipment – opening balance	<u>40</u>	<u>56</u>
Depreciation Expense	(11)	(16)
Total Furniture and equipment – closing balance	<u>29</u>	<u>40</u>
Total Operational Assets	<u>35</u>	<u>49</u>
Work in progress		
Work in progress at cost – opening balance	18	-
Additions	49	18
Other	(67)	-
Capitalised to asset classes	-	-
Work in progress at cost – closing balance	<u>-</u>	<u>18</u>

Note 7: Trade, Other Payables, Accruals and Monies held in Trust

	Note	2016 \$000	2015 \$000
Payables under Exchange Transactions			
Exchange Payables and Accruals			
Trade Payables and Accruals		348	470
Trade Payables due to parent		213	608
Total Payables under Exchange Transactions		561	1,078
Non -Exchange Payables			
Taxes Payable (GST , PAYE)		169	189
Total Payables under Non-Exchange Transactions		169	189
Total Payables		730	1,267
Monies held in Trust			
Donations held in Trust		250	219
Regional Amenities Fund (administered on behalf of Wellington Regional Amenities Fund)		42	43
Total Monies held in Trust		292	262

Note 8: Employee Benefits

	2016 \$000	2015 \$000
Payroll Accruals	72	41
Holiday Leave	274	234
Retirement Gratuities	12	12
Total employee benefits	358	287
Represented by:		
Current	346	275
Non-current	12	12
Total employee benefits	358	287

The retirement gratuities liability is a contractual entitlement for a reducing number of employees who having qualified with 10 years' service will on retirement be entitled to a payment based on years of service and current salary. This entitlement has not been offered to new employees since 1991.



The gross retirement gratuities liability inflation adjusted at 1.8% (2015:2.25%) as at 30 June 2016 after discounting is \$12,344 (2015:\$12,344). The discount rate used is 6.10% (2015:6.10%)

Total annual remuneration by band for employees as at 30 June:

Total Remuneration paid or payable	2016	2015
\$60,000-\$69,999	7	6
\$70,000-\$79,999	8	3
\$100,000-\$109,999	-	1
\$110,000-\$119,999	2	1
\$120,000-\$129,999	1	2
\$130,000-\$139,999	1	-
\$140,000-\$149,999	1	1
\$190,000-\$199,999	-	1
\$200,000-\$209,999	1	-
Total Employees	21	15

This disclosure relates to staff earning in excess of \$60,000.

Note 9: Accumulated Surplus/ (Deficit)

	2016	2015
	\$000	\$000
Accumulated Surplus/Deficit		
Opening Balance	318	306
Net surplus/(deficit)	384	1,053
Transfers from restricted funds	10	371
Transfers to restricted funds	10	(740)
Accumulated Surplus/(Deficit)– closing balance	333	318
Total accumulated surplus/(deficit)	333	318

Note 10: Restricted Funds

	2016 \$000	2015 \$000
Trusts, Bequests and Capital Grants		
Opening Balance	866	206
Additional funds received	523	1,277
Funds utilised	(167)	(617)
Trusts, Bequests and Capital Grants – closing balance	1,222	866
Animal Transfers		
Opening Balance	637	377
Additional Operating Grants and Donations received	-	73
Transfers from Other Operating Revenue	-	243
Funds utilised	(137)	(56)
Animal Transfers – closing balance	500	637
Conservation Fund		
Opening Balance	121	-
Funds received	217	275
Funds utilised	(67)	(154)
Conservation Fund – closing balance	271	121
Opening Balance	1,624	583
Transfers from retained earnings	740	1,868
Transfers to retained earnings	(371)	(827)
Restricted Funds – closing balance	1,993	1,624

The Trust has accumulated funds of \$100 contributed by Wellington City Council upon establishment of the Trust on 1 July 2003.

Restricted Funds: Purpose of each reserve

Trusts, Bequests and Capital Grants are monies received for a specific purpose.

Animal Transfer Reserve Fund is made up of money received specifically for the transfer of animals as well as money that the Trust has tagged from Other Operating Income to fund future animal transfers.

Conservation fund is made up of money received specifically to support field conservation.

Note 11: Reconciliation of Net surplus to Net cash flow from operating activities

	2016	2015
	\$000	\$000
Reported surplus/(deficit)	384	1,053
Add /(deduct) non cash items:		
Depreciation	14	20
Total non-cash items	<u>14</u>	<u>20</u>
Add/(deduct) movements in working capital		
(Increase)/Decrease in accounts receivable	45	101
(Increase)/Decrease in Inventory	(5)	(16)
(Increase)/Decrease in Prepayments	(54)	(10)
(Increase)/Decrease in GST Receivable	(27)	2
Increase/(Decrease) in accounts payable and accruals	(537)	437
Increase/(Decrease) in monies held in trust	30	(71)
Increase/(Decrease) in Employee benefit liabilities	71	13
Increase/(Decrease) in Revenue in Advance	(73)	8
Total working capital movement	<u>(550)</u>	<u>464</u>
Net cashflow from operating activities	<u>(152)</u>	<u>1,537</u>

Note 12: Financial Instruments

The Zoo's financial instrument categories include financial assets (cash and cash equivalents, loans and receivables and financial liabilities (payables that arise directly from operations and borrowings). The main purpose of the Zoo's financial instruments is to raise finance for the Zoo's operations.

Note 13: Commitments

The Trust has a commitment to Wellington City Council (the Council) relating to the Zoo Capital Plan, a 10 year capital programme totalling \$20.881 million which commenced in 2006/07. The Council has approved a capital expenditure budget of \$15.661 million towards the Zoo Capital Plan to be spent over the 10 year period, starting in 2006/07. This funding is contingent on the Trust generating external sponsorship funding of \$5.221 million over the duration of the Zoo Capital Plan.

Wellington City Council has approved this funding subject to the following:

- That the Trust manages its projects within the annual capital expenditure budgets.
- Wellington City Council Officers monitor the projects and review their status prior to tendering for any construction contracts.

- Wellington City Council Officers will not authorise any contracts that would result in a material overspend of Wellington City Council capital expenditure budgets.

As at 30 June 2016, the Trust has transferred funds of \$5.243 million to the Council and has completed the commitment for the Zoo Capital Plan.

The Trust had no operating lease commitments as at 30 June 2016. Payments due not later than one year Nil, payments due between one to two years Nil (2015:Nil).

Note 14: Contingencies

The Trust had no contingent liabilities as at 30 June 2016 (2015:Nil).

Note 15: Intra group transactions and balances

	2016 \$000	2015 \$000
Expenditure for services provided to the Zoo from WCC:		
Wellington City Council	842	664
	<u>842</u>	<u>664</u>
Revenue for services received by the Zoo from:		
Wellington City Council	2,898	2,764
	<u>2,898</u>	<u>2,764</u>
Current receivables owing to the Zoo from:		
Wellington City Council	196	221
	<u>196</u>	<u>221</u>
Current payables owing from the Zoo to:		
Wellington City Council	213	608
	<u>213</u>	<u>608</u>

Note 16: Related Party disclosures

Key Management Personnel Compensation

	2016 \$000	2015 \$000
Salaries and other short term employee benefits	923	901
Total Key Management Personnel Remuneration	<u>923</u>	<u>901</u>

Key management personnel include the Chief Executive, other senior management personnel and Trustees.

Trustee's Remunerations

Trustee's remuneration is any money, consideration or benefit received, receivable or otherwise made available, directly or indirectly, to a trustee.

The following people held office as trustees of the Zoo during the reporting period. The aggregate remuneration paid to the trustees during the year totalled \$88,000 (2015:\$85,783) and is disaggregated and classified as follows:

Trustee Remuneration	2016 \$000	2015 \$000
Craig Ellison	24	9
Frances Russell	16	16
Linda Meade	16	16
Alan Dixon	-	4
Raewyn Bleakley	16	9
Ross Martin	16	32
Councillor Sarah Free	-	-
Total Trustee Remuneration	88	86

	2016	2015
Trustees		
Remuneration	\$ 88,000	\$ 85,783
Full-time equivalent members	4.50	4.36
Strategic Management Team		
Remuneration	\$ 835,115	\$ 815,452
Full-time equivalent members	6.00	6.00
Total Key Management Personnel Remuneration	\$ 923,115	\$ 901,235

Full time equivalent calculations for Trustees are based on number of months in employment and for the Chief Executive and other senior management personnel are based on 2,080 hours. Wellington City Councillors CCO Trust Board appointments are unpaid positions.

Related party transactions

During the year trustees and key management, as part of a normal customer relationship, were involved in minor transactions with the Trust.

The Trust receives a grant from the Wellington City Council under a Contract for Services. In addition, the Wellington City Council receives/(pays) amounts for the provision/(receipt) of other goods and services. These other transactions are conducted on an arms-length basis. The amounts owing to/from related party balances are disclosed in Note 16.

Funds received for services provided to the Zoo Aquarium Association (ZAA) in 2016 of Nil (2015:\$3,616.40). Karen Fifield who is the Chief Executive of the Zoo was the President of ZAA until May 2015 and is currently Past President and New Zealand representative with voting rights. This transaction was also conducted on an arms-length basis.

Funds received for services provided to the New Zealand Transport Agency in 2016 of \$3,005.00 (2015:\$1,800.09). Raewyn Bleakley who is a trustee of the Zoo is also the Regional Director Central of The New Zealand Transport Agency. This transaction was also conducted on an arms-length basis.

The Trust also purchased services from the Zoo Aquarium Association (ZAA). These services cost \$44,241.19 (2015:\$40,633.80) and were supplied on normal commercial terms. There was an outstanding balance for unpaid invoices at year end of \$Nil (2015: Nil). Karen Fifield who is the Chief Executive of the Zoo was the President of ZAA until May 2015 and is currently Past President and New Zealand representative with voting rights.

The Trust also purchased services from Aotearoa Fisheries. These services cost \$5,095.89 (2015:\$3,803.96) and were supplied on normal commercial terms. There was an outstanding balance for unpaid invoices at year end of \$Nil (2015: Nil). Craig Ellison who is Chair of the Trust is also the Director of Aotearoa Fisheries.

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2015:\$Nil).

Note 17: Severance Payments

In accordance with the Schedule 10, section 19 of the Local Government Act 2002, the Zoo is required to disclose the number of employees who received severance payments during the year and the amount of each severance payment made.

Severance payments include any consideration (monetary and non-monetary) provided to any employee in respect of the employee's agreement to the termination of their employment with the Trust. Severance payments exclude any final payment of salary, holiday pay and superannuation contributions.

For the year ended 30 June 2016, the Trust made two severance payments. \$27,071.68 (2015:\$30,635.84).

Note 18: Events after balance date

There were no significant events after balance date that affect the financial statements

TRUSTEES



*Craig Ellison (Chair), Ross Martin (Former Chair), Raewyn Bleakley, Linda Meade,
Frances Russell (Deputy Chair), Councillor Sarah Free.*

REVIEW OF QUARTER ONE REPORTS FOR THE COUNCIL CONTROLLED ORGANISATIONS FOR THE PERIOD ENDING 30 SEPTEMBER 2016

Purpose

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

Recommendations

That the Council Controlled Organisations Sub-committee:

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

Background

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

Discussion

6. Quarterly reports have been received from the following entities for consideration by the sub-committee and are attached as appendices:

- Basin Reserve Trust
 - Karori Sanctuary Trust
 - Wellington Cable Car Limited
 - Wellington Museums Trust
 - Wellington Regional Economic Development Agency Limited
 - Wellington Regional Stadium Trust (half year reports only)
 - Wellington Zoo Trust
7. The first quarter reports have been reviewed by officers to assess any risks or issues and where any significant issues were identified these have been discussed with the relevant entity.
8. Representatives of the entities covered in this report will attend the sub-committee meeting to present the quarterly report and answer any questions from the sub-committee.
9. **BASIN RESERVE TRUST**

ACTIVITY SUMMARY

Q1 is typically the quietest period in terms of sports and other events held at the Basin Reserve. However, the Trust has successfully encouraged use of the ground during the off-season by a number sporting and non-sporting groups.

The cricket programme for the 2016/17 season has been negotiated successfully with NZ Cricket and will include a Bangladesh Test Match – (12-16) January 2017; South Africa Test Match – (16-20) March 2017; 4 Plunket Shield Matches; 4 Ford Trophy Matches; 4 Georgie Pie Super Smash Matches; 1 Basin Blast T20 – Wellington vs Melbourne Stars; 4 Days of Women's Domestic Cricket

The Basin Reserve is now confirmed to host the Wellington leg of the Winery Concert Tour on 11 February 2017. It should be noted that this date coincides with a Preliminary Final of the Ford Trophy and the Women's Domestic Finals. In the case of the Wellington Firebirds, they will need to play away if they earn the right to host this particular preliminary final. The Wellington Blaze will host at Karori Park if they likewise earn the right to host.

Events

- 5 club rugby matches.
- 6 Functions

Training

- 4 Wellington Phoenix training sessions
- 13 Wellington Firebirds training session

Repairs and Maintenance

- Exterior maintenance works to the RA Vance stand began in Q1 and will continue into Q2 – with a planned interruption for two test cricket matches.
- Repair of sewerage drains behind the RA Vance stand and removal of the perimeter fence in this area.
- Painting picket fence and general repairs and maintenance in the ground including full prune of the Pohutukawa trees.

Other activity

- The Basin Reserve Trust unveiled a new logo and website (www.basinreserve.co.nz). The website is now live and includes details on the ground's history, upcoming events, and the Master Plan redevelopment process.



Basin Reserve Master Plan

- The Trust has been closely involved with the Whole of Basin design work by being undertaken by Tennant Brown for Council in terms of the Master Plan.

SUMMARY FINANCIALS

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

FINANCIAL PERFORMANCE (\$000)	Budget Q1	Actual Q1	Variance Q1	Budget YTD	Actual YTD	Variance YTD	Budget FYE
Total Revenue	271	298	27 ✓				823
Total Expenses	183	216	(33) ✗				814
Net Surplus (Loss)	88	82	(6) ✗				9
FINANCIAL POSITION							
Total Assets	1,023	963	(60) ✗				908
Total Liabilities	179	222	(43) ✗				142
Equity	844	741	(103) ✗				766
CASH FLOWS							
Total Net Cash Flows	74	109	35 ✓				11
Opening Cash	65	109	44				65
Closing Cash	139	218	79				76

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

- The Trust had an operating surplus for the quarter of \$82k after allowing for depreciation of \$25k, \$6k short of budget.
- While the Trust's income was \$27k (10%) ahead of budget expenditure was \$33k above budget as a result of the timing of some ground maintenance work.
- The Trust is sound with equity of \$741k and cash on hand of \$218k.

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

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

Q1	Q1	3 Year

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

MEASURE		30 Sep 15	30 Sep 16	Trend	Comments
Cricket events	Actual	0 ✓	0 ✓	→	Cricket begins at the Basin in Q2.
	Target	0	0		
Other sports events	Actual	18 ✓	5 ✗	→	
	Target	6	14		
Community events	Actual	10 ✓	4 ✗	→	
	Target	0	8		
Function bookings	Actual	n/a	6 ✓	n/a	No recorded in previous years and the KPI figures are an estimate given caterers have been in operation less than a year.
	Target	n/a	2		
Practice facility usage days	Actual	1 ✓	13 ✓	→	
	Target	0	0		
Numbers attending events	Actual	900 ✓	790 ✗	→	
	Target	800	1000		

Operational targets have not been achieved largely as a result of the RA Vance Stand refurbishment project (currently underway) which restricts access to parts of the ground and impacts utilisation of the facilities.

- Other sporting events: Phoenix Academy trainings have shifted to Boyd Wilson and shortly Martin Luckie Park. Slightly less Club Rugby games than expected.
- Community events: The RA Vance stand project has made the ground less useable for groups such as St Marks School.
- Practice facility usage days:
- Numbers attending events: Below target due to RA Vance stand works.

ISSUES & OUTLOOK

Stage One of the RA Vance stand refurbishment and removal of scaffolding in time for preparations for the Bangladesh test beginning on 12th January 2017.

- This stage of the project is progressing on time and despite very tight timeframes no issues are expected.
- The refurbishment is being monitored by the Council's project manager (Shand Shelton) with oversight from Council and Cricket Wellington.

Following the Bangladesh cricket test in January, in March the Basin Reserve will host the second test in a three test series with South Africa, beginning on 16th March 2017. Between the Bangladesh test in January and the South Africa test in March, the exterior works on the RA Vance stand will be completed (including the installation of new seating).

10. KARORI SANCTUARY TRUST

ACTIVITY SUMMARY

In the first quarter to 30 September 2016 Zealandia welcomed a record 22,899 visitors and recorded 10,752 memberships, both of these results tracking well ahead of target.

To celebrate Conservation Week, Zealandia held a gold coin Conservation Day event in September hosting over 2,500 visitors.

Zealandia appointed two new staff in the Conservation team this quarter with Danielle Shanahan starting as the Manager, Conservation, Research, Learning and Experience and also Jo Ledington as the Lead Ranger, Conservation.

The breeding season got underway with the first kaka eggs of the season discovered on 12 September. Kākāriki, tīeke, pīwakawaka, toutouwai and kererū are also known to be incubating. Hihi have started nest building. Shining cuckoo arrived for the summer on the morning of 19 September.

Fifty-four tīeke were banded as part of a monitoring programme to determine the genetic health of the Zealandia population. Feather samples were collected for analysis by a student in the future.

The annual poison operation for mice was completed as scheduled in July when all bait that remained un-eaten was retrieved from bait stations.

The relationship with conservation and parks staff at the Council is strong and continues to grow as both organisations work increasingly closely together to develop new projects and responses to the Predator-Free Wellington announcement.

Three electric vehicle charging stations were installed as part of a partnership between Zealandia, Wellington City Council and Wellington Electricity.

The Zealandia and Victoria University Memorandum of Understanding Steering Committee is making progress towards the establishment of a research centre at Zealandia.

The Thought Leaders Council was established in early 2016 with Professor Charles Daugherty as the inaugural Chair. The most recent member to join the Council is Dr Lena Chan, Director of the Centre for Biodiversity in Singapore.

The sale of the Visitor Centre to the Council and repayment of the loan from the Council was completed just after the quarter end, on 7 October.

SUMMARY FINANCIALS

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

FINANCIAL PERFORMANCE (\$000)	Budget Q1	Actual Q1	Variance Q1	Budget YTD	Actual YTD	Variance YTD	Budget FYE
Total Revenue	691	803	112 ✓				3,782
Op. Exp. before Depn & Int.	846	798	(48) ✓				3,470
Earnings before Depn & Int.	(155)	5	160 ✓				312
Net Surplus (Loss)	(389)	(140)	250 ✓				942
FINANCIAL POSITION							
Total Assets	14,360	15,272	913 ✓				13,739
Total Liabilities	11,608	11,340	(268) ✓				11,222
Equity	2,752	3,932	1,180 ✓				2,517
CASH FLOWS							

SUMMARY FINANCIALS

Total Net Cash Flows	(42)	94	135 ✓	12
Opening Cash	609	940	331	609
Closing Cash	567	1,034	466	621

The positive variances to budget reflect the Trust's control of operating expenditure, improvements in the efficiency of the trading activities and the higher than forecast visits to Zealandia. This is a very good performance given that Q1 is generally the 'low season' for Zealandia. Higher than expected admissions revenue and better than expected café sales have underpinned this Q1 result.

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

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

MEASURE		Q1	Q1	3 Year	Comments on trend
		30 Sep 15	30 Sep 16	Trend	
Visitors	Actual	21,501 ✓	22 899 ✓	↗	Strongly improving trend.
	Target	18,307	13,496		
Students & education visits	Actual	1,572 ✗	2,259 ✓	↗	Improving trend.
	Target	2,197	1,818		
Full costs to Council*	Actual	\$365k ✓	\$475k ✗	n/a*	Council's costs not controlled by the Trust.
	Target	\$378k	\$383k		
Annual measures to 30 Jun 17					
The Trust reports quarterly.					
Council subsidy (\$/visit)	Actual	\$10.17 ✗	\$9.55 ✗	↗	Trends improving and will meet target by year end.
	Target	\$9.12	\$9.35		
Average revenue** (\$/visit)	Actual	\$26.68 ✓	\$24.73 ✗	→	Trend stable but beginning to improve.
	Target	\$25.90	\$25.96		
Non-Council funding	Actual	\$56,617	\$70.751	n/a*	New target with insufficient trend data.
	Target	\$250,000	\$250,000		
Individual members	Actual	9,888	10,752 ✓	↗	Above target and on an improving trend.
	Target	10,200	10,400		

* This measure is owned by Council and includes costs which the Trust does not control (e.g. interest cost on its Council loan) plus grant funding. ** Revenue per visit excludes interest, Council and government grants.

Visitations in totalled 22,899 up 1,398 (6.5%) on the same time last year and up 9,403 (70%) on target perhaps signalling a sustainable lift in visitation. The milder winter and more sunny days were a contributing factor, along with the growing reputation nationally and internationally as a must-visit location.

Local residents continue to be the greatest source of visitors to Zealandia, with 13,322 (58%) of the total 22,899 visitors in quarter one from the Wellington region. Four visits to Zealandia numbered 568 which was 68 (14%) higher than the first quarter for 2015/16.

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

At the end of September 2016 Zealandia had 10,752 members, continuing the upward trend that began from November 2014 and already surpassing the full year end (30 June 2017) target. In quarter one, 1,403 members renewed their membership and 603 new members joined.

The Council subsidy per visit, at \$9.55 this quarter, is tracking slightly above the annual target but is expected to be met with visitation above quarter one target by 70% already.

The average revenue per visit, at \$24.73, is tracking just below its annual target but Q1 is not seasonally representative and expected to meet the full year target of \$25.96 by the year end.

ISSUES & OUTLOOK

No issues to note.

The Trust has nearly 8,000 tours booked from October 2016 to March 2017, up over 1,300 (25%) on last season.

Zealandia's planning for the translocation of rifleman in March 2017. The first species transfer outside the fence (of rifleman as well) is being planned for Otari-Wilton in early 2018.

Pest plant management and monitoring is scheduled for quarters two and three.

Discussions are in progress between Zealandia and Victoria University of Wellington with regard to plans for the establishment of a research centre and a long-term research strategy. The Thought Leaders Council will be engaged in quarters two and three to begin establishing the plans for the research programme with VUW.

11. WELLINGTON CABLE CAR LIMITED

EXECUTIVE SUMMARY	
<p>The Cable Car operation was out of service for the 10 weeks in the early part of the quarter while the company completed the installation of a new electric drive and system controller, and refurbished the cable cars.</p>	
<p>During the quarter, the company continued to develop its business case which is aimed at having the Cable Car integrated with the Metlink public transport network.</p>	
<p>Tendering for the decommissioning of the overhead network was initiated. Responses to the tender process are expected to have been received and evaluated before 31 December which will help to quantify the likely cost of the decommissioning project. The decommissioning project will not commence until 2018 and will be a significant programme of work for the company at the time.</p>	
<p>The overhead network division has experienced strong growth in requests for UFB attachments to its network as part of the rollout of UFB within Wellington. However, the company is also having some difficulty concluding user licence agreements which is influencing the negotiations between the company and prospective buyers of the overhead network poles.</p>	
<p>The company's Cable Car division has worked closely with the Council in relation to the Cable Car Lane urban redevelopment project, including the canopy replacement. This project has run over time and is likely to have inconvenienced cruise ship passengers who are a large market segment of the Cable Car's passengers at this time of the year.</p>	
<p>The combination of the upgrade of the Cable Car and works in Cable Car Lane resulted in significantly lower (than budget) passenger trips during the quarter and a revenue shortfall of \$134,177 (39% below budget).</p>	

SUMMARY FINANCIALS							
* Variance (Actual minus Budget). ✓ Favourable variance to budget ✗ Unfavourable variance to budget							
FINANCIAL PERFORMANCE (\$000)	Budget Q1	Actual Q1	Variance Q1	Budget YTD	Actual YTD	Variance YTD	Budget FYE
Total Revenue	1,508	1,078	(430) ✗				7,279
Total Expenditure	1,677	1,394	283 ✓				7,057
Net Surplus (Loss) after tax	(232)	(439)	(207) ✗				223
FINANCIAL POSITION							
Total Assets	--	10,903					10,430
Total Liabilities	--	1,869					2,255
Equity	--	9,034					8,175
CASH FLOWS							
Total Net Cash Flows	--	(438)					1,152
Opening Cash	--	2,100					1,222
Closing Cash	--	1,662					2,374
<p>The after tax loss for the quarter was \$439k against a forecast loss of \$232k. The main driver to the \$207k negative variance was the Cable Car division with revenue below budget by \$134k due to the reduction in passenger trips and additional maintenance cost of \$57k relating to the refurbishment of the cable cars.</p> <p>In the overhead network division, operating costs were below budget due to reactive maintenance coming in less than planned and delayed timing of pole replacements.</p>							

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

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

MEASURE	Q1		Q1	3 Year	Comments
	30 Sep 15	30 Sep 16	Trend		
Passenger trips	Actual	206,998 ✓	107,020 ✗	→	Passenger numbers are relatively steady.
	Target	186,854	149,815		
Fare income	Actual		210,316 ✗	↗	The trend for fare income and average fare per passenger is improving.
	Target		344,493		

The company's performance against budget in quarter 1 has been influenced by the 10 week shut down of the service from 7 June to 18 August. Passengers are 47,795 (29%) below target for the quarter and revenue is \$134,177 (39%) below budget. Passenger numbers and revenue recovered in September and are slightly ahead of September 2015.

ISSUES & OUTLOOK

The company has prepared a business case that considers that the Cable Car becomes part of the Metlink public transport network. This would allow the company to benefit from public transport subsidies from central and local government. This action is considered important for the future of the Cable Car and the company expects to spend Q2 and Q3 promoting its case for joining the Metlink public transport network.

12. WELLINGTON MUSEUMS TRUST

EXECUTIVE SUMMARY

Total visitation across the Trust's six facilities was 126,336 (7,436 above the SOI projections of 118,900 for Q1). City Gallery, Wellington Museum and Capital E all exceeded expectations (in aggregate 15,397 above targets) while the Cable Car Museum was impacted by the closure of the Cable Car service (coming in below target by 8,207). Space Place was on target at just over 10,800 visitors for the quarter.

The Trust successfully transitioned from its unsuitable financial accounting system (SAP) to a fit-for-purpose solution (Xero) and is now enhancing its 'real time' reporting capabilities with appropriate add-ons. This is expected to be fully implemented by 31 December 2016.

Dr Sarah Rusholme was been appointed to the new role of Director, Children & Young People with responsibility for Capital E and commenced her new role on 10 October.

Programmes:

- Sister Corita's Summer of Love opened in the upstairs galleries at City Gallery in July. The exhibition is a joint project between City Gallery Wellington and Govett-Brewster Art Gallery. High profile American scholar Thomas Crow gave a lecture at City Gallery during September in support of the Sister Corita's Summer of Love exhibition.
- City Gallery's Fiona Pardington: A Beautiful Hesitation exhibition travelled to Christchurch Art Gallery. The exhibition curator Aaron Lister assisted with the installation in Christchurch and City Gallery Director Elizabeth Caldwell was one the guest speakers at the opening.
- Craft Camp was run in City Gallery's Education studio during the July school holidays and Top Art, the annual NZEA touring show of NCEA 2015 folios was held in the Old Hirschfield Gallery.
- The Mary Fisher exhibit in The Attic at Wellington Museum has been updated to include her recent gold medal at the Rio Paralympics (the updates to the exhibit have been co-produced with Capital E).
- The three winning films from the Roxy5 Short Film Competition have been re-shot and edited with the students and film industry mentors. The films will be finished by mid-November after the students work alongside Park Road Post Production staff to complete the final stages of post production. These films will be part of the Capital E National Arts Festival next year.

SUMMARY FINANCIALS

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

FINANCIAL PERFORMANCE (\$000)	Budget Q1	Actual Q1	Variance Q1	Budget YTD	Actual YTD	Variance YTD	Budget FYE
WELLINGTON MUSEUMS TRUST (EXCL. SPACE PLACE)^							
Total Revenue	2,942	2,571	(371) ✗				11,765
Opex before Depreciation	2,861	2,419	(442) ✓				11,447
Depreciation	106	185	79 ✗				425
Net Surplus (Loss)	(27)	(34)	(7) ✗				(108)
SPACE PLACE^							
Total Revenue	234	215	(19) ✗				935

SUMMARY FINANCIALS

Opex before Depreciation	270	256	(14) ✓		1,074
Net Surplus (Loss)	(37)	(42)	(5) ✗		(149)
FINANCIAL POSITION					
Total Assets	6,916	8,377	1,461		5,105
Total Liabilities	2,864	3,718	854		1,300
Equity	4,053	4,659	606		3,804
CASH FLOWS					
Total Net Cash Flows	1,707	1,518	(189) ✗		(115)
Opening Cash	837	1,714	877		837
Closing Cash	2,544	3,232	688		722

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

This year the Trust has implemented a new financial accounting system which is already providing immediate improvements to the reporting capability of the Trust across its various activities. Going forward, the new system will assist the budgeting at various activities' to be more accurate and will make reporting more meaningful. However, during the transition (this financial year) we are likely to see some variances in some of the reporting. However, the Trust is not expecting to record material variances in bottom line figures at year end.

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

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

MEASURE		Q1	Q1	3 Year	Comments
		30 Sep 15	30 Sep 16	Trend	
Council grant/visit	Actual	\$11.11 ✗	\$16.79 ✗	↘	Q1 is not seasonally representative with the annual target but a declining metric nonetheless.
	Target	\$11.09	\$10.45		
Fully costed visitor subsidy	Actual	\$16.48	\$17.98	n/a	Measure controlled by Council. Trend data not available.
	Target	\$15.13	\$		
Average spend/visit	Actual	\$2.46 ✗	\$2.22 ✗	→	Average spend per visit is shows a steady trend.
	Target	\$2.61	\$3.52		
Total visits	Actual	147,070 ✓	126,336 ✓	↗	Trend of steady growth in total visitor numbers.
	Target	142,667	118,900		
Cable Car	Actual	40,642 ✗	26,993 ✗	→	Steady.
	Target	50,830	35,200		
City Gallery	Actual	49,157 ✓	41,553 ✓	↗	Growing visitation.
	Target	37,500	36,000		
Capital E	Actual	25,016 ✓	17,646 ✓	↗	Improving trend.

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

	Target	15,575	13,650		
Wellington Museum	Actual	19,540 ✗	28,848 ✓	↗	Improving trend.
	Target	28,200	23,000		
Space Place	Actual	12,207 ✓	10,888 ✓	→	Relatively steady between 45k and 50k visitors.
	Target	10,012	10,764		

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

The Q1 visitation of 126,336 was 7,436 (6%) above target and led by strong figures for Wellington Museum, City Gallery & Capital E offsetting disruption at the Cable Car Museum.

- Cable Car: Despite missing its Q1 target due to the closure of the Cable Car service, the full year target is expected to be met due to strong cruise ship numbers.
- City Gallery: Increased venue hire and public programme activity contributed to a good Q1 result.
- Capital E: Successful Q1 led by higher than expected attendances at Digital offerings and high participation in school holiday programmes.
- Wellington Museum: School holidays and continuing interest in The Attic contributed to the best Q1 visitation performance in several years.
- Space Place: On target for the quarter. School holidays help to boost visitor numbers.

ISSUES & OUTLOOK

The City Gallery was closed from Monday 17th October until Friday 18th November. The Cindy Sherman exhibition at City Gallery opened on 19th November and runs until 19th March 2017. Entry fee \$12.00. This exhibition is expected to be very successful and Council has supported the exhibition with a grant from the City Growth Fund.

13. WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LIMITED

14. EXECUTIVE SUMMARY

Tourism and marketing

- Singapore-Canberra-Wellington route commenced in September, a number of activities were undertaken to promote the new service
- Visitor arrivals up for the quarter driven by the new Singapore route
- Domestic visitor spend up 3.4%, Australian visitor spend up 8.4%
- Marketing support for WOW and the Bledisloe Cup
- Website visitation up 9%
- Domestic winter campaign, *Will You Welly Me*

Events

- Bledisloe Cup match a sell out with 11,000 visitors from out of region
- The nearest accommodation for the Lions visit next year is Palmerston North, Wellington and the region are fully booked
- Beervana hosted 10,000 people with 40% from out of region
- Wellington Visa on a Plate increased the number of outlets participating by 9.5% with a 5.2% increase in ticket sales
- Wellington has won the rights to host the World Football Cup playoff match with the 5th ranked South American team, currently Argentina, this match is dependent on New Zealand winning the Oceania group.
- WOW commenced its season with extra shows and high ticket sales
- Two major concert events secured, Kith Urban and Guns n Roses

Economic Development

- Funding from Kiwibank, Callaghan, Xero and Microsoft for Creative HQ to deliver the Kiwibank FinTech accelerator
- Won the tender to deliver the next R9 GovTech accelerator, the previous program is a finalist in 2016 Innovation awards.
- Regional Business Partner program progressing
- Assisted businesses to access 37 R&D internship grants of \$306,000, 15% of the national total.
- International student visa applications up 3% in Wellington compared with decreases in other centres
- Concentrix (previously Minacs) service support centre starts the process to commence its Wellington operations

Venues

- 50,000 conference delegates hosted, including hosting of the ITx conference, ARISE Church
- Disney on Ice hosted 39,000 patrons, 39% from out of region.

SUMMARY FINANCIALS

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

FINANCIAL PERFORMANCE (\$000)	Budget Q1	Actual Q1	Variance Q1	Budget YTD	Actual YTD	Variance YTD	Budget FYE
Total Revenue	7,995	8,637	642 ✓				27,833
Total Expenses	6,191	7,741	1,550 ✗				27,857
Net Surplus (Loss)	1,804	896	908 ✗				(24)
FINANCIAL POSITION							
Total Assets	4,776	6,949	2,173 ✓				3,902
Total Liabilities	1,442	4,551	3,109 ✗				2,383
Equity	3,334	2,398	936 ✗				1,519
CASH FLOWS							
Total Net Cash Flows	408	1,200	792 ✓				16
Opening Cash	1,958	1,958	0				1,958
Closing Cash	2,366	3,158	792				1,975

Comments

- Revenue is up on budget due to higher grant payments for Major Events reflecting their contractual commitments for the quarter. This also has had a corresponding increase in actual expenses when compared with budget.
- There was no drawdown of Destination Wellington funding during the quarter, reducing revenue to some extent.
- Total assets are up reflecting higher cash received in advance of providing the services.

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

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

MEASURE		Q1	YTD	Trend	Comments
		30 Sep 16			
Increase share of international students market	Actual	n/a		↗	YTD student visa applications up 3% compared with decreases of 5% in Auckland and 3% in Christchurch.
	Target	7%			
Permanent arrivals [^]	Actual	3,430		↗	
	Target	2,000			
Commercial guest nights ^{^^}	Actual	663,303		↗	Increase in the commercial guest nights compared with the comparative period in 2015.
	Target	650,000			
Estimated visitor spend (\$m) ^{^^}	Actual	\$455.9m		↗	
	Target	\$420m			
Major event attendances	Actual	172,341		↗	ME attendances ahead of budget for Q1 and is expected to achieve the year budget of 600,000. 23% of the visitors were from out of region.
	Target	150,000			
Value of facilitated screen production (\$m)	Actual	\$8.7m		→	The new Peter Jackson production is expected to commence in Q3
	Target	\$25m			

KPI DASHBOARD <i>(The table contains a selection of KPIs and is not a complete list)</i>				
Venues utilisation	Actual	56%	→	Q1 impacted by WOW using TSB for rehearsal for the first time
	Target	65%		
Sources				
<ul style="list-style-type: none"> ^ Statistics New Zealand ^^ Ministry of Business Innovation & Employment 				
Commentary				
<ul style="list-style-type: none"> • All number of KPIs are only measured on an annual basis when statistics are available, therefore at this stage only estimates are available • At this stage it is expected that all measures will be achieved by year end 				

ISSUES & OUTLOOK
Summary
<ul style="list-style-type: none"> • Concentrix I continue with the expansion of their operations • WOW completes a successful season in Q2 • Capital Connection (Wellington – Canberra- Singapore) continues following its commencement in late September • Potential impact of the earthquake on tourism, both locally and nationally • Move to one premises in the new year.

15. WELLINGTON REGIONAL STADIUM TRUST

The Wellington Regional Stadium Trust provides a half year report to 31 December and full year report to 30 June. The Trust does not produce quarterly reports. The Trust will be presenting its annual report to 30 June 2016 to the sub-committee and will provide a verbal update on the first quarter at the meeting.

16. WELLINGTON ZOO TRUST

ACTIVITY SUMMARY
Wellington Zoo had 51,652 visitors during the first quarter of the financial year. This is 3,339 (7%) ahead of the Q1 target.
Winter Wednesdays in August were well attended – an increase of 12.5% on last year.
The injured bird community workshop presented at the Wellington Zoo by staff from The Nest Te Kōhanga, alongside DOC and SPCA, was a success with 100% of the survey respondents agreeing that the workshop met its objectives and that they would recommend this workshop to others.
Meet the Locals He Tuku Aroha won a Resene Total Colour Maestro award (runner up) in the Landscape category at the Resene Total Colour Awards event held on 14 September 2016.
The Twilight Te Ao Mahina is now open after work was done to improve the animal habitat for both Kiwi and Tuatara.
Wellington Zoo participated in Visa Wellington on a Plate in partnership with Blue Carrot Catering. Zoo hosted 109 guests (maximum capacity was 130 guests).
Ben Dowdle from Unmask Palm Oil spoke to staff and guests about the impacts of palm oil production and consumer choice in the lead up to our Ask for Choice campaign to advocate for change in palm oil labelling. Mandatory labelling will help everyone to choose sustainable palm oil – and, in turn, help Sumatran tigers, orangutans and thousands of other animals that rely on these wild habitats to survive.
Wellington Zoo has joined forces with Auckland Zoo, Hamilton Zoo, Orana Wildlife Park to support Unmask Palm Oil in a campaign that's demanding clear labelling of palm oil on all food products.
Tip Top joined Wellington Zoo to support the launch of Unmask Palm Oil campaign. All proceeds from the ice cream sales were donated to the Zoo.

SUMMARY FINANCIALS							
* Variance (Actual minus Budget). ✓ Favourable variance to budget ✗ Unfavourable variance to budget							
FINANCIAL PERFORMANCE (\$000)	Budget Q1	Actual Q1	Variance Q1	Budget YTD	Actual YTD	Variance YTD	Budget FYE
Total Revenue	1,593	1,921	328 ✓				6,942
Total Expenses	1,735	1,763	28 ✗				6,942
Net Surplus (Loss)	(142)	158	300 ✓				0
FINANCIAL POSITION							
Total Assets	3,899	4,625	726 ✓				2,275
Total Liabilities	2,299	2,130	169 ✓				1,333
Equity	1,600	2,495	895 ✓				942
CASH FLOWS							
Total Net Cash Flows	461	923	462 ✓				(1,147)
Opening Cash	3,277	3,322	45				3,277
Closing Cash	3,738	4,245	507				2,130
Total revenue of \$1.9m was ahead of budget by 21%, and 28% ahead of last year's Q1 result. Operating Revenue is above budget by \$128k as well as expenditure by \$35k. The result for the three months to 30 September 2016 shows a surplus of \$158k before transfers to restricted funds							

SUMMARY FINANCIALS

against a budgeted operating deficit of \$142k.

The Trust's cash balance as at 30 September was \$4.5m, including \$2.0m in restricted funds.

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

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

MEASURE		Q1	Q1	3 Year	Comments
		30 Sep 15	30 Sep 16	Trend	
Average Council subsidy per visitor	Actual	\$14.35 ✗	\$14.35 ✗	→	Q1 not seasonally representative. Below targets but trend steady.
	Target	\$11.99	\$13.05		
Fully costed visitor subsidy	Actual	\$24.21 ✗	\$23.54 ✗	n/a	Measure controlled by Council. Trend data not available.
	Target	\$21.19	\$21.22		
Visitors	Actual	49,071 ✓	51,652 ✓	↗	Steady growth in visitor numbers.
	Target	47,304	48,313		
Zoo School (LEOTC)	Actual	2,120	2,121	→	
	Target	n/a	n/a		
Average revenue/visitor (excl. Council grant)	Actual	\$15.71 ✓	\$18.19 ✓	↗	Showing steady growth in revenue per visitor.
	Target	\$14.86	\$15.94		
Trust generated income as % Council grant	Actual	110% ✗	127% ✓	↗	An improving metric.
	Target	124%	122%		
Staff turnover	Actual	0.0% ✓	2.88% ✓	→	
	Target	<20.0%	<18.5%		
Number of vulnerable or endangered species	Actual	24	26 ✓	→	
	Target	26	26		

Holiday programme was well supported with numbers up 46% on the same period last year.

Introduction of Weta and Forest Geckos into programme have helped increase contact time across the Zoo.

ISSUES & OUTLOOK

No issues to note.

- Work has begun on the design and content of the planned Animal Welfare Interpretive storyline promoting the positive animal welfare state. This work is currently expected to be completed in the first half of 2017.
- Good progress is being made toward completion of the Kea Aviary in Meet the Locals He Tuku Aroha; the completion date for construction is currently scheduled to be 19 December 2016.
- CarboNZero recertification to be confirmed in Dec 2016.

Attachments

Attachment 1.	Basin Reserve Q1 Report	Page 422
Attachment 2.	Karori Sanctuary Trust Q1 Report	Page 436
Attachment 3.	Wellington Cable Car Q1 Report	Page 455
Attachment 4.	Wellington Museums Trust Q1 Report	Page 463
Attachment 5.	WREDA Q1 Report	Page 474
Attachment 6.	Wellington Zoo Trust Q1 Report	Page 494

Author	Warwick Hayes, CCO Project Manager
Authoriser	Derek Fry, Director City Growth & Partnerships

SUPPORTING INFORMATION

Engagement and Consultation

Not applicable.

Treaty of Waitangi considerations

Not applicable.

Financial implications

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

Policy and legislative implications

Not relevant.

Risks / legal

Not relevant.

Climate Change impact and considerations

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

Communications Plan

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

Health and Safety Impact considered

Not relevant.



BASIN RESERVE TRUST REPORT

2016-17

Prepared for Wellington City Council

For the 1st Quarter 2016-17

Signed _____

Date _____

Rugby Street, Mt Cook, Wellington
PO Box 578, Wellington 6140
www.basinreserve.co.nz

1. OVERVIEW

The three month period under review is generally a period of planning and preparation for the upcoming summer.

The Trust has been active as follows:

1.1 Trust Meetings

The Trustees met twice in the 1st quarter of 2016/17, on July 7 and September 9

1.2 Audit 2016

The Trust's audit was completed by Audit NZ in September 2016, with no issues highlighted.

1.3 Master Plan

The Trust continues to work with Council and architects Tennent-Brown in progressing the vision of the Masterplan, as approved in the 2015/16 LTTP process. The Trust is supportive of the inclusive engagement process delivered by Tennent-Brown, and believes that they are now well placed to present a comprehensive and well thought out plan for the Basin's future development.

1.4 RA Vance Stand Deferred Maintenance Project

Phase Two of the Master Plan is currently underway – that being deferred maintenance of the RA Vance Stand. While the overall Master Plan is still undergoing development, work on the RA Vance Stand was seen as both urgent and unlikely to change as a result of the wider design work. The primary focus of the work to date has been the Stand's exterior, and the principal contractors, Naylor-Love, have been very good at keeping to the agreed deadlines. While the Stand is currently wrapped in scaffold, this is expected to start coming down by late November. Unfortunately not all aspects are able to be addressed before the Bangladesh Test Match in mid-January, so the new seating will be installed in February ahead of the South Africa Test in mid-March. The works to refurbish the Norwood Room, the Long Room and Kitchen will also need to fit in with the test matches with Bangladesh and South Africa.

1.5 Cricket Programme

The 2016-17 cricket season is now confirmed and contains the following:

- Bangladesh Test Match – January 12 to 16
- South Africa Test Match – March 16 to 20
- 4 Plunket Shield Matches
- 4 Ford Trophy Matches
- 4 Georgie Pie Super Smash Matches
- 1 Basin Blast T20 – Wellington vs Melbourne Stars
- 4 Days of Women's Domestic Cricket
- Various community matches, covering club cricket, wanderers and charity fundraising events – approximately 10 matches

1.6 Winery Tour Concert

The Basin Reserve is now confirmed to host the Wellington leg of the Winery Concert Tour on 11 February 2017. It should be noted that this date coincides with a Preliminary Final of the Ford Trophy and the Women's Domestic Finals. In the case of the Wellington Firebirds, they will need to play away if they earn the right to host this particular preliminary final. The Wellington Blaze will host at Karori Park if they likewise earn the right to host.

1.7 New Basin Reserve Logo and Website

Rugby Street, Mt Cook, Wellington
PO Box 578, Wellington 6140
www.basinreserve.co.nz

With Wellington City Council significantly investing in the future of the Basin Reserve, the Basin Reserve Trust is pleased to unveil a new logo and website; www.basinreserve.co.nz. The Trust felt that the time was right to start showcasing the ground as it moves into a new era. The Basin Reserve website is now live and includes details on the ground's history, upcoming events, and the Master Plan redevelopment process. Over the coming months, further content will be added, capturing the rich history of the ground and its future improvements.

The new logo represents the iconic features of the ground through the distinctive roof-line of the RA Vance Stand and the white picket fence that surrounds the playing surface. These elements are recognised by Wellingtonians and cricket fans around the world as markers of the historic reserve which first hosted a cricket match in 1868.

1.8 General Renewals and Maintenance

Quarter One generally provides a good opportunity for the Trust to address maintenance and renewal items ahead of the summer season. As such, the following items have been addressed:

- Repair of sewerage drains behind the RA Vance Stand
- Removal of perimeter fence behind the RA Vance Stand
- Repair of perimeter fence in various areas
- Replacement of information signage
- Full prune of Pohutukawa trees
- Full painting of the picket fences
- Installation of groundsmans sand bay
- Waterblasting of all public areas
- General attention to graffiti and vandalism

2. OPERATIONS

2.1 Performance Analysis

Events

- **5 Club Rugby Events**
- **4 Football Trainings**
- **6 Functions**
- **13 Cricket Trainings**

2.2 Performance Measures

The actuals against budget are attached.

3. FINANCIAL REPORT

Financial accounts are attached.

Rugby Street, Mt Cook, Wellington
PO Box 578, Wellington 6140
www.basinreserve.co.nz

BASIN RESERVE TRUST
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

Income	Actual	Budget	Variance	Annual Budget
Grant Income				
Grant Wellington City Council	253,469	252,285	1,184	604,050
Grant Other	3,208	-	3,208	-
	<u>256,677</u>	<u>252,285</u>	<u>4,392</u>	<u>604,050</u>
Ground Hire Income				
Ground Hire International Cricket	-	-	-	70,000
Ground Hire Domestic Cricket	-	-	-	64,000
Ground Hire Winter Sports	2,500	5,000	(2,500)	5,000
Ground Hire Other Events	10,000	9,000	1,000	10,000
	<u>12,500</u>	<u>14,000</u>	<u>(1,500)</u>	<u>149,000</u>
Other Income				
Concession Income	2,545	3,000	(455)	16,000
Signage	-	-	-	50,000
Screen Hireage	-	-	-	-
Donations	-	-	-	-
Picket Fence Income	-	-	-	-
Miscellaneous Income	25,457	-	25,457	-
	<u>28,002</u>	<u>3,000</u>	<u>25,002</u>	<u>66,000</u>
Interest Income				
Interest Income	367	1,400	(1,033)	3,500
	<u>297,546</u>	<u>270,685</u>	<u>26,861</u>	<u>822,550</u>
Expenditure				
Building Expenses				
Repairs & Maintenance	4,255	5,000	745	20,000
Cleaning	-	250	250	1,000
Electrical Services	331	1,500	1,169	7,000
Fire System	1,934	1,500	(434)	6,000
Painting	-	500	500	2,000
Pest Control	-	750	750	3,000
Plumbing	-	-	-	2,500
Other	-	100	100	500
	<u>6,520</u>	<u>9,600</u>	<u>3,080</u>	<u>42,000</u>

Item 2.4 Attachment 1

BASIN RESERVE TRUST
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Annual Budget</u>
Ground Expenses:				
Electrical Services	-	250	250	1,000
Equipment Hire	174	-	(174)	3,500
Cleaning	120	-	(120)	-
Irrigation	-	-	-	500
Painting	736	2,000	1,264	16,000
Plumbing	19,692	1,500	(18,192)	11,000
Rubbish Removal	899	2,000	1,101	13,000
Ground Structures	27,708	7,500	(20,208)	35,000
Turf	82,000	82,110	110	273,700
Karori Park Operation Contribution	-	-	-	10,000
	<u>131,329</u>	<u>95,360</u>	<u>(35,969)</u>	<u>363,700</u>
Occupancy Expenses:				
Gas	1,896	2,000	104	8,000
Electricity	6,220	5,750	(470)	23,000
Rates	7,720	7,125	(595)	28,500
Security	2,831	3,000	169	12,000
Telephones	678	800	122	3,300
Water Rates	2,090	7,000	4,910	32,000
Television	2,765	-	(2,765)	3,000
Insurance	7,950	6,500	(1,450)	7,400
Consumables: Laundry & Toilet	113	2,250	2,137	13,600
	<u>32,263</u>	<u>34,425</u>	<u>2,162</u>	<u>130,800</u>
Event Running Expenses:				
Event Running	1,324	1,500	176	60,000
Casual Staff	165	-	(165)	5,000
	<u>1,489</u>	<u>1,500</u>	<u>11</u>	<u>65,000</u>
Administration Expenses:				
Audit	-	-	-	13,000
Accounting	3,000	3,000	-	12,000
Bank Fees	60	30	(30)	125
Consultants	-	-	-	15,000
Management Fee	17,000	17,000	-	68,000
	<u>20,060</u>	<u>20,030</u>	<u>(30)</u>	<u>108,125</u>
Other Expenses:				
Bad Debts	-	-	-	-
Capital Contributions	-	-	-	-
Interest Expense	-	-	-	-
Marketing	-	-	-	15,000
Miscellaneous	22	500	478	2,000
Picket Fence Expenses	-	-	-	-
	<u>22</u>	<u>500</u>	<u>478</u>	<u>17,000</u>

BASIN RESERVE TRUST
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Annual Budget</u>
Depreciation Expense	24,581	21,750	(2,831)	87,000
Depreciation Expense	<u>24,581</u>	<u>21,750</u>	<u>(2,831)</u>	<u>87,000</u>
Total Expenditure	<u>216,264</u>	<u>183,165</u>	<u>(33,099)</u>	<u>813,625</u>
Net Surplus (Deficit) for the Period	<u>81,282</u>	<u>87,520</u>	<u>(6,238)</u>	<u>8,925</u>

BASIN RESERVE TRUST
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Annual Budget</u>
Net surplus (deficit) for the period	81,282	87,520	(6,238)	8,925
Total Recognised Income and Expense	<u>81,282</u>	<u>87,520</u>	<u>(6,238)</u>	<u>8,925</u>
Equity at beginning of year	660,108	756,987	(96,879)	756,987
Equity at End of Period	<u>741,390</u>	<u>844,507</u>	<u>(103,117)</u>	<u>765,912</u>

BASIN RESERVE TRUST
STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016

Assets	Actual	Budget	Variance	Annual Budget
Current Assets:				
Bank accounts and cash	217,552	138,857	78,695	76,342
Debtors and prepayments	142,728	172,500	(29,772)	185,600
Total Current Assets:	360,280	311,357	48,923	261,942
Non-Current Assets:				
Property, plant and equipment	603,124	711,740	(108,616)	646,490
Total Non-Current Assets	603,124	711,740	(108,616)	646,490
Total Assets:	963,404	1,023,097	(59,693)	908,432
Liabilities				
Current Liabilities:				
Creditors and accrued expenses	141,814	178,590	36,776	142,520
Unearned income	80,200	-	(80,200)	-
Total Current Liabilities	222,014	178,590	(43,424)	142,520
Total Liabilities	222,014	178,590	(43,424)	142,520
Total Assets less Total Liabilities	741,390	844,507	(103,117)	765,912
Trust Equity				
Contributed capital	100	100	-	100
Accumulated surpluses	741,290	844,407	(103,117)	765,812
Total Trust Equity	741,390	844,507	(103,117)	765,912

BASIN RESERVE TRUST
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Annual Budget</u>
Cash Flows from Operating Activities				
Receipts of council funding	275,761	203,865	71,896	544,050
Receipts of grants other	2,873	-	2,873	-
Receipts from sale of goods and services	29,024	15,100	13,924	175,000
Interest receipts	367	1,400	(1,033)	3,500
Payments to suppliers and employees	(215,442)	(158,850)	(56,592)	(675,800)
GST (net)	(1,164)	12,150	(13,314)	(35,600)
Net Cash Flows from Operating Activities	91,419	73,665	17,754	11,150
Cash Flows from Investing and Financing Activities				
Receipts from unearned revenue	40,000	-	40,000	-
Payments to acquire property, plant and equipment	(23,312)	-	(23,312)	-
Net Cash Flows from Investing and Financing Activities	16,688	-	16,688	-
Net Increase/(Decrease) in Cash for the Year	108,107	73,665	34,442	11,150
Add opening bank accounts and cash	109,445	65,192	44,253	65,192
Closing Bank Accounts and Cash	217,552	138,857	78,695	76,342

BASIN RESERVE TRUST
CAPITAL EXPENDITURE
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Annual Budget</u>
Cast Bronze Plaque	6,408	-	(6,408)	-
Practice Wicket Installation	23,088	-	(23,088)	-
	<u>29,496</u>	<u>-</u>	<u>(29,496)</u>	<u>-</u>

**BASIN RESERVE TRUST
CASH FLOW PROJECTION
AS AT 30 SEPTEMBER 2016**

Current Assets	
Bank accounts and cash	217,552
Debtors	142,728
	<u>360,280</u>
To Be Applied As Follows:	
Creditors and accrued expenses	141,014
Unearned income	80,200
	<u>222,014</u>
	138,266
Commitments	
Karori Park Operation Contribution 2016/17	(10,000)
Turf Management 2016/17	(30,000)
	<u>(40,000)</u>
Funds Available (Deficit)	<u><u>98,266</u></u>

**BASIN RESERVE TRUST (INCORPORATED)
MANAGEMENT ACCOUNTS COMMENTARY
FOR THE PERIOD ENDED 30 SEPTEMBER 2016
VARIANCES EXCEEDING \$5,000**

Income:

1. Miscellaneous Income - The sale of the LED Screen wasn't budgeted for \$25,300.

Expenditure:

1. Ground Plumbing - Didn't budget for the major works carried out at the rear of the R A Vance Stand \$18,000.

2. Ground Structures - Didn't budget for the following major works:

- Replaced damaged spouting on North & South Gate Houses	3,500
- Repairs to fence at rear of R A Vance Stand	4,500
- Remove unsuitable materials around North Toilet Block	3,700
- Lay asphalt at rear of R A Vance Stand	3,100
- Demolish exterior fence and build retaining wall at rear of R A Vance Stand	6,700
	<u>\$ 21,500</u>

**BASIN RESERVE TRUST (INCORPORATED)
 EXPENDITURE OVER \$7,500 REQUIRING
 TRUSTEES APPROVAL TO 30 SEPTEMBER 2016**

<u>Date</u>	<u>Supplier</u>	<u>Amount</u>	<u>Work Performed</u>
26/07/16	Cricket Wellington	9,110.09	Re-imburse for various expenses
26/07/16	Wellington Regional Stadium Trust	73,297.15	Turf Management for quarter ended 30 June 2016
19/08/16	Mexted Performance Sports Surfaces	20,000.00	Practice wicket installation
19/08/16	Shopspec Projects	16,739.01	Repairs to ground structures
19/08/16	Wellington City Council	7,720.03	Rates No. 1 2016/17
26/08/16	Audit New Zealand	13,100.00	Audit Fee for the Y/E 30 June 2016
26/08/16	Grant Plumbing	17,889.43	Plumbing repairs

BASIN RESERVE TRUST
PERFORMANCE MEASURES AND TARGETS
2016-17

Measure	Frequency	Measurement	Actual Q1 2017	Budget Q1 2017	Variance Q1 2017	Actual YTD 2017	Budget YTD 2017	Variance YTD 2017	Budget FY 2017	Actual Q1 2016
Administrative Measures										
Achieve targets within allocated budgets	Annual	Budget forecasts are met	-							
Comply with financial, technical and regulatory standards	Quarterly	Council reports submitted within stated timeframes	Achieved							
Asset Management Plan carried out	Quarterly	Planned maintenance activities effected within budget	Achieved							
Operating Measures										
Number of events	Quarterly									
- cricket (incl minimum of 1 test match pa)		Cricket matches (incl minimum of 1 test match)	0	0	0	0	0	0	25	0
- other sports		Sports events	5	14	-9	5	14	-9	22	18
- community		Other events	4	8	-4	4	8	-4	12	10
- function		Function bookings	8	2	4	6	2	4	15	n/a
Number of event days	Quarterly									
- cricket		Cricket days	0	0	0	0	0	-11	38	0
- other sports		Sports days	3	14	-11	3	14	-11	22	18
- community		Other days	4	8	-4	4	8	-4	12	10
- function		Function Days	8	2	6	8	2	6	15	n/a
Numbers attending events	Quarterly	Attendance figures	790	1000	-210	790	1000	-210	31000	900
Practice facility usage	Quarterly	Cricket use	13	0	13	13	0	13	85	1
Hirer satisfaction with venue and events	Quarterly	Positive formal feedback received	Unmeasured							
Playing surface to be maintained to an international standard	Annual	Based upon NZC and ICC feedback	-							
Operational Grant per attendance	Quarterly	Grant per attendance							\$12.27	
Financial measures										
Results within budget	Annual		-							
Capital expenditure -- within budget	Annual		-							
Event income	Annual	\$	-						\$149,000	
Business Plan developed	Annual	Submission of Business Plan	-							



**Report to the Wellington City Council CCO
Performance Committee
First Quarter ended 30 September 2016**



In the first quarter of 2016/17 ZEALANDIA achieved some notable successes with, for example, a record 22,899 visitors and 10,752 memberships, both of these results tracking well ahead of target. Local residents continue to be the greatest source of visitors to ZEALANDIA, with over 13,300 (58%) in quarter one coming from the Wellington region.

Another major landmark in early October was the finalising of documents for the transfer of the ZEALANDIA Visitors Centre to Wellington City Council and the repayment of the loan on the building.

The number of VIP visits to ZEALANDIA is increasing and reflects ZEALANDIA's wider national and international influence. Revenue is also tracking ahead of budget.

Highlights

- Visitation levels remained strong in quarter one, with 22,899 visitors, exceeding this year's target by 9,403 (70%) and also last year's first quarter by 1,399 (6.5%)
- The Visitors Centre ownership transfer to Wellington City Council, and associated repayment of the loan was finalised during this quarter, with the signing of documents being completed on 7th October
- The new ZEALANDIA website was successfully launched
- 20 positive mentions were made in local, national, and international media
- ZEALANDIA teamed up with the Museum of New Zealand Te Papa Tongarewa to deliver public seminars on research in the conservation and science sectors to 145 attendees
- ZEALANDIA has hosted an increasing number of VIP visits including, for example, the Sri Lankan Prime Minister
- Leaders from the Woodlands and Wetlands Trust based in Canberra visited ZEALANDIA to attend a meeting of our Board and continue building this key relationship.
- To celebrate Conservation Week, ZEALANDIA held a gold coin Conservation Day event in September which was another key opportunity to showcase our unique flora and fauna as well as conservation partners to over 2,500 visitors.
- Three electric vehicle charging stations were installed as part of a partnership between ZEALANDIA, Wellington City Council and Wellington Electricity.

October Update

- First spotted skinks seen this spring after the translocation in January 2016.
- First hibi egg of the season was discovered on Saturday 8 October.
- Evening Seminar with Dr Colin Miskelly - 21 years of Bird Counts at ZEALANDIA
- Darren van Hoof (Lead Ranger, Education & Youth) has been selected as one of five finalists in the Education section of this year's Wellingtonian of the Year Awards.
- Over 100 members attended the ZEALANDIA AGM
- We are now hosting an increasing number of VIP visitors including
 - Sri Lankan Prime Minister, along with his wife and wider delegation
 - A senior delegation from Los Angeles City Department of Recreation led by their General Manager, Mike Schul
 - Hon. Nicky Wagner, Minister for Disability Issues and Associate Minister of Conservation
 - Professor Dr Norbert Lammert, President of the German Bundestag
 - Jeffrey Feltman, Under-Secretary-General for Political Affairs, UN

WORKING WITH PARTNERS

Wellington City Council

The Visitors Centre ownership transfer to Wellington City Council (WCC) was completed on 7 October and ZEALANDIA would like to thank all Councillors and Council Officers for their strong support in this process. The transfer is an important step in deepening the practical partnership with WCC and ensuring that ZEALANDIA is well positioned as a sustainable, long term contributor to Wellington's continued growth as an exciting, vibrant and livable city.

The relationship with conservation and parks staff at WCC is very strong and continues to grow as ZEALANDIA and WCC staff work increasingly closely together to develop new projects and responses to the Predator-Free Wellington announcement. ZEALANDIA is actively seeking to engage and add value across all related activity as part of its next 20-year strategy focused on helping our community and people more widely to "live with nature".

Victoria University Wellington

The relationship with Victoria University continues to strengthen through proactive engagement across a number of activities. During the quarter, ZEALANDIA hosted the first in a series of seminars with VUW presenters, followed by a Q&A session.

The number of University researchers seeking to conduct exciting and new research with ZEALANDIA is increasing, and the range of subjects being explored is broadening to include subjects such as tourism,

health and business studies. The ZEALANDIA and Victoria University Memorandum of Understanding Steering Committee has held two meetings and progress is being made towards the establishment of a research centre at ZEALANDIA.

Woodlands and Wetlands Trust

Since the signing of the Memorandum of Understanding with Woodlands and Wetlands Trust (WWT) in May 2016 the two organisations have been holding regular progress meetings, two members of the WWT Board visited ZEALANDIA in September to coincide with the first Singapore Airlines flight into Wellington. They joined a ZEALANDIA Board meeting along with attending other meetings where there is strong mutual benefit. A staff exchanges programme has been agreed and plans made for the first exchange to occur in October 2016 with the WWT's Trust's Communications Manager spending a week at ZEALANDIA to share communications and marketing experiences and co-develop joint publicity material. Further exchanges will occur throughout the year and the ZEALANDIA Chief Executive, Chair and another Board member will be hosted by Woodlands and Wetlands Trust in Canberra in November to attend their Board meeting and hold reciprocal meetings with key contacts.

Nature Connections

ZEALANDIA has been delighted with the achievements realised as a consequence of this important network. The meeting of the partners held at Otari-Wilton in August highlighted the key achievements and showcased new opportunities such as the Toyota Kiwi Guardians which is a national wide activity programme for kids to learn about nature. ZEALANDIA has committed to supporting this programme. Following the success of the Nature Connections Wellington Wild Things summer campaign in 2015/16, ZEALANDIA is continuing to support this initiative in 2016/17 due to its previous popularity with families.

Titipounamu / rifleman transfer

Planning is well underway for a titipounamu transfer to ZEALANDIA in March 2017, and Otari Wilton's Bush in March 2018. This project exemplifies the importance of partners in all our activities, as we are working with Greater Wellington Regional Council on sourcing the titipounamu from Wainuiomata Mainland Island, Wellington City Council are a key player as kaitiaki for Otari Wilton's Bush, and we are forming important relationships with iwi, researchers and volunteers to make this project a success.



Education resources

The ZEALANDIA Education team has been working with partners to make their incredible resources available to teachers and students across the country. In particular, we have partnered with Forest and Bird to look at distributing our trading cards further afield, and with the Waikato University Science Learning Hub to host curriculum based teaching resources. These partners can help extend our reach much further than would be otherwise possible, broadening the impact of ZEALANDIA on kiwi kids across New Zealand.

VISITOR EXPERIENCE

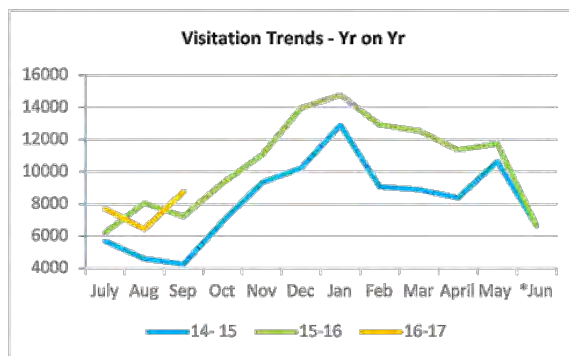
Visitations in quarter one totalled 22,899 up 1,399 (6.5%) on the same time last year and up 9,403 (70%) on target. The milder winter and more sunny days were a contributing factor to the higher visitor numbers, along with our rapidly growing reputation nationally and internationally as a must-visit location.

Local residents continue to be the greatest source of visitors to ZEALANDIA, with 13,322 (58%) of the total 22,899 visitors in quarter one from the Wellington region.

The Conservation Day held in September was very successful and was a great opportunity to showcase our unique flora and fauna as well as conservation partners to over 2,500 visitors.

Membership visits for the first quarter were 5,259 and constant with 2015/16 levels, however Paid Admissions visits were 11,971 and higher by 1,345 on the same quarter last year

Paid Admissions – by visitor origin	Paid Admission Visit Numbers	%
Local	4,070	34%
Rest of North Island	2,753	23%
South Island	1,077	9%
Australia	1,077	9%
Asia Pacific	599	5%
Europe	1,437	12%
United States & Canada	838	7%
Rest of the World	120	1%
Total	11,971	100%

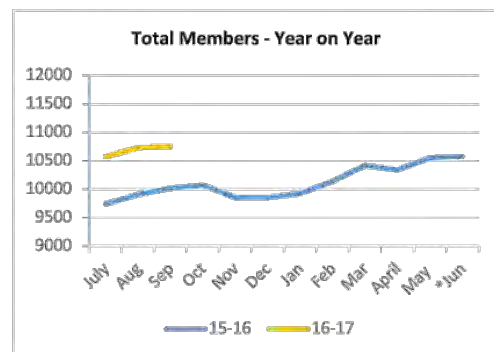


Tours

Tour visits to ZEALANDIA numbered 568 which was 68 (14%) higher than the first quarter for 2015/16. We are now preparing for the busy cruise ship season ahead with nearly 8,000 tours booked from October 2016 to March 2017, up over 1,300 (25%) on last season.

Members

At the end of September 2016 ZEALANDIA had 10,752 members, continuing the upward trend that began from November 2014. Membership renewals continues to increase with 1,403 members renewing in quarter one with an additional 603 new members joining ZEALANDIA



Visitor Comments – enjoyed most

“The friendliness of the staff and the beauty of the natural surroundings in the middle of Wellington city”

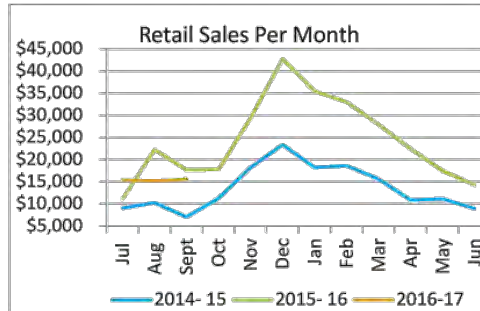
“The guide made the experience extra special, but we really enjoyed seeing the kiwi and the eel”

“I enjoyed the tranquillity of the upper area, being alone in the native bush with the birds, the variety of birds and the lake. I thought the tracks were good and most of the information signs were great”

FINANCIAL SUSTAINABILITY

Retail: Retail shop sales totaled \$46,000 for the first quarter and are tracking to budget for the year.

Café & Functions: Quarter one finished strongly with Café and Function sales up 24% on budget at \$224,000. The Café has recently completed a minor refresh in time for the busy summer season.



Revenue: Overall, revenue performance (excluding the WCC grant) is \$584,087 against a budget of \$517,931. The WCC grant contributed 27% of our total revenue year to 30 September 2016. Revenue year to date is \$10,498 higher than last year at the end of quarter one.

Operating Surplus (Deficit): The quarter one year to date result for Operating Surplus (Deficit) before Depreciation is tracking favourably by \$177k mainly due to better than expected Café sales of \$44k and Admissions revenue of \$48k.



COMMUNICATIONS AND MARKETING

Highlights

The summer campaign will be launched in October and will include adverts, rebranding of social media and digital. This will be followed by more artwork such as posters and replacement of signs on Waiapu Road. The campaign will peak around when most people are in town over summer for events and from cruise ships visits.



STRATEGY & GOVERNANCE

We are now finalising our second generation strategy following extensive workshops and discussions with key partners, stakeholders, members, volunteers, staff, Board and Guardians. We expect to launch the new strategy in early December. The following is an excerpt from the draft foreword:

Living with Nature, Tiaki Taiao, Tiaki Tangata: Our 2016 – 2035 Strategy

A 500-year journey calls for bold steps – that is why ZEALANDIA's strategy needs to be for a next generation of making a difference for nature and people. Earlier this year, we went out to have conversations about the next 20 years with our members, volunteers, staff, Guardians and colleague organisations. Thanks go to all of them for contributing inspiring and wide-ranging ideas. We received one consistent message: **Be bold: develop a highly ambitious view of what ZEALANDIA can do to transform how we live with nature.**

The founding vision for the sanctuary was: **A world-class conservation site portraying our natural heritage that captures people's imagination, understanding and commitment** and that vision remains today. Our strategy for 2016-2035 Living with Nature, which will be finalised shortly, will help us interpret that vision for the next 20 years, and identify the broad themes we will focus on.

Treasuring the sanctuary valley is the foundational theme. Much restoration work remains to be done within the sanctuary, and this will remain a key focus for our efforts. But we are now called not only to restore the sanctuary valley as a treasured exemplar but to harness our knowledge, energy and networks, and work with others to transform how we live with nature in our cities and towns. ZEALANDIA will need to reach out into the halo, wider Wellington and beyond.

Already we have a powerful platform in Wellington including our Nature Connections partners, Wellington City Council's biodiversity action plan and support, and committed communities, schools, and universities. Adding impetus to this are the new commitments to Predator Free New Zealand, and Predator Free Wellington.

We are up for the challenge and we believe that by putting Living with Nature into action, ZEALANDIA can make a game-changing difference over the next generation of our 500-year journey.

A treasured valley is the heart and foundation of ZEALANDIA's future local, national and global contribution.

EVENTS & VISITORS

The number of VIP visits is increasing and reflects ZEALANDIA's wider national and international influence.

International Government visits to ZEALANDIA have included;

- The Speaker of the House for the Indian Parliament, Sumitra Mahajan.
- The 7th Secretary-General of the Commonwealth Parliamentary Association (CPA), Mr Akbar Khan.
- The Embassy of Japan and the Japan National Public Safety Commission.
- Singaporean High Commissioner and his wife

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Our Place in Transformation 2016 – 2035

ZEALANDIA will be a place that transforms biodiversity, people and knowledge, and through this transform our capacity for living with nature.

A place that treasures

- Restoring our valley and its extending halo of biodiversity
- Building our organisation's capacity to drive transformation

A place that engages

- Creating inspiring, accessible experiences
- Forming strong and enduring local, national and global partnerships based on shared goals

A place for learning

- Embracing Mātauranga Māori and other knowledge frameworks
- Being a hub where people of all ages can learn, create new knowledge, and share their insights and understanding

A place that empowers

- Equipping people with experience and skills for a nature-rich future
- Inspiring change through example and shared passion for action

- ACT Government visit:
Minister, Shane Rattenbury.
Minister, Andrew Barr.
Director-General of Environment and Planning Directorate, Dorte Ekelund.
Director-General of Transport Canberra and City Services Directorate, Emma Thomas.
- United Nations Under-Secretary-General for Political Affairs, Jeffrey Feltman who noted "ZEALANDIA was fascinating for the native flora and fauna that has been restored, of course, but it is also a hopeful sign more generally, that nature can be healed with proper care. So the lessons of ZEALANDIA are applicable far beyond New Zealand."

Other key visits to ZEALANDIA:

- Students from Victoria University Visitor Management Studies programme, who are carrying out a case study on ZEALANDIA.
- Tourism NZ and WREDA (Tourism Wellington) have facilitated visits to ZEALANDIA for key offshore sellers from; Canberra, Singapore, Shanghai, Vietnam, Malaysia, Argentina and USA.

VOLUNTEERS

Volunteering is a vital aspect of ZEALANDIA's work with over 400 people contributing the equivalent of 35 FTEs each year, allowing the organisation to meet its goals around biosecurity, conservation, physical maintenance, visitor hosting and guiding and more. Volunteering provides people with a key connection to the sanctuary and the ability to contribute to the 500 year vision.

In order to stay at the leading edge of good volunteer practice, ZEALANDIA began work on new ways to involve volunteers more actively in all aspects of our operations including research, administration, visitor experience and also corporate services.

The current work plans include the training and upskilling of volunteers in the key areas of tour guiding and hosting in preparation for the busy summer season, and also planning the annual Volunteer Appreciation Dinner to be held in November.

EDUCATION

Wellingtonian of the Year Award Finalist

- Darren van Hoof (Lead Ranger, Education & Youth) has been selected as one of five finalists in the Education section of this year's Wellingtonian of the Year Awards.

Education visits to ZEALANDIA

- The Education team have hosted 2,259 students for end of the first quarter which is above the target of 1,818.
- The Hutt Mana grant of \$3,000 was received in September to allow low decile schools to visit ZEALANDIA.

External outreach

- The newly developed ZEALANDIA Trading Card Game reached a landmark of 10,000 cards being distributed to schools and homes across Wellington; this is now being accessed nationally and has been met with huge enthusiasm across the education sector as an innovative learning tool.
- The Education team have released their comprehensive inquiry unit 'Can we make New Zealand pest free?' across a number of platforms including the new ZEALANDIA website. This unit is now live nationally and puts ZEALANDIA at the leading edge for environmental education in line with the Government's policy of working towards NZ Pest-free 2050.

Funding success

- The Education team was successful in obtaining Learning Experiences Outside the Classroom (LEOTC) social science funding for three years of \$200,220 starting January 2017. This will provide funding to support the ZEALANDIA education programme which aims to change the lives of individual students and empower young people to effect long lasting, positive change in their own communities for greater environmental and cultural awareness. This will lead to enhanced conservation, health and social outcomes.

CONSERVATION

The Conservation team appointed two new staff this quarter with Danielle Shanahan starting as the Manager, Conservation, Research, Learning and Experience and also Jo Ledington as the Lead Ranger, Conservation.

Species updates

- Nesting boxes of kākārīki, kākā and hihi were maintained during this period for the upcoming breeding season.
- The breeding season got underway with the first kaka eggs of the season discovered on 12 September. Kākārīki, tīeke, pīwakawaka, toutouwai and kererū are also known to be incubating. Hihi have started nest building.
- Shining cuckoo arrived for the summer, the first individual was heard in the sanctuary on the morning of 19 September.
- Fifty-four tīeke were banded as part of a monitoring programme to determine the genetic health of the ZEALANDIA population. Feather samples were collected for analysis by a student in the future.
- T2, the male of the elderly takahē pair spent two nights at Wellington Zoo's Te Kohanga The Nest receiving diagnostics for excessive preening to his left breast. X-rays showed that T2 is suffering from age related arthritis which appears to cause him discomfort in cooler weather. We are continuing to monitor T2 to make the decision, in consultation with Te Kohanga The Nest, about if and when pain killers might be necessary.
- Pateke were supplementary fed throughout August and September.
- The first spotted skinks have been seen this spring indicating individuals have survived their first winter at ZEALANDIA.

Biosecurity

- No mammalian biosecurity breaches were detected during this time period
- The sanctuary is free of introduced predators with the exception of a small and carefully managed population of mice. The impact of mice on native species is known to be low at low mouse population densities. Recent monitoring has shown that our management of this pest species is highly effective. The tuatara research enclosure remained mouse-free during this time period.
- The annual poison operation for mice was completed as scheduled in July when all bait that remained un-eaten was retrieved from bait stations.



Spotted skink, ZEALANDIA. Photo: Kristine Zipfel

Research

- Masters student Ellen Irwin finished the fieldwork component of her research into dispersal patterns of juvenile kākārīki.

**MEASUREMENT AGAINST TARGETS IN THE STATEMENT OF INTENT
2016/17**

Non-Financial Performance Measures (Quarterly Targets)

Measure	2016/17 Quarter 1 (Jul-Sep)		2016/17 Annual	
	Actual	Target	Actual (YTD)	Target
Visitation	22,899	13,496	22,899	93,600
Education Visits*	2,259	1,818	2,259	8,500

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

Non-Financial Performance Measures (Annual Targets)

Measure	Actual YTD	Annual Target 2016/17
Individual Members	10,752	10,400
Quality of Visit	98%	92%
Number of Volunteers	450	>400
Volunteer Satisfaction Survey ¹	-	>80%
Percentage of Satisfied Visitors above City Benchmark ²	-	>5%

¹ A survey will be completed in March/April 2017 to assess the level of volunteer satisfaction with ZEALANDIA.

² A survey will be completed at the end of the final quarter to assess the level of awareness of city residents.

Financial Performance Measures

Measure	Actual YTD	Annual Target 2016/17
Full cost per visitor (including WCC costs)	\$20.79	\$16.91
Average subsidy per visit (Total WCC operating grant/all visitors)	\$9.55	\$9.35
Average revenue per visitation (excludes Council & Government grants)	\$24.73	\$25.96
Non-Council Donations/Funding	\$70,751	\$250,000
Net surplus before depreciation and tax	\$1,967	\$312,000
Commercial revenue as a % of overall budget	58%	50%
Membership subscription revenue	\$63,569	\$300,000

Note: The Financial Performance Measures actual year-to-date results are negatively influenced by the fact that quarter one (July to September) is low season for ZEALANDIA. As we progress into the high season these financial indicators will improve and we expect all annual year-end targets to be achieved.

Conservation Programme (Annual Targets)			
Conservation Measures	Actual YTD	Annual Target 2016-17	Commentary
Restore missing species to the wild in accordance with the Restoration Strategy			
Number of new animal species transferred	0	1	Titipounamu/rifleman translocation is planned for March 2017. Planning is underway and on track to achieve this.
No. transferred animal species being actively managed in the wild. <i>* Active management includes supplementary feeding, nestbox and roostbox management and excludes species held in captivity.</i>	10	10	Hihi, North Island kākā, takahē, bellbird, kākārīki, little spotted kiwi, Maud Island frog, long-fin eel, giant wētā, pāteke.
No. animal species in the wild be actively monitored (assuming 1 new species transferred/annum) <i>*Includes species with ongoing active data collection.</i>	14	10	Hihi, North Island kākā, takahē, kākārīki, little spotted kiwi, scaup, shag (3 species), giant wētā, cave wētā, tree wētā, tuatara, spotted skink.
Percentage of transferred animal species regarded as self-sustaining (assuming ongoing management)	76%	68%	13 of the 17 species transferred are self-sustaining (tuatara, hihi, kākā, scaup, North Island robin, whitehead, tieke, kākārīki, little spotted kiwi, Maud Island frog, giant wētā, pāteke, spotted skink). Two transfers failed (tomtit, weka) and two (bellbird, long-fin eel) are not yet considered self-sustaining.
Maintain or Improve the population status of nationally threatened species present			
Number of threatened species present and breeding successfully	4	4	Hihi, North Island kākā, Maud Island frog and pied shag.
Manage species held for captive breeding purposes to ensure they remain healthy and breed successfully			
No. species of held for captive breeding	2	2	Maud Island frog and barking gecko.
Monitor animal pest status, control mice & successfully respond to any incursions			
Mice maintained at levels below or similar to previous years (abundance per 100 trap nights)	1.1	<10	Average index abundance July-September 2016. For the corresponding time period last year the IA was 1.7.
Percentage incursions successfully eradicated	N/A	100%	There have been no known incursions this period.

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Conservation Measures	Actual YTD	Annual Target 2016-17	Commentary
Monitor plant pest status and reduce distribution of environmental weeds (currently 123) within and near the fence perimeter			
No. pest plant species actively controlled or surveyed	0	44	Pest plant management and monitoring is scheduled for quarters two and three
No. pest plant species where control has achieved a decline to low levels of infestation in the sanctuary	0	52	Pest plant management and monitoring is scheduled for quarters two and three.

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Measures against Strategy Areas

MEASURE against Strategy Areas	TARGET 2016/17	TRACKING 2016/17
Build flourishing biodiversity in the valley and halo		
Assist in the restoration of healthy landscape scale ecosystems through active collaboration in community partnerships wherever appropriate.	Begin detailed, integrated planning for the restoration of the lower valley streams, wetland and lake.	Updating of the valley restoration plan is scheduled for quarters three and four.
Continue the transfers of missing species, to increase natural diversity in accordance with the Restoration Strategy 2000.	Plan and undertake a translocation (rifleman). Begin the ground work needed to evaluate the population health and management requirements of saddleback.	Planning for the translocation of titipounamu/rifleman in March 2017 is underway and on track. Monitoring of tieke/saddleback was undertaken in August with 54 birds banded. Feather samples were taken at this time and will be analysed to determine genetic health of the population in order to inform future management decisions.
Develop a knowledge hub for transformation		
Develop a long-term programme of research and research partnerships to provide an evidence base for our future activity and advice and contribution to others.	Develop, agree and initiate implementation of plans for the establishment of an urban ecology research centre in partnership with Victoria University of Wellington.	Discussions with Victoria University of Wellington are ongoing regarding the establishment of a ZEALANDIA based research centre. Planning is underway to accommodate a greater researcher presence onsite.
	Develop and agree plans for a long-term, integrated research programme.	The ZEALANDIA Thought Leaders Council will be engaged in quarters two and three to begin establishing the plans for the research programme.
Develop pathways for thought leadership based on enhanced understanding of our unique natural heritage.	Establish a ZEALANDIA Thought Leaders Reference Council, and a Research Advisory Group to provide direct guidance on the content of our research programme.	The Thought Leaders Council was established in early 2016 with Professor Charles Daugherty as the inaugural Chair. The most recent member to join the Council is Dr Lena Chan, Director of the Centre for Biodiversity in Singapore.

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MEASURE against Strategy Areas	TARGET 2016/17	TRACKING 2016/17
Strengthen people's capability for achieving a nature rich future		
Develop effective partnerships with restoration groups and strengthen community engagement in all that we do.	ZEALANDIA increasingly recognised as the "go to" centre for information on restoration.	Staff are working on an ongoing basis to establish strong links with key organisations involved in restoration across Wellington. Furthermore, the first species transfer outside the fence (titipounamu/rifleman) is being planned for early 2018, as a follow-up to a transfer inside the sanctuary in 2017.
Obtain funding to increase opportunities for decile 1-3 schools to either visit ZEALANDIA or their 'special place'.	Increased school visits, particularly decile 1-3; includes visits to the sanctuary and visits to schools or their "special places" by education staff.	The Hutt Mana grant of \$3,000 was received in September to allow low decile schools to visit ZEALANDIA.
Aim for 50% of all schools within the Kapiti/Porirua/Hutt Valley/Wellington area to have tracking and trapping as a normal part of their school programme, resulting in enhanced biodiversity in their area by 2020.	Increased number of schools with tracking and trapping as a normal part of their school programme (from 20 in 2015-16 to 30 in 2016-17).	The Education Team is currently on track to have at least 30 schools involved in tracking and trapping by the end of the 2016-17 year.
Sustain exemplar volunteer programmes that enrich and strengthen community, nature and people's lives.	Increased number of opportunities for volunteers to work in the sanctuary.	The number of volunteers has increased to 450, and the types of opportunities available have broadened to include, for example, transect maintenance, grant seeking support, and research analysis.
Develop programmes of placements, internships and work that grow skills and experiences for young people.	ZEALANDIA has become the key hub for interns, enabling them to work with restoration groups as well as within the sanctuary; this will enhance their experience and support sharing of expertise and knowledge between the sanctuary and groups in the "halo".	A volunteer-based intern programme is currently being trialed, with a focus on providing work and project-based experience for students in the conservation and education areas.

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MEASURE against Strategy Areas	TARGET 2016/17	TRACKING 2016/17
Create outstanding and accessible experiences that inspire to action		
Enrich and strengthen the valley experience to equip more visitors to make active choices for nature rich communities.	Visitor numbers – 93,600 separate visitations with breakdown of visitor demographics.	Year to date visitation total 22,899 and is on track to meet the target of 93,600 visitors.
	8,500 education visitors	The Education team has already hosted 2,259 students for the first quarter.
	Visitor experience – ZEALANDIA achieves a satisfied visitor rating of 92% or greater.	Visitor experience is tracking at 98% at the end of September 2016.
Grow our connections with members as ambassadors for nature in Wellington	> 400 volunteers	Tracking above target with 450 volunteers as at 30 September 2016
	> 80% of volunteers are satisfied with their relationship with ZEALANDIA.	Survey to be completed in March/ April 2017
Grow practical options to promote the health, well-being and wider advantages of connections with nature.	Continue to improve accessibility and work to attain the Be. Accessible Gold rating.	Improvements to the pedestrian areas near the roadway are being developed now. More improvements will be rolling out throughout the year.
Grow our influence and alliances for living well with nature		
We will undertake our Kaitiakitanga responsibilities through enhanced partnerships with Maori. A strong and comprehensive relationship with Maori, at mana whenua, iwi and national level, remains of primary importance to ZEALANDIA and we will develop closer relationships during 2016/17. We recognise that Mātauranga Māori, indigenous knowledge, is a key part of the evidence base that will be needed to underpin our work far into the future.	Capability developed to enable closer partnerships with iwi and integration of Mātauranga Māori	The Board has now agreed a cultural audit of ZEALANDIA as the first important step in a process towards an integrated approach to Mātauranga Māori. The audit will commence in October and inform longer-term plans in this area.
We will grow our partnership with Victoria University in the creation of an urban ecology research centre. We will also establish a Thought Leaders Reference Council and Research Advisory Group.	Partnership with Victoria University agreed and formalised.	Following the signing of a Memorandum of Understanding between ZEALANDIA and Victoria University towards the end of 2015/16, a joint steering group has been established and convened twice to-date, and final discussions are in progress with regard

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MEASURE against Strategy Areas	TARGET 2016/17	TRACKING 2016/17
		to detailed plans for the establishment of a research centre and a long-term research strategy.
	Plans for an urban ecology research centre agreed and under implementation.	This phase of the research programme is planned for quarters three and four.
Sustain infrastructure, finances, people and communication that fuel our purpose		
Sustain infrastructure, finances, people and communication that fuel our purpose	A net surplus before depreciation and tax of \$312,000.	The year to date result for Operating Surplus (Deficit) before Depreciation is \$1,967 and is tracking favourably by \$177,464 for the first quarter mainly due to better than expected commercial revenue
	Commercial revenue equating to 50% of overall budget.	58% mainly due to higher than budgeted Café sales of \$44,000 and Admissions revenue of \$48,000
	10,400 members.	Tracking above target by 284 with 10,752 members as at 30 September 2016
	Membership subscriptions \$300,000.	Year to date income of \$63,569 tracking \$1,707 below budget but expected to meet target by year end
	Full cost per visitor (including WCC costs) \$16.91	Tracking higher at \$20.79 due to low season but expected to meet target at year end with visitations above quarter one target by 70% already
	Average WCC subsidy per visitor \$9.35	Tracking higher at \$9.55 due to low season but expected to meet target at year end with visitations above quarter one target by 70% already
	Average revenue per visit \$25.96	Tracking below at \$24.73 but expected to meet target
	Non-Council Donations/Funding \$250,000	Year to date income of \$70,751 and expected to meet target by year end.

FINANCIAL PERFORMANCE

Detailed financials are attached.

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Profit & Loss

Karori Sanctuary Trust Inc. 1 July 2016 to 30 September 2016

	30 Sep 16
Income	
Admissions	148,950
Care & Preservation Income	5,754
Education Other Revenue	1,290
Evening Talk (Koha)	82
FH Muter & FM Pharyzyn Charitable Trusts	6,000
Gain or Loss on Sale of Fixed Assets	120
Hutt Mana Trust Grant	3,000
Interest Income	330
KBN (Kids by Night) Tours	4,217
KNW - Kids Night Walks	(84)
Low Decile Grant	6,000
Membership Subscriptions	63,569
Non-LEOTC Sleepovers & Night Tours	2,683
Other Grants & Donations	52,676
Other Operating Revenue	12,656
Royal Society Grant	2,783
Sales of Goods	274,148
Shipping Recoveries	23
WCC Grant	218,750
Total Income	802,948
Less Cost of Sales	
Posboss Unders & Overs	-
Total Cost of Sales	-
Gross Profit	802,948
Less Operating Expenses	
Administration & Management	128,312
Cost of Goods Sold	109,581
Marketing Education	123
Marketing Equipment	17
Other Operating Expenses	39,613
Personnel	411,983
Playing Cards	1,268
Police Checks for Volunteers	1,000
Salaries & Wages - Cafe - Casual	14,907
Salaries & Wages - CLER - Weekend Duty Ops 50%	1,116
Salaries & Wages - Function - Casual	1,308
Salaries & Wages - Guides	5,069
Salaries & Wages - Retail & Admissions - Casual	5,709
Salaries & Wages - SCaP - Weekend Duty Ops 50%	1,116
Salaries & Wages - Tourism & Trade	10,237
Salaries & Wages - Visitor Experience	27,443

Profit & Loss

	30 Sep 16
SMT - Discretionary Expense Allowance	1,816
Trade, Tourism, Industry alliances	1,197
Vend Unders & Overs	324
Website - site	12,557
Interest Paid	
Interest Expense	2,804
Total Interest Paid	2,804
Trustees Remuneration	
Board Expenses	23,388
Total Trustees Remuneration	23,388
Total Operating Expenses	800,891
Operating Profit	2,057
Non-operating Expenses	
Depreciation Expense	141,587
Total Non-operating Expenses	141,587
Net Profit	(139,530)

Statement of Cash Flows

Karori Sanctuary Trust Inc.
For the 3 months ended 30 September 2016

	JUL-SEP 2016
Cash Flows from Operating Activities	
Receipts from customers	1,095,049.38
Payments to suppliers and employees	(899,772.98)
Cash receipts from other operating activities	(24,677.46)
Total Cash Flows from Operating Activities	170,598.94
Cash Flows from Investing Activities	
Payment for property, plant and equipment	(40,889.80)
Total Cash Flows from Investing Activities	(40,889.80)
Cash Flows from Financing Activities	
Other cash items from financing activities	(34,999.99)
Total Cash Flows from Financing Activities	(34,999.99)
Net Cash Flows	94,709.15
Cash Balances	
Cash and cash equivalents at beginning of period	939,964.34
Cash and cash equivalents at end of period	1,034,673.49
Net change in cash for period	94,709.15

Statement of Cash Flows -WCC Quarterly Report 2016/17 | Karori Sanctuary Trust Inc.

Balance Sheet

Karori Sanctuary Trust Inc. As at 30 September 2016

	30 Sep 2016	30 Sep 2015
Assets		
Current Assets		
Accounts Receivable	21,521	28,887
Cash	1,034,223	753,788
Posboss Card Holding Account	10	-
Posboss Cash Holding Account	1,990	-
Prepayments	18,094	-
Stock on Hand	40,101	51,811
Total Current Assets	1,115,939	834,486
Fixed Assets		
Fixed Assets	4,596,007	4,970,596
VC Building	10,202,668	10,202,668
Less Accumulated Depreciation on VC Building	(642,136)	(642,136)
Total Fixed Assets	14,156,539	14,531,128
Total Assets	15,272,478	15,365,614
Liabilities		
Current Liabilities		
Accounts Payable	133,349	83,729
Accrued Liability	56,191	(5,590)
Community Trust Loan – Current	83,333	83,333
Entertainment Books	(730)	258
GST	6,734	10,084
Payroll Taxes	119,529	126,159
Posboss Suspense Account	(336)	-
Project / Capex Fund	20,782	52,810
Suspense	909	1,314
Unearned income	414,035	430,682
Total Current Liabilities	833,797	782,780
Non-Current Liabilities		
Community Trust Loan	160,000	400,000
WCC Loan	10,346,689	10,346,689
Total Non-Current Liabilities	10,506,689	10,746,689
Total Liabilities	11,340,486	11,529,468
Net Assets	3,931,992	3,836,146
Equity		
Current Year Earnings	(139,530)	(124,020)
Retained Earnings	4,071,522	3,960,166
Total Equity	3,931,992	3,836,146



WELLINGTON CABLE CAR LIMITED
30 Glover Street, Ngauranga
Wellington 6035
Phone +64 (04) 473 2721

28 October 2016

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

Dear Committee,

**WCCL QUARTERLY REPORT (FIRST QUARTER OF 2016/17, TO 30 SEPTEMBER 2016)
FOR THE WCC TRANSPORT AND URBAN DEVELOPMENT COMMITTEE**

1. Executive Summary

The WCCL financial results are forwarded for the first quarter ended 30 September 2016, and show a pre-tax, net deficit of \$439k for the period compared to a budgeted deficit of \$232k, being a variance of \$207k. The variance is due to the Cable Car shutdown being for longer than originally anticipated plus the additional work required due to corrosion found in the Cable Car passenger vehicles. The variance impact for Cable Car revenue and maintenance work is \$221k, which is greater than the total variance for the quarter. It is noted that Cable Car passenger numbers and revenue for September recovered extremely well and are on track with the budget (and slightly ahead of September 2015 figures).

The Cable Car was shut down for a period of 10 weeks to enable the replacement of the electric drive system and associated components plus the essential refurbishment of the Cable Car passenger vehicles. Whilst the length of this project was longer than originally anticipated, it was a very technically complex project and the result has been a significant jump in capability (maximum passenger numbers) plus the elimination of many critical obsolescence and material state issues with only minor remedial work and teething problems outstanding.

The key strategic business issues in progress are the development of the Cable Car better business case proposal to get it incorporated into the Metlink public transport network as well as the decommissioning of the Trolley Bus overhead electrical network. The Company is currently undertaking a detailed re-forecast for the 2016/17 year which will be included as part of the next quarterly report.

WCCL continues to progress and explore further opportunities in relation to marketing and brand development, with online ticket sales growing and the marketing team are currently working on merchandising opportunities which will be an entrée into the wider retail space. One of these is a die cast model of the Cable Car for which design has been completed and production is about to commence.

From an Overhead Division project perspective, the Company is working with GWRC and external parties in relation to the network de-commissioning post cessation of trolley bus services in June 2017. The tender process has commenced and short-listed tenderers will be submitting final tenders on 01 November 2016.

WCCL
TRACTION SERVICES



Fax+64 (04) 473 2710
Ticket Box : 04 472 2199
Email: info@wellingtoncablecar.co.nz
Web: www.wellingtoncablecar.co.nz

WCCL First Quarterly Report 2016/17

The Company has had further discussions with a potential purchaser of the overhead network poles, however this cannot be progressed any further at this stage until the last of the external pole user licence agreements have been finalised (which is with a major Telecommunications user, who have proved extremely difficult to deal with).

From a cash flow perspective, the reserves have been utilised to some degree as part of the electric drive system replacement. However, the Company continues to be in a solid position with cash reserves of \$1,661k (including the self-insurance fund of \$293k) with a negative impact of \$197k in future periods from debtors/prepayments less payables and accruals.

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

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

2. SOI / Business Plan Targets

Financial Performance by Division – Quarter 1, 2016/17 (Excluding Tax)					
	Overhead Division	Cable Car	External Activities	Corporate	WCCL Total
Budget	(56,000)	(103,000)	61,000	(134,000)	(232,000)
Actual	(56,000)	(315,000)	65,000	(133,000)	(439,000)
Variance	0	(212,000)	4,000	1,000	(207,000)

Financial Performance by Division – Year to Date 2016/17 (Excluding Tax)					
	Overhead Division	Cable Car	External Activities	Corporate	WCCL Total
Budget	(56,000)	(103,000)	61,000	(134,000)	(232,000)
Actual	(56,000)	(315,000)	65,000	(133,000)	(439,000)
Variance	0	(212,000)	4,000	1,000	(207,000)

Cable Car Patronage Targets – 2015/16 Year					
	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	Full Year
SOI Target	149,815*	293,325	354,332	200,039	997,511
Actual	107,020				
Variance	(42,795)				

* The 1st quarter patronage figures will be reduced by 30,000 – 40,000 by the shut-down for the electric drive project.

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

** Due to the electric drive system and associated components replacement project, the Company was unable to report on the reliability statistic for the 1st quarter of 2016/17 year.

3. Cable Car

As stated above, the financial result for the period ended 30 September 2016 is currently tracking behind budget by \$212,000 due to the electric drive system and associated components project. This had an impact of reducing Cable Car fare income (due to the extended shutdown period) and increasing maintenance costs due to the extra work required as part of the electric drive replacement project.

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

The Cable Car team also worked very closely with WCC on the Cable Car Lane urban development project, including the canopy replacement which is expected to be completed by November 2016.

The cruise ship season recommenced on 05 October 2016 and comprises approximately 90 ship visits by the end of the season

The main variances from budget include:

- Cable Car Operation Costs are \$10K under budget. This largely relates to the phasing of marketing activities being completed.
- Cable Car Maintenance Costs are tracking over budget by \$57K as stated above due to the additional work required.
- Cable Car revenue is tracking \$134k less than budget due to the additional shut down period required as part of the electric drive project.

4. Trolley Bus Network

The actual expenditure incurred for the period ended 30 September 2016 is less than the budgeted year to date amount and this variance spans several areas, including operating expenditure and capital replacements. This is due partially to the phasing of the pole replacement programme and available resources but also due to the work required on the network and winding down operations as part of the planned cessation of Trolley Bus services in 2017.

The Overhead Network team is currently very busy working on the de-commissioning project, with the tender evaluation process commencing in November 2016, with the plan being to select the preferred supplier prior to Christmas.

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

WCCL First Quarterly Report 2016/17

The main variances from budget include:

- Operational – the variance is largely due to reactive maintenance work which has not been required to the same extent as originally budgeted. However there has been several jobs signed off for completion in the second quarter of the year.
- Pole Replacements – this is partially a timing variance given the start of the year and piling process, but also WCCL is constrained by the change-over practices of external parties on the network to be able to complete pole changeovers, and WCCL therefore occasionally incur additional costs.

5. External Activities and Corporate

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

6. Other Activities

- 2015/16 financial audit – At the time of writing, this has not yet been completed and signed off, partially due to resourcing issues with Audit New Zealand and the Officer of the Auditor General, however this will be completed early in November 2016. By way of background, due to timing of other audits and resourcing, the completion of the final audit process was deferred until September 2016. During this process, work in relation to the disclosure and reporting requirements was required (including review by the Office of the Auditor General) given the uncertainty of the business operations. This was specifically in relation to the decommissioning of the Trolley Bus Network and unknown financial exposure on the Company, but also the current lack of long-term funding capability for the Cable Car capital replacements as specified in the asset management plan.

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

Yours faithfully,

Simon Fleisher
Chief Executive

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Wellington Cable Car Limited
Profit and Loss for the Period Ended 30 September 2016

	Actual 2017 - Qtr 1 \$000	Budget 2017 - Qtr 1 \$000	Variance 2017 - Qtr 1 \$000
<u>OVERHEAD DIVISION</u>			
Income	755	1,090	(334)
Contractor Operations Costs	423	451	27
Reactive Maintenance	32	138	105
Wellington Cable Car Operations Costs	272	326	53
Total Operating Expenses	728	914	186
Operating Surplus/Loss before Replacements	27	176	(149)
Contact Wire Replacements / Rentensions	0	35	35
Pole Replacements	8	93	84
Feeder Pillar Replacements	0	5	5
Special Works Replacement	12	16	4
Business Case Items	7	28	21
Total Replacements	27	176	149
Total Maintenance & Replacement Cost	27	176	149
Depreciation	56	56	0
Total Expenses	811	1,146	335
Overhead Overall Surplus / (Loss)	(56)	(56)	(669)
<u>COMPANY ACTIVITIES DIVISION</u>			
Cable Car Income	210	344	(134)
Cable Car Operations	230	236	6
Cable Car Maintenance	253	169	(83)
Depreciation - CC	41	42	1
	524	448	(76)
Electric Bus Income	0	0	0
Electric Bus Operations	0	0	0
Electric Bus Maintenance	2	0	(2)
	2	0	(2)
Cable Car Operating Surplus / (Loss)	(316)	(103)	(56)

3rd Party Services Net Contribution	7	2	5
External Pole Work Net Contribution	0	0	0
3rd Party Overhead Projects Net Contribution	0	0	0
Sundry External Income	58	59	(1)
External Activities Operating Contribution Surplus / (Loss)	65	61	4
Total Company Activities Operating Contribution Surplus / (Loss)	(251)	(42)	(208)
Administration Expenses	133	134	1
Revaluation of Property, Plant and Equipment			
Company Activities Division Operating Surplus / (Loss)	(383)	(176)	(207)
WELLINGTON CABLE CAR - TOTAL SURPLUS / (LOSS) BEFORE TAX	(439)	(232)	(207)
Tax Expense	(123)	(63)	(60)
Subvention Payment	0	0	0
WELLINGTON CABLE CAR - TOTAL SURPLUS / (LOSS) AFTER TAX	(316)	(169)	(147)
The Total Surplus / (Loss) After Tax Consists of:			
Total Income	1,078	1,508	(430)
Total Expenditure	(1,394)	(1,677)	283
	(316)	(169)	(147)
	0	(0)	0

Wellington Cable Car Limited
Statement of Financial Position
As at 30 September 2016

	2017	
	\$	\$
ASSETS		
Current Assets		
Bank Accounts Total	1,661,859	
Inventory	350,147	
WIP	(6,379)	
Accounts Receivable less Provision	420,659	
Sundry Debtors & Prepayments	269,440	
RWT Deductions	717	
Total Current Assets		2,696,443
Fixed Assets		
Cable Car & Civil Works		
Cable Car Equipment (2%)	4,552,908	
Cable Car Equipment (10%)	408,629	
Cable Car Tracks & Wires	1,363,778	
Furniture & Fittings	64,699	
Computer Equipment	260,649	
Computer Software	204,707	
Overhead Equipment	79,506	
Overhead Wire System		
Overhead Motor Vehicles	1,026,849	
Fixed Asset Clearing Account	3,068,812	
Accumulated Depreciation	(2,823,714)	
Total Fixed Assets		8,206,825
TOTAL ASSETS		10,903,268
LIABILITIES		
Current Liabilities		
Accounts Payable	305,495	
Accruals	581,642	
Purchases Received not yet Invoiced	99,750	
Social Fund	960	
Ostendo Clearing Account		
GST TOTAL	(10,661)	
PAYE Suspense	14,353	
Revenue received in advance		
Prebilled charges TOTAL		
Total Credit Card	8,454	
Current Portion of Term Liabilities		
Total Current Liabilities		999,992
Non Current Liabilities		
ANZ Bank Loan facility		
Provision for Income Tax	91,006	
Deferred Tax Liability	780,613	
Sundry Creditors		
Telecom Lease/Rentals		
Total Non Current Liabilities		871,619
Ostendo Clearing Accounts		
Total Ostendo Clearing Accounts		(1,965)
TOTAL LIABILITIES		1,869,646
NET ASSETS		9,033,622
SHAREHOLDER'S FUNDS		
Ordinary Shares	7,434,846	
Retained Earnings	2,009,491	
Revaluation Reserve		
Tax on Equity Items		
Less: Dividend Paid	(94,306)	
Current Year Earnings	(316,409)	
TOTAL SHAREHOLDER'S FUNDS		9,033,622

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

	Year Ended 30 June 2017
Cash flows from operating activities	
<u>Cash was received from:</u>	
Operating receipts	1,777
<u>Cash was disbursed to:</u>	
Payments to suppliers and employees	(1,909)
Payment of Tax	(479)
Subvention Payment	-
GST	88
Net cash inflow / (outflow) from operating activities	(523)
Cash flows from investing activities	
<u>Cash was received from:</u>	
Investments	-
Interest received	543
Sale of Fixed Assets	-
<u>Cash was applied to:</u>	
Purchase of fixed assets	382
Net cash inflow / (outflow) from investing activities	925
Cash flows from financing activities	
<u>Cash was received from:</u>	
Term Loan	-
<u>Cash was applied to:</u>	
Payment of Dividend	(839)
Term Loan	-
Net cash inflow/(outflow) from financing activities	(839)
Net Increase/(decrease) in Cash held	(438)
Opening Cash Balance	2,100
Closing Cash Balance	1,662

Experience Wellington 2016-17
Quarter 1 Report to Council, as at 30 September 2016



Visitor Numbers

Institution	2016-17 Target	YTD Visitor Numbers (to 30 Sept 2016)	% of Annual Target	Q1 Target	Q1 Visitor Numbers Achieved	% of Q1 Target
Cable Car	220,000	26,993	12%	35,200	26,993	77%
Capital E	105,000	17,646	17%	13,650	17,646	129%
Space Place	46,800	10,888	23%	10,764	10,888	101%
City Gallery Wellington	150,000	41,553	28%	36,000	41,553	115%
Nairn Street Cottage	3,200	408	13%	286	408	143%
Wellington Museum	134,000	28,848	22%	23,000	28,848	125%
TOTAL	659,000	126,336	19%	118,900	126,336	106%

Commentary on variation against Target

- **Cable Car Museum:** The closure of the Cable Car during July and most of August impacted on visitation to the Cable Car Museum during Q1 (July recorded the lowest visitation for the past four years - an average of 8,000 less visitors than a normal July. August was similar). September visitation however was higher than recorded in the past 4 years and with the Cruise ship season about to begin in Q2 we expect visitation to pick up again for the Cable Car Museum.
- **Capital E:** Higher than forecast education bookings for our Digital offerings and high participation in our school holiday public programmes led to our achieving 29% better than target for Q1.
- **Space Place:** July School holidays boosted numbers at Space Place.
- **City Gallery Wellington:** The improved visitation is the result of increased venue hire and public programme activity (including the very successful *ANZ Family Day*).
- **Nairn Street Cottage:** School visits, including large groups from Architecture School programmes, and a very successful Wellington on a Plate event contributed to the Cottage's attendance figures as well as high attendance at our Nairn Street Preservation Society events.
- **Wellington Museum:** July School Holidays boosted numbers at the Museum and continued interest in The Attic contributed to the best Q1 visitation for the Museum in at least the past four years.

Highlights

- *Sister Corita's Summer of Love* opened in the upstairs galleries at City Gallery in July. The exhibition is a joint project between City Gallery Wellington and Govett-Brewster Art Gallery.
- City Gallery's *Fiona Pardington: A Beautiful Hesitation* exhibition travelled to Christchurch Art Gallery. The exhibition curator Aaron Lister assisted with the installation in Christchurch and City Gallery Director Elizabeth Caldwell was one the guest speakers at the opening.
- Craft Camp was run in City Gallery's Education studio during the July school holidays and *Top Art*, the annual NZEA touring show of NCEA 2015 folios was held in the Old Hirschfield Gallery.
- The Adam Auditorium was a venue for the New Zealand International Film Festival 22 July – 7 August 2016.
- In September City Gallery's *Tuatara Open Late* was a big event featuring the performer Tiny Ruins.
- High profile American scholar Thomas Crow gave a lecture at City Gallery during September in support of the *Sister Corita's Summer of Love* exhibition.
- Space Place's original planetarium production, *Family of the Sun*, has been sold to Stardome in Auckland.
- An important historic telescope has been donated to the City's Heritage Collections by Adam Read.
- The Mary Fisher exhibit in The Attic at Wellington Museum has been updated to include her recent gold medal at the Rio Paralympics (the updates to the exhibit have been co-produced with Capital E).
- Wellington Museum has been nominated for the New Zealand's Best Graphic Design Awards for Tessa Baty's work on the Museum and The Attic wayfinding. The winners will be announced in mid-October.
- *Hinepau* was performed at the Matai Whetu marae in Thames, Coromandel in August. This was a first for Capital E and the performance was positively received with approximately 100 people in attendance. This success positions well for our collaborative work with Taki Rua next year which will involve Te Reo performances in venues including Kura Kaupapa.
- Capital E ran a highly enjoyable and successful first programme with Live and Digital teams *Hinepau: Behind the Scenes*. Children got to experience the theatre production and follow it up with a digital response to the experience.
- The three winning films from the *Roxy5 Short Film Competition* have been re-shot and edited with the students and film industry mentors. The films will be finished by mid-November after the students work alongside Park Road Post Production

staff to complete the final stages of post production - an incredible opportunity for them. These films will be part of the Capital E National Arts Festival next year.

- The weaving theme of the July School Holidays was integrated throughout a full programme of digital workshops, live performances and a brand new interactive installation, *Weave your Way*, in our public space. Young people, of all ages, got to play with, make and create using a variety of materials and explore the many forms of weaving. There were also series of pop-up events including weaving workshops with local weavers, storytelling sessions in Kōrero Harakeke and interactive improve theatre with PlayShop.
- Dr Sarah Rusholme has been appointed to the new role of Director, Children & Young People with responsibility for Capital E and cementing our commitment to this audience. Sarah starts in the role on 10 October.
- We have replaced our accounting system with Xero and produced our first set of reports using this system which will be fully implemented by 31 December 2016.
- Our 2015-16 Annual Report was published on 30 September 2016 and can be read at <http://experiencewellington.org.nz/%C2%ADcorporate-information/>. We achieved a net surplus of just over \$35K for the year to 30 June 2016 and total visitation of 688,168.

Pat Stuart
Chief Executive

2016-17 KEY PERFORMANCE INDICATORS QUARTERLY REPORT

Achieved as at: 30 September 2016 (Q1)



TABLE 1: RESIDENTS' AWARENESS (ANNUAL SURVEY)

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

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

TABLE 2: PHYSICAL VISITATION

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

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

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

2016-17 KEY PERFORMANCE INDICATORS QUARTERLY REPORT

Achieved as at: 30 September 2016 (Q1)



TABLE 3: VIRTUAL VISITATION

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

Virtual Visitor Numbers	Achieved 2015-16	Target 2016-17	Achieved (YTD) 2016-17	Q1 Achieved	Q2 Achieved	Q3 Achieved	Q4 Achieved
City Gallery Wellington	126,804	110,000	23,414	23,414			
Museums Wellington*	116,743	78,000	23,655	23,655			
Capital E	50,263	62,000	11,351	11,351			
Trust Total	293,810	250,000	58,420	58,420			

* Wellington Museum, Cable Car Museum, Naim Street Cottage, and Space Place at Carter Observatory are all represented by the Museums Wellington website.

TABLE 4: SOCIAL MEDIA PROFILE

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

Social Media Numbers	Achieved 2015-16	Target 2016-17	Achieved (YTD) 2016-17	Q1 Achieved	Q2 Achieved	Q3 Achieved	Q4 Achieved
City Gallery Wellington	24,266	22,000	27,792	27,792			
Museums Wellington*	5,887	6,590	7,196	7,196			
Capital E	4,089	4,500	4,662	4,662			
Space Place at Carter Observatory	7,359	8,800	8,379	8,379			
Trust Total	41,601	41,890	48,029	48,029			

* Wellington Museum, Cable Car Museum, and Naim Street Cottage are covered by a Museums Wellington social media profile but Space Place at Carter Observatory has its own social media profile.

2016-17 KEY PERFORMANCE INDICATORS QUARTERLY REPORT

Achieved as at: 30 September 2016 (Q1)



TABLE 5: QUALITY OF PHYSICAL VISIT

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

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

TABLE 6: REPEAT VISITATION

Repeat Visitation	Achieved 2015-16	Target 2016-17	Achieved (YTD) 2016-17	Q1 Achieved	Q2 Achieved	Q3 Achieved	Q4 Achieved
City Gallery Wellington	63%	40%	46%	46%			
Wellington Museum	28%	25%	29%	29%			
Capital E	59%	40%	46%	46%			
Cable Car Museum	23%	25%	21%	21%			
Space Place at Carter Observatory	15%	22%	26%	26%			
Trust Total	44%	30%	34%	34%			

2016-17 KEY PERFORMANCE INDICATORS QUARTERLY REPORT

Achieved as at: 30 September 2016 (Q1)



TABLE 7: NON COUNCIL REVENUE

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

* City Gallery Wellington revenue in 2016-17 will be boosted by the Cindy Sherman exhibition.

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

***Capital E will hold the National Arts Festival for Children in 2017.

TABLE 8: SPEND PER VISIT

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

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

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

***Capital E will hold the National Arts Festival for Children in 2017.

2016-17 KEY PERFORMANCE INDICATORS QUARTERLY REPORT

Achieved as at: 30 September 2016 (Q1)



TABLE 9: COUNCIL SUBSIDY PER VISIT

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

Subsidy per Visit (\$)	Achieved 2015-16	Target 2016-17	Achieved 2016-17	Q1 Achieved	Q2 Achieved	Q3 Achieved	Q4 Achieved
City Gallery Wellington	11.53	12.87		11.4			
Museums Wellington*	4.29	5.34		9.92			
Capital E	16.02	14.36		21.65			
Space Place at Carter Observatory	8.89	10.59		11.79			
Trust Total	9.85	10.45		16.79			

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

SOI Statement of Financial Performance (Excl. SP))

Experience Wellington

For the 3 months ended 30 September 2016

Institution is Unassigned, 10 Trust Office, 20 Museum, 21 Cable Car, 22 Nairn St, 30 Capital E, 40 City Gallery.

	ACTUAL	BUDGET	YTD ACTUAL	FULL YR BUDGET
Trading Income				
Trading Income	291,208	340,056	291,208	1,620,000
WCC Operating Grant	1,592,672	1,617,669	1,592,672	6,470,000
WCC Rental Subsidy	442,245	442,329	442,245	1,769,000
Sponsorship and Donations	11,849	44,610	11,849	896,000
Grants Other	250,678	230,752	250,678	762,000
Investment Income	14,870	27,000	14,870	90,000
Other Income	45,277	41,748	45,277	188,000
Total Revenue	2,648,799	2,744,164	2,648,799	11,795,000
Cost of Sales				
Cost of Sales	78,295	100,040	78,295	-
Total Cost of Sales	78,295	100,040	78,295	-
Net Revenue	2,570,504	2,644,124	2,570,504	11,795,000
Operating Expenses				
Employee Costs	1,173,153	1,214,639	1,173,153	4,849,000
Council Rent	334,621	334,707	334,621	1,433,000
Exhibitions & Programmes	367,918	471,408	367,918	2,488,000
Marketing & Promotions	109,743	206,491	109,743	740,000
Occupancy Costs	276,766	248,835	276,766	1,012,000
Communication Costs	31,307	27,168	31,307	108,000
Trustee Fees and Expenses	20,208	21,000	20,208	84,000
Technology Costs	35,099	54,219	35,099	154,000
Professional Fees	29,177	39,122	29,177	152,000
Administration Fees	41,063	42,165	41,063	350,000
Depreciation	185,115	102,098	185,115	425,000
Total Operating Expenses	2,604,169	2,761,852	2,604,169	11,795,000
Net Surplus/(Deficit)	(33,665)	(117,728)	(33,665)	-

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

Statement of Financial Performance (Space Place)

Experience Wellington

For the 3 months ended 30 September 2016

Institution is 26 Space Place.

	1ST QTR ACT	1ST QTR BUD	YTD ACTUAL	YTD BUDGET
Trading Income				
Trading Income				
Admissions	72,964	97,401	72,964	97,401
Membership	1,916	1,926	1,916	1,926
Retail Sales	14,881	19,749	14,881	19,749
Venue Hire	15,702	15,675	15,702	15,675
Total Trading Income	105,462	134,751	105,462	134,751
WCC Operating Grant	86,869	86,751	86,869	86,751
Sponsorship and Donations	147	249	147	249
Grants Other	32,751	25,499	32,751	25,499
Total Revenue	225,229	247,250	225,229	247,250
Cost of Sales				
Cost of Sales	10,648	13,230	10,648	13,230
Total Cost of Sales	10,648	13,230	10,648	13,230
Net Revenue	214,581	234,020	214,581	234,020
Operating Expenses				
Employee Costs	195,543	171,851	195,543	171,851
Exhibitions & Programmes	14,448	21,664	14,448	21,664
Marketing & Promotions	7,271	30,002	7,271	30,002
Occupancy Costs	14,468	16,649	14,468	16,649
Communication Costs	1,516	1,875	1,516	1,875
Technology Costs	-	1,350	-	1,350
Professional Fees	18,750	18,750	18,750	18,750
Administration Fees	4,118	5,851	4,118	5,851
Depreciation	-	2,751	-	2,751
Total Operating Expenses	256,115	270,743	256,115	270,743
Net Surplus/(Deficit)	(41,534)	(36,723)	(41,534)	(36,723)

Statement of Financial Performance (Space Place) | Experience Wellington

Balance Sheet

Experience Wellington As at 30 September 2016

	30 Sep 2016	30 Jun 2016
Assets		
Current Assets		
Cash and cash equivalents	3,239,478	1,722,344
Inventory	135,622	135,622
Trade and other receivables	531,720	531,024
Total Current Assets	3,906,820	2,388,989
Fixed Assets		
Collections and Artefacts	2,338,816	2,338,816
Intangible assets	6,336	8,451
Property, plant and equipment	2,124,791	2,238,093
Total Fixed Assets	4,469,943	4,585,360
Total Assets	8,376,763	6,974,349
Liabilities		
Current Liabilities		
Employee benefits	223,689	223,689
Trade and other payables	3,445,569	1,963,942
Total Current Liabilities	3,669,258	2,187,630
Non-Current Liabilities		
Employee benefits	48,746	48,746
Total Non-Current Liabilities	48,746	48,746
Total Liabilities	3,718,004	2,236,377
Net Assets	4,658,759	4,737,973
Equity		
Current Year Earnings	(79,214)	-
Reserves	2,724,248	2,724,248
Retained Earnings	2,013,725	2,013,725
Total Equity	4,658,759	4,737,973

Statement of Cash Flows

Experience Wellington

For the 3 months ended 30 September 2016

	JUL-SEP 2016
Cash Flows from Operating Activities	
Receipts from customers	4,953,754.64
Payments to suppliers and employees	(3,262,813.76)
Cash receipts from other operating activities	(217,561.35)
Total Cash Flows from Operating Activities	1,473,379.53
Cash Flows from Investing Activities	
Proceeds from sale of property, plant and equipment	185,115.00
Payment for property, plant and equipment	(67,970.35)
Other cash items from investing activities	2,566.06
Total Cash Flows from Investing Activities	119,710.71
Cash Flows from Financing Activities	
Other cash items from financing activities	(75,190.32)
Total Cash Flows from Financing Activities	(75,190.32)
Net Cash Flows	1,517,899.92
Cash Balances	
Cash and cash equivalents at beginning of period	1,714,486.48
Cash and cash equivalents at end of period	3,232,386.40
Net change in cash for period	1,517,899.92



Quarterly Report

Q1 2016/17

July-September 2016

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EXECUTIVE SUMMARY

The first Quarter of the 2016/17 Financial Year has seen Wellington Regional Economic Development Agency (WREDA) deliver strongly across the breadth of operations, while the process of organisational integration continues.

The first three months of the year have seen major initiatives developed, launched and gathering pace. The Wellington International Student Growth Programme is gaining traction with an increase in student visas issued pointing to increased market share for Wellington. Visitor attraction campaigns targeting both domestic and Australian visitation are in-market, building on strong momentum in the sector.

Two visitor campaigns in Canberra are part of a wide range of activities across WREDA designed to leverage the new Singapore Airlines flight to Singapore and Canberra.

Engagement with our priority sectors has intensified supporting increased business activity in these sectors.

Screen production activity in the region is increasing, with WREDA playing a liaison and facilitation role between production companies and community stakeholders.

Meanwhile, the high-quality events schedule has kept our venue operations and i-SITE teams busy – as well as providing a significant boost to the regional economy.

WREDA has undergone major transitional changes, implementing our integrated team structure. This has accompanied a successful transition of the use of the legacy organisation brands to the WREDA name. The move to new premises for the Manners Street and Plimmer Towers staff is scheduled early in the New Year.

The Local Government Commission noted three reasons for WREDA's establishment:

- To increase focus of the formerly disparate organisations
- To achieve economies of scale
- To remove duplication

Quarter 1 of FY17 has seen solid progress with respect to these objectives. Whilst some strategic, regional areas of overlay still need to be addressed, the work done in FY16 in bringing WREDA together operationally is beginning to bear fruit.

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1. FY2017 KEY PERFORMANCE INDICATORS

Table 1: Statement of Intent (SOI) Measures

Objective	Programme	Measure	2016/17 Performance Measures	Q1 Actual	Q1 Projected
Facilitate growth in Wellington business	Scale-Up programme	<i>Metrics for evaluation are being developed as part of the programme design process</i>	TBC	n/a	n/a
	Regional Business Partner Programme	Performance against measured contract KPIs	100%	71% ¹	100%
	Creative HQ	Creative HQ portfolio value	\$1.2M	\$1.4M	\$1.1M
		Lightning Lab participant investment raised	\$3.5M	n/a	Will be known once programmes are finished
	Screen Wellington	Conversion rate of logged enquiries to confirmed production	25%	50%	25%
		Value of facilitated screen production	\$100M	\$8.7M ²	\$25M
		Customer satisfaction survey	80%	Survey yet to be developed	80%
	Sector Growth Initiatives	GDP growth of priority sectors above Wellington average	0.50%	n/a	Figures available annually
		Employment growth of priority sectors above Wellington average	0.50%	n/a	Figures available annually
	Increase the number of international students in Wellington	Wellington International Student Growth Program	International student enrolments	8500	n/a
		NZ Market share of International students	7%	n/a	Figures available annually
Develop available skills in the Wellington workforce	Sector Growth Initiatives	Interns placed in priority sectors	200	81	75
	Creative HQ	Students completing Venture Up programme	50	Programme will run Feb 2017	0

¹ August and September have shown a significant improvement on July but we remain below target. It is not unusual for the start of the year to be slow, and we anticipate meeting target by year-end.

² Due to production delays we have not met production spend target for the quarter. This measure is expected to improve as the new Peter Jackson project starts in Q3.

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Objective	Programme	Measure	2016/17 Performance Measures	Q1 Actual	Q1 Projected
	Talent Attraction	Net permanent and long-term arrivals	2000	3,430	2,000
		Wellington share of total net permanent and long-term arrivals	4%	4.9%	4%
Attract new business and direct investment	Business attraction	Number of jobs in successfully attracted prospect businesses	50	5 ³	12.5
Increase GDP contribution of visitor spending	Destination marketing	Total commercial guest nights	3.15M	663,303	650,000
		Estimated visitor spend	\$2.7B	\$455.9M	\$420M
	Business Events Wellington	NZ market share multi-day conferences	16%	Not yet available	16%
	Venue operations	Utilisation of venues	65%	56% ⁴	65%
Growth in number of out of town venue attendees		2.50%	-2.5% ⁴	2.50%	
Maximise return on Wellington investment in major events portfolio	Major events	ROI via out of Wellington spend	20:1	Not yet available	20:1
		Total event attendance	600,000	172,341	150,000
Leverage major infrastructure investment		Value of pre-bookings for Wellington Convention Centre	\$1M	n/a	Subject to Venue
Enhance Wellington's global reputation	Media hosting programme	Number of media hosted in Wellington	120	68	30
	The Wellington Partnership	Partnership participation numbers	20	n/a	n/a
		Partnership satisfaction score	80%	n/a	Survey to be conducted at year end
	Global liveability reputation	Mercer Liveable Cities ranking	#11	#12	#12
Champion Wellington success stories		Number of stories in Australasian media	625	193	156

³ Target not met due to delay in ramp-up of Concentric (formerly Minacs) tech service centre operations. Will correct in subsequent quarters.

⁴ This year the TSB Bank Arena was provided to WOW as rehearsal space by WCC, and therefore could not be utilised commercially. This impacts utilisation rate and out-of-town attendance for the quarter.

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2. WREDA ACTIVITY REPORT

2.1. BUSINESS GROWTH AND INNOVATION

Over this quarter BGI has completed a restructure as part of the WREDA establishment phase with the team structure announced 1 September 2016. Vacancies within the team are currently being filled.

The key activity over this quarter for BGI has been ensuring the Regional Business Partner programme contract remains on track during the change process; driving Wellington International Student Growth Programme; developing the business case for the Scale-Ups programme in the business support market and stimulating business growth for a pilot of 10 local businesses; and working through the development of a talent attraction scheme with the tech sector.

Table 2: SOI Measures subset

Programme	Measure	2016/17 Performance Measures	Q1 Actual	Q1 Projected
Regional Business Partner Programme	Performance against measured contract KPIs	100%	71%	100%
Screen Wellington	Conversion rate of logged enquiries to confirmed production	25%	50%	25%
	Value of facilitated screen production	\$100M	\$8.7M	\$25M

2.1.1. Regional Business Partner (RBP) Programme

Table 3: RBP Programme activity Q1

Measure	Result
In-depth business engagements	149
Connections to providers	106
Businesses matched with a mentor	46
Capability voucher funding delivered	\$80,000
R&D grant funding delivered	\$15,000

Overall, the performance against measured contract KPIs as at 30 Sep is 71% of target. This reflects the normal trend of under-performance at this time of year, with August and September showing a significant improvement on July.

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2.1.2. R&D Experience internships

Over the last year we have run a targeted project to assist larger businesses in the region to access more of the R&D internship grants available via the RBP. Only businesses with large R&D departments are eligible for funding towards multiple interns.

Last year was the first and only successful application by a Wellington business for more than three internships. This year, through our project, we assisted three large businesses in the region (Xero, Fronde and Aviat Networks) win funding for a total of 20 interns.

Announced in the past quarter, this was the standout result of a total of 37 internship grants across the region, worth a combined \$306,000. At 15% of the national total, it is the best performance to-date by Wellington in this competitive funding programme.

2.1.3. Catalytic Initiatives: Wellington International Student Growth Programme

Year-to-date Total Student Visas in Wellington grew 3% (116) on the previous year. Measured against decreases of 5% and 3% in Auckland and Christchurch respectively, this points to an increasing market share for Wellington⁵.

We organised the 2016 Wellington International Student Excellence awards, which were hosted at Parliament and presented by the Deputy Prime Minister. This generated significant print and TV coverage, as well as establishing an additional point of difference for Wellington as a student destination.

Our team hosted 48 education agents at Wellington promotional functions, and connected 127 international students via the Work Ready in Wellington Meetup Group.

2.1.4. Catalytic Initiatives: The Wellington Partnership

Professor Kelly Chibale from the University of Cape Town visited the region and was hosted by our team. Professor Chibale undertook several lectures with VUW and the Ferrier Institute as well as an interview on Radio NZ. We are pursuing opportunities for joint working between the Ferrier and the University of Cape Town.

Two of our Tech CEO-breakfasts were held in the past quarter. These events are informing development of a similar element within the Scale-Up programme.

We hosted a contingent of the Wellington international diplomatic corps at a joint function with ANZ to discuss Wellington's export growth potential and international relationships. With the success of this inaugural diplomatic event, this will become a regular part of the Wellington Partnership activity.

2.1.5. Catalytic Initiatives: Infrastructure Investment Leverage

The Northern Corridor Road of National Significance is now well underway. We are currently in conversation with the Territorial Local Authorities in the region, as well as NZTA, to ascertain how the road could impact the region's economic development, and how this can be best leveraged.

⁵ Visa data is a proxy for enrolments (our main target) which are reported bi-annually by tertiary institutions

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To leverage the new Singapore Airlines connection between our regions, we hosted the CEO of Canberra Innovation Network (CBRIN) on a two-day tour of key players across our innovation network. These included Creative HQ, BizDojo/Collider, Spring at Massey, Victoria business liaison, Akina, and Enspirial Dev Academy. At the end of the visit we signed an MOU with CBRIN to collaborate and share knowledge.

2.1.6. Catalytic Initiatives: Scale-Ups

We are continuing development of our new Scale Up Programme, on schedule for the pilot cohort of businesses to begin the programme in February 2017. Assistance for companies in the scale-up 'sweet spot' continues, as below.

Tech startup Postr, which we helped to expand via our RBP programme, attracted \$1.7M in FDI capital in the past quarter.

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

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

2.1.7. Talent & Skills

Table 4:50I Measures subset

Programme	Measure	2016/17 Performance Measures	Q1 Actual	Q1 Projected
Talent Attraction	Net permanent and long-term arrivals	2000	3,430	2,000
	Wellington share of total net permanent and long-term arrivals	4%	4.9%	4%
Business attraction	Number of jobs in successfully attracted prospect businesses	50	5	12.5
Sector Growth Initiatives	Interns placed in priority sectors	200	81	75

The five jobs established in Q1 are the initial footprint of the Concentrix (previously known as Minacs) tech service centre operation. This is below target due to the ramp up of centre operations beginning later than anticipated. We expect that this will correct in subsequent quarters.

The Summer of Tech Meet and Greet event introduced fifty companies to 400 potential student interns. Companies began making internship offers in the first week of October. 81 have been placed in Quarter 1, which is ahead of target.

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2.1.8. Business & Investment Attraction

We are working to leverage in-market activity of NZ Government agencies, such as NZFC, NZTE and ENZ to support the work we are doing to attract offshore investment and businesses, (as well as students) to Wellington.

WREDA representatives joined Wellington exporters on a WCC Mayoral delegation to Xiamen, Xi'an & Beijing. During the trip we furthered relations with Xiamen-owned Seashine Group supermarkets, who are now interested in co-investing with agricultural businesses in the region to assist growth and secure supply. Work will continue to develop these relations over Quarter 2, with a view to assisting local businesses secure contracts towards the end of Quarter 3.

The delegation also attended the launch and tour of the New Zealand Hub in Xi'an. The owners/investors have substantial Wellington connections, and we are working with them to ensure our export, education and tourism businesses derive maximum benefit from the facility.

We hosted an event for Wellington tech businesses in Seattle as part the World of Wearable Arts we are supporting. This is part of an exploration of Seattle as a target market for Wellington tech businesses with the likes of Raygun and Green Button (purchased by Microsoft) already located there.

2.1.9. Primary/F & B Sector

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

We continue to collaborate with the board of the new Wellington Wine Country group on development and promotion of this premium wine region brand.

2.1.10. Tech

In the past quarter we convened a gathering of Wellington tech employers to discuss current skills shortages in the sector, and propose the formation of an ongoing collaborative group to support talent attraction. The proposal, entitled LookSee, was well received and we are now writing an agreement to formalise the group.

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

We are poised to join the advisory group for NZ Tech Week for May 2017, a NZ Tech led initiative to ensure Wellington is part of this national event in 2017. This will be a large-scale showcase and networking event for the Wellington tech sector.

2.1.11. Screen Sector

We are consulting with Avalon Studios on their investment case for redevelopment and expansion, following a feasibility study into a new sound stage for the region indicating significant potential benefits.

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

2.1.12. Creative Industries

We kicked off a Creative Industries initiative, which initially involves Greater Wellington Regional Council and Massey University, but will expand to include other industry players. The first step in this initiative was to set up discussions between Massey and the French Embassy, to arrange a visit by a delegation of French creative industry professionals.



Photo 1: WelTec Engineering Student Anamika Nampoothiry with Deputy Prime Minister Bill English at the Wellington International Student Excellence awards (WISGP)

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2.2. MAJOR EVENTS

A strong quarter for events was bolstered by the Hurricanes successful Super Rugby home playoffs run. With a Bledisloe Cup match (and the Welsh test in the previous quarter), it has been a winter of rugby success for Wellington, both on the field and across the region. The annual culinary events Beervana and Visa Wellington on a Plate both returned strongly, leading into WOW®, which began at the very end of the quarter.

New events wins for both international football and international conferences are further positive achievements this quarter.

Table 5: SOI Measures subset

Programme	Measure	2016/17 Performance Measures	Q1 Actual	Q1 Projected
Major events	ROI via out of Wellington spend	20:1	Not yet available	20:1
	Total event attendance	600,000	172,341	150,000

Table 6: Major event attendance breakdown

Attendee origin	Q1
Local	132,066
Out-of-region	40,275
Total	172,341

2.2.1. Bledisloe Cup

Following on from the sold out test against Wales earlier in the year, Westpac Stadium was again at capacity to see the All Blacks retain the Bledisloe Cup for another year with their victory over Australia. The event attracted over 11,000 out of region visitors.

We received a tremendous response from the fans around the projection onto the stadium and some great social media around the video created with Nehe Milner-Skudder.

2.2.2. Beervana

With close to 10,000 tickets sold Beervana continues to be the premier craft beer event in the country. The event is maintaining strong interest from the local and international brewing industry and drives out of region visitation, with 40% of attendees travelling to Wellington for the event.

2.2.3. Super Rugby

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

2.2.4. Visa Wellington on a Plate (VWOAP)

This was the eighth year of the VWOAP festival, which expanded from 116 events last year to 127 in 2016. Overall, 9,070 event tickets were sold, a 5.25% increase, year-on-year.

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The Food Truck Rally was a very successful innovation for 2016, taking the fun and flavour of VWOAP to our regional communities through an easily accessible, non-ticketed event series.

2.2.5. World of WearableArt

2016 season started in the last week of the Quarter. WOW added a show to this season’s run, with ticket sales remaining very strong, all shows at or near sold out. Initial ticket data indicates strong out of region attendance with retail in the city benefitting.

Designers Day was a great success with keynote speaker Denise Tetreault, the Costumes, Lifecycle and Creative Spaces Director from Cirque du Soleil.

2.2.6. FIFA World Cup qualifiers

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

2.2.7. Business Events Wellington

Our team successfully bid and secured the following events in the past quarter:

Table 7: Major conference wins - Q1

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



Photo 2: More than 10,000 flocked to Beervana, 40% from out-of-region

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2.3. DESTINATION & MARKETING

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

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

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

Table 8: SOI Measures subset

Programme	Measure	2016/17 Performance Measures	Q1 Actual ⁶	Q1 Projected
Destination marketing	Total commercial guest nights (annual)	3.15M	663,303	650,000
	Estimated visitor spend (annual)	\$2.7B	\$455.9M	\$450M

2.3.1. Tourism

Key tourism measures are up year-on-year across the period June-August 2016. Spend is up 2% (an incremental \$9.5million into the region) and commercial guest nights up a healthy 7.2%.

Trans-Tasman visitor arrivals were down in June and July, but returned to growth in August, buoyed by the Bledisloe match. Meanwhile, Australian visitor spend was up 8.4% in Wellington for the period, growing ahead of Auckland (5.8%).

The just-launched Singapore Airlines Capital Express route will bring valuable diversity into our tourism sector, particularly from South East Asian and European markets.

2.3.2. Domestic Marketing

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

More than 2,800 personalised video messages were created and delivered, and 12,680 people to visit the campaign landing page which showcased winter attractions and events in Wellington. <http://www.wellingtonnz.com/discover/will-you-welly-me/>

Domestic visitor spending was up 3.4% to \$339.7M in the period June-August.

⁶ As per government release schedule, latest tourism data is to Aug 2016. Reported figures are Jun-Aug 2016

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2.3.3. Australia Marketing

Two campaigns have been run in Canberra to drive awareness of Wellington and a desire to travel. The marketing mix includes outdoor, digital airport billboards, social, online, sponsored editorial and EDMs.

We are also working alongside Wellington Phoenix, Garage Project and VisitCanberra on an on-the-ground activation to take place around the Phoenix's A-League fixture in Canberra on November 12.

Australian visitor spending was up by 8.4% to \$45.3M in the period June-August.

2.3.4. Events marketing

We provided marketing support to the Super Rugby and All Blacks matches in the past quarter, as well as to both Visa Wellington On a Plate (VWOAP) and the World of WearableArt® (WOW) Awards Show.

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

As noted under Major Events, all performed strongly.

2.3.5. Travel Trade

In the past quarter we trained more than 600 international travel agents, enhancing their knowledge of and ability to sell Wellington and its travel products. With a major focus of promoting the Capital Express service, this training activity included market visits to India, Singapore and Canberra.

We also hosted 98 trade agents from the NSW/ACT area who travelled to Wellington on Singapore Airlines inaugural flight in September.

We hosted product managers and frontline agents from the US, South America, China, Japan, Australia and South East Asia, to help them develop and promote new Wellington itineraries.

2.3.6. WTMN project (Wellington, Tasman, Marlborough, Nelson)

Working with Tourism New Zealand as well as the Marlborough and Nelson RTOs (Regional Tourism Organisations) we are promoting central New Zealand to Chinese Free Independent Travellers (FIT) as an alternative to hotspots like Auckland and Queenstown.

The objective of the project is to encourage regional dispersal and preserve the New Zealand experience for this market. Alongside this, we continue to assist local operators in developing their China-ready product.

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Table 9: Travel trade training activity

Q1 In-market training & sales calls	Total agents trained
India Kiwilink India	77
Singapore TNZ frontline training & sales calls	166
Canberra Travel information evening	97
UK/Europe Lions webinar training	34
Q1 Trade Famils	
Total trade hosted	207
Total famils hosted	18

2.3.7. Digital

Visitation to WellingtonNZ.com has increased nearly 9% on the same quarter in 2015. Australian traffic now makes up just under one-fifth of all visitation to the site, a 37% increase on the same period last year. From the international market, Singapore, US, and UK have increased significantly, up 128%, 28% and 25% respectively.

Referrals from our website listings to partner websites, emails and phone numbers have also increased 16% site-wide.

2.3.8. Media / PR

Table 10: SOI Measures subset

Programme	Measure	2016/17 Performance Measures	Q1 Actual	Q1 Projected
Media hosting programme	Number of media hosted in Wellington	120	68	30
Champion Wellington success stories	Number of stories in Australasian media	625	193	156

Close to 70 journalists visited Wellington in the quarter, via our familiarisation programs (famils). Their focus areas were a mix of travel/tourism stories, creative and innovative business, as well as major events.

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

A total of 208 Wellington stories were secured with media in New Zealand and Australia this quarter. Alongside stories generated through famils, this includes stories researched, pitched and produced by the team.

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

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

Table 11: Media hosting and coverage

Hosted media origin	Q1
Total	68
-Domestic	12
-Australia	16
-International	40
Number of articles	
Total	193
-Domestic	158
-Australia	35
Reach	44,546,506
ASR	\$1,582,317



Photo 3: Timed in support of the 'Capital Express' service, our new Australian visitor marketing campaign highlighted Wellington's proximity and variety of experiences

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2.4. VENUES

During the past quarter our venues have seen a positive result in regards to the number of conference events held and the number of delegates those conferences have brought to Wellington.

With the TSB Arena unavailable in August and September, due to rehearsal and performance of the World of WearableArt® Awards Show, the number of performance events delivered in the quarter was reduced compared to last year.

As Table 12 indicates, the unavailability of TSB in Q1 impacted utilisation rate and out of region attendee numbers for the quarter. This was factored into the SOI target for the year as a whole, and we anticipate recovering to target through the remaining quarters.

However, the period did include some notable highlights such as the 12 performances of Disney on Ice in July, which, along with other performance events that month, saw more than 39,000 patrons of which 23% came from outside the Wellington region.

Table 12: SOI Measures subset

Programme	Measure	2016/17 Performance Measures	Q1 Actual	Q1 Projected
Venue operations	Utilisation of venues	65%	56%	65%
	Growth in number of out of town venue attendees	2.50%	-2.5% ⁷	2.50%

Over 50,000 convention delegates have been hosted in our venues in the quarter. The highlights of this convention activity include the hosting of ITx, (a multi-faceted conference that is a collaboration between 12 tech-focused companies and bodies), the ARISE church annual conference attracting 6,500 delegates, and a number of education sector events.

Seven World of Wearable Arts Awards Show performances in September contributed to a total of over 47,000 patrons at performance events in the month, with a Wellington Musical Theatre season of Sister Act at the St. James Theatre also contributing.

In terms of facilities maintenance and improvement work, we have completed strengthening of the external staircases at the Michael Fowler Centre and the external recladding of the TSB Arena.

The Venues team have worked throughout the quarter with Wellington City Council officers in regards to the development of the Movie Museum / Convention Centre project as well as other venues development matters.

⁷ Result affected by unavailability of TSB Bank Arena due to WOW rehearsals. This was built into FY17 target.

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2.5. CREATIVE HQ

Table 13: SOI Measures subset

Programme	Measure	2016/17 Performance Measures	Q1 Actual	Q1 Projected
Creative HQ	Creative HQ portfolio value	\$1.2M	\$1.4M	\$1.1M

We won the AOG business change RFP led by MBIE for the provision of business change services to all government departments (total tender value of approx. \$250m pa). CHQ will be an accredited provider on the procurement panel.

With funding from Kiwibank, Callaghan innovation, Xero and Microsoft, the Kiwibank FinTech accelerator, (announced in the past quarter), will be the most comprehensive acceleration programme we have delivered to date.

In addition, we won the RFP for the next R9 GovTech accelerator (MBIE tender). Our previous R9 GovTech Acceleration programme is a finalist for the 2016 NZ Innovation Awards.

As well as demonstrating CHQ's credibility in winning and providing these accelerators, they have the potential to add significant value to the Wellington and New Zealand economies through the jobs created and the reputation enhanced of the local tech sector.

2.6. 1WREDA

As WREDA moves forward to bring the administrative functions of the legacy organisations together a number of projects have progressed through their discovery phase this quarter.

In regards to Health and Safety compliance and providing our employees with a secure working environment the current different operational procedures will be condensed into one organisation wide plan. This will directly ensure that WREDA is caring more appropriately for its employees and better responding to legislative requirements.

Similarly, the different offices are still operating on legacy IT infrastructure. Over Quarters 2 and 3 as WREDA moves to its new premises a pathway will be followed to bring all units onto one operating platform and as appropriate using software that enables greater productivity across WREDA and better leveraging of different activity programme investments as information and planning can be more easily shared between work groups.

In late March 2017 WREDA will move into new premises at 175 Victoria Street. Staff from the current Manners Street and Plimmer Towers buildings will co-locate into the new premises, which are currently being fitted out, along with some of the Venues staff whom work closely with those locating there. Yearly ongoing rental savings will be \$60,000 and additional operational savings will be made from having a joint premise to operate from. Co-location will also bring about synergies across WREDA.

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**3. WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY
LIMITED QUARTER 1 FINANCIAL STAKEHOLDER REPORT
(EXCLUDES VENUES PROJECT)**

STATEMENT OF COMPREHENSIVE INCOME

	Q1 AS AT 30-Sep-16	SOI QTR 1 FY17	SOI QTR 4 FY17
REVENUE			
Shareholder Grants	6,802,673	6,399,124	20,961,659
Other Revenue	1,834,454	1,596,035	6,871,679
TOTAL REVENUE	8,637,127	7,995,159	27,833,338
EXPENDITURE			
Employment Costs	3,401,684	3,314,174	12,214,359
Direct Project/Marketing	3,079,733	1,658,250	9,813,000
Other Expenses	1,259,752	1,218,830	5,830,372
TOTAL EXPENDITURE	7,741,169	6,191,254	27,857,731
NET SURPLUS (DEFICIT)	895,958	1,803,905	- 24,393

Financially, WREDA has had a sound start to the year. SOI figures were revisited early in the financial year and a revised budget developed to reflect business plans that the new leadership team had developed. During this process all expenditure was revisited and budgets adjusted to reflect additional savings identified. The revisiting of this expenditure will be ongoing as WREDA strives to make further operational savings that can be diverted to front end delivery of projects and work plans. This will see a rise in our direct project and marketing expenditure.

Creative HQ has seen a rise in revenue from anticipated from their SOI figures as they move further toward generating additional revenue from delivering funded programmes of work. Employment costs are anticipated to be at their highest in the first quarter of the financial year as costs of the final stages of the implementation of the organisational design were incurred in this first quarter and include the cost of some redundancies. There has also been a small increase in Venues employment costs as an increase in revenue over SOI results in an increase in casual staff in the Venues area.

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STATEMENT OF FINANCIAL POSITION

	Q1 AS AT 30-Sep-16	SOI QTR 1 FY17	SOI QTR 4 FY17
ASSETS			
Current Assets	5,084,620	3,058,839	2,214,168
Investments in Incubator and Acceleration companies	1,427,407	1,400,000	1,400,000
Fixed Assets	437,279	317,450	288,200
TOTAL ASSETS	<u>6,949,306</u>	<u>4,776,289</u>	<u>3,902,368</u>
LIABILITIES			
Current Liabilities	4,550,774	1,442,235	2,383,113
TOTAL LIABILITIES	<u>4,550,774</u>	<u>1,442,235</u>	<u>2,383,113</u>
NET ASSETS	<u>2,398,532</u>	<u>3,334,054</u>	<u>1,519,255</u>
SHAREHOLDERS FUNDS	<u>2,398,532</u>	<u>3,334,054</u>	<u>1,519,255</u>

WREDA is in a sound financial position with current good cash reserves enable liabilities to be paid as they fall due. There has been an increase in revenue in advance held on the balance throughout the organisation and this is also reflected in an increase in cash held, compared to SOI figures.

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

First Quarter Report 2016/17 Financial Year

Highlights

- Twenty Nyala antelope have recently arrived at Wellington Zoo and will form the core for an Australasian breeding programme for the species. The Nyala, an African antelope species, have come from a private breeding facility in South Africa. The antelope will live in the African Savannah habitat at the Zoo, before a number of them will be sent to zoos in New Zealand and Australia to form different breeding herds. The regional breeding programme is managed by the Zoo and Aquarium Association Australasia (ZAA) to ensure a wide genetic variation for Nyala in human care.
- Work has begun on the design and content of the planned Animal Welfare Interpretive storyline promoting the Five Domains of Welfare and the work Wellington Zoo staff do to ensure animals in our care are in a positive welfare state. This work is currently expected to be completed in the first half of 2017.
- ZooSnaps is now live on the Wellington Zoo website. ZooSnaps allows staff and visitors to share authentic photos and videos which have become very important in how we communicate what's great about Wellington Zoo to our visitors and the wider community.
- The Warehouse Wellington Zoofari July collection campaign was the second of two collections this year. Partnerships Manager spoke at The Warehouse's regional conference in September and accepted a cheque for \$34,285.65 which will support The Warehouse Wellington Zoofari learning sessions in 2017.
- The result for the three months to 30 September 2016 shows a surplus of \$158,205 before transfers to restricted funds against a budgeted operating deficit of \$142,227.
- Operating Revenue is above budget by \$128K and expenditure is above budget YTD September by \$35K.

Challenges this Quarter

- Good progress being made on completion of the kea aviary in MTLHTA and completion date for construction is currently scheduled to be 19 December 2016.



Visitors and events

- Winter Wednesdays in August were well attended this year, and we trialled starting the advertising campaign earlier than normal to aim for a more even spread of visitors across the month. Four out of the five Wednesdays saw more than 1,000 visitors compared with only one Wednesday last year with more than 1,000 visitors. In total, we welcomed 5,063 visitors; an increase of 12.5% on last year.
- Do at the Zoo was held on the 18th September as part of Conservation Week 2016. We offered entry for a \$2 donation for children under the age of 14. The theme was 'Healthy People, Healthy Nature' and the focus for the event was to draw attention to the New Zealand native species Wellington Zoo helps to support through the Conservation Fund.
- Visitation for 2015-2016 as at end of March was 192,205. This is 16,910 ahead of target and 21,986 ahead of last year.

Visitor Attendance for the quarter ended 30 September 2016	
ACTUAL	51,652
TARGET	48,313
DIFFERENCE	+3,339

LEOTC Numbers

	Annual Target	YTD 15/16	YTD 16/17
Zoo School (LEOTC)	10,000	2,120	2,121
Holiday Programme	1,300	437	638
Total	11,300	2,557	2,759

Animal Collection

Species	Gender	Status	Due
Cotton-top Tamarin	Male	From Bratislav Zoo in Slovakia	Arrived in May 2016
Cotton-top Tamarin	Female	From Blackpool Zoo in the UK	Arrived in May 2016
Giraffe	Female	From Auckland Zoo	Arrived in May 2016
Capybara	1 Male and 3 Females	From Paris Zoo	Arrived in April 2016
Eastern Grey Kangaroos	3 Males and 1 Female	From Symbio Zoo in New South Wales	Arrived in April 2016
Kiwi		From Rainbow Springs	Arrived in May 2016
Agoutis	Male and Females	From Hungary	Arrived in June 2016
Maud Island Frogs		From Zealandia	Arrived in April 2016
Little Blue Penguin	Female	From Massey University	Arrived in April 2016
Nyala	5 males and 15 females	From South Africa	Arrived in September 2016
Rainforest Mantis	Males and Females	From Melbourne Museum	Due to arrive in December 2016
Chimpanzees	2 females	From Kolmarden in Sweden	Due to arrive early in 2017
Millipedes	20	From Santa Ana Zoo in the USA	Due to arrive in November 2016



The Twilight Te Ao Māhina refresh was celebrated by staff and guests at a renewal celebration in July.

- The refreshed The Twilight Te Ao Māhina is now open to visitors after a visitor experience refresh and work to improve the animal habitats for both Kiwi and Tuatara. The space was developed with the five voices approach used for visitor experience in Meet the Locals He Tuku Aroha, to link the two New Zealand experiences of the Zoo more closely. A new Kiwi talk has also been developed and was rolled out to visitors during the July school holidays, alongside The Twilight Te Ao Māhina themed activities to celebrate the revamp of this space.
- We have reached 118,988 people via Facebook, with 24,825 post engagements. Twitter has had 35,100 impressions, with 1% engagement rate. Instagram has recently been switched to a business account. Statistics for reach and engagement will be available from October onwards.
- In August Wellington Zoo participated in Visa Wellington on a Plate, in partnership with Blue Carrot Catering. Two special lunches were held with the theme "Feeding Time at Wellington Zoo". Guests enjoyed a family-style lunch on shared platters at a long banquet table; this was followed by a tour/talk in Stores by our Nutrition Advisor which was well received by all guests. The event finished with guests feeding the Giraffe's. The feedback was very positive and we hosted 109 guests over the two dates (maximum capacity was 130 Guests).
- Tip Top joined us in August to support the launch of our Unmask Palm Oil campaign. Tip Top set up with a scoop ice-cream freezer at the Tiger Habitat and sold Tiger Time ice-cream for \$2 with proceeds being donated to the Zoo, Tip Top will be returning to undertake another ice-cream day in early November.
- We have received a grant of \$10,000 from the Brian Whiteacre Trust to support native wildlife treatments in The Nest Te Kōhanga.



Endangered Tawaki Fiordland Crested Penguins swim together at The Nest Te Kōhanga.

- The injured bird community workshop presented at the Zoo by staff from The Nest Te Kōhanga, alongside DOC and SPCA, was a success with 100% of the survey respondents agreeing that the workshop met its objectives and that they would recommend this workshop to others. It was also rated 4.6/5 in terms of effectiveness. DOC is keen to run the workshop again in the near future.
- Wellington Zoo's Conservation Manager and Community Engagement Advisor attended a sustainable energy workshop where the Zoo was used as a case study to look at innovative ways to save energy.
- Veterinary Nurse, Deneka De Sousa volunteered with Friends of Mana Island and Ecogecko in August to survey Ngahere (forest) geckos and aid in plant restoration on Mana Island.
- Primate Team Leader, Harmony Wallace and Primate Keeper, Jacqui Hooper attended the International Primatological Society Congress at Lincoln Park Zoo, Chicago, USA during August. This international conference is held for primate specialists from varied areas globally, including zoos, universities & conservation institutes. Harmony and Jacqui delivered a presentation at the conference about Diablo the Spider Monkey with Cushing's disease at Wellington Zoo.
- A Little Blue Penguin was rescued from Peka Peka Beach in Wellington with very poor body condition, dehydration and emaciation. The bird responded well to care from the team at The Nest Te Kōhanga and has been released back into the wild.

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

Veterinary Statistics

	July 2016	Aug 2016	Sep 2016	Calendar YTD 2016 Total
Collection Animal Cases	37	82	89	593
Native Wildlife Cases	17	15	24	309
Post Mortems	7	6	8	41

Native Animal Admission Statistics

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

* 42 patients + 30 Quarantine



Ben Dowdle from Unmask Palm Oil spoke to staff and guests about the impacts of palm oil production and consumer choice in the lead up to our Ask for Choice campaign to advocate for change in palm oil labelling.

We have joined forces with Auckland Zoo, Hamilton Zoo, Orana Wildlife Park and Unmask Palm Oil to throw our support behind Unmask Palm Oil in a campaign that's calling on Kiwis to join us in demanding clear labelling of palm oil on all food products. Ahead of a key vote on labelling being held on 25 November, the 'Ask for Choice' campaign wants to show the ministers who are representing Food Standards Australia New Zealand (FSANZ) that consumers want choice.

We believe every New Zealander should be able to choose what's in their food and clear labelling is the best step forward for consumers, so that they can demand sustainable palm oil, make better nutrition decisions, and create a level playing field.

Consumer pressure in combination with well-enforced local legislation will result in the preservation of pristine rainforest. Mandatory labelling will help everyone to choose sustainable palm oil – and, in turn, help Sumatran tigers, orangutans and thousands of other animals that rely on these wild habitats to survive.

Karen Fifield
Chief Executive
Wellington Zoo Trust

On behalf of Craig Ellison, Trust Board Chair

Appendix 1 – Wellington Zoo Strategy Framework 2016-17

Measure	Target 2016-17	Tracking YTD 30 September	Notes
CONNECT PEOPLE WITH ANIMALS			
Contact animals meeting visitors in Zoo	1,000 hours	204hrs 15mins	Introduction of Weta and Forest Geckos into programme have helped increase contact time across the Zoo.
People participating in Animal Close Encounters	4,069	876	The majority of people participate in Close Encounters during the Summer/Autumn months.
Number of students participating in LEOTC sessions	10,000	2,759	Tracking well.
PEOPLE LOVE AND SUPPORT THE ZOO			
Increase total visitation	239,408	51,652	2,814 visitors ahead of target YTD and 2,635 visitors ahead of the same period last year.
Percentage of operating costs generated by the Trust	55%	53%	
Ratio of Trust generated income as percentage of WCC grant	122%	127%	
Average income per visitor from Trust generated revenue	\$15.94	\$18.19	
Average WCC subsidy per visitor	\$13.05	\$14.35	
Full cost per visitor including WCC costs	\$21.22	Annual target	
Volunteer engagement survey	1	Annual target	
SAVE ANIMALS IN THE WILD			
Number of vulnerable, endangered or critically endangered species (IUCN Red List and DOC National list) in the Zoo's collection	≥26	26	
Percentage of native patient successful release to the wild after treatment in the Nest Te Kōhanga <i>(This measure is a reporting requirement despite being omitted from the 2016/17 SOI)</i>	≥55%	55%	Data from July 1 – August 31 st , not including any animals which were euthanased or died within the first 24 hours.
Number of threatened Native species (DOC rating) treated in the Nest Te Kōhanga	≥30	Annual target	Three different species (six individuals) to 31 August 2016.

Number of Field Conservation Projects supported for threatened (NZ) endangered or critically endangered (global) species	≥ 4	9	Kea Conservation Trust (NZ-TH); Madagascar Fauna and Flora Group, Black and white Ruffed Lemurs (CR), Proyecto Titi, Cotton Top Tamarins (CR), Associação Mico-Leão-Dourado, Golden Lion Tamarins (EN), 21st Century Tiger, Sumatran Tigers (CR), Save the Tasmanian Devils Programme (EN), FFI Vietnam White Cheeked Gibbons (CR), Red Panda Network Red Pandas (EN), Jane Goodall Institute Chimpanzees (EN).
% of OPEX directly contributed to field conservation	3%	Annual target	This measure uses the American Zoo Association Framework (now adopted by the Zoo Aquarium Association Australasia) to measure direct contribution to field conservation. We achieved 5.68% in 2015-16.
Participate in animal based scientific projects and paper publication	≥ 4	2	Hughes & Allan published in International Zoo Yearbook Volume 50; Allan published in IZE journal 2016.
LEAD THE WAY			
Maintain Zoo and Aquarium Association Animal Welfare Accreditation	Achieved	Achieved	This was achieved in October 2015.
Maintain carbonZero certification	Achieved	Audit early October	Recertification for FY15/16 will be confirmed in December 2016.
H&S targets met	ACC work levy discount applied Achieved	(Lag) Discount has been applied to WTZ's work levies based on experience rating (Lead) On track to date	Lag indicator – WZT gets a discount applied on work levies if we perform better than our industry peer group & Total Levy Risk Group in terms of the number and severity of work-related injury claims. (WSMP Audit to be carried out Feb 2017 – provisionally). Lead indicators - H&S included in weekly 'Zoo Staff News' emails (e.g. monthly metrics, drill and incident debriefs, topical reminders). Training provided for identified risks and emergency situations. Monthly SIT meeting Minutes available to all staff. ERT training full schedule up to Feb 2017. BCP workshop completed 12 th September.
Initiatives to embed professional development of our people	≥ 8	3	Resilience Programme completed – awaiting post diagnostic results, Keeper Progression Process implemented and first round of employees have been assessed. Five Learning sessions delivered.
Staff turnover (permanent staff only)	≤ 18.5%	Annual Target	2.88% YTD September 2016.

Appendix 2 – Financial Statements

CCO: Wellington Zoo Trust			
Quarter One 2016/17			
\$NZ000's			
Actual	EARNINGS STATEMENT	Actual	Budget
30-Jun-16		30-Sep-16	30-Sep-16
	Revenue		
3378	Trading Income	762	707
2894	WCC Grants	781	781
82	Other Grants	21	21
272	Sponsorships and Donations-Operational	120	45
241	Sponsorships and Donations-Capital	200	0
94	Investment Income	14	12
240	Other Income	23	27
7,201	Total Revenue	1,921	1,593
	Expenditure		
4,357	Employee Costs	1,196	1207
2,279	Other Operating Expenses	562	523
14	Depreciation	5	5
167	Interest		
167	Vested Assets		
6,817	Total Expenditure	1,763	1,735
384	Net Surplus/(Deficit) before Taxation	158	(142)
0	Taxation Expense		
15	Operating Surplus (Deficit)	(42)	(142)
384	Net Surplus/(Deficit)	158	(142)
0.2%	Operating Margin	-2.2%	-8.9%

Actual 30-Jun-16	STATEMENT OF FINANCIAL POSITION	Actual 30-Sep-16	Budget 30-Sep-16
	Shareholder/Trust Funds		
0	Share Capital/Settled Funds	0	0
0	Revaluation Reserves	0	0
1,993	Restricted Funds	2,004	1,424
333	Retained Earnings	491	176
2,326	Total Shareholder/Trust Funds	2,495	1,600
	Current Assets		
3,322	Cash and Bank	4,245	3,738
316	Accounts Receivable	84	60
170	Other Current Assets	199	60
3,808	Total Current Assets	4,528	3,858
	Investments		
0	Deposits on Call	0	0
0	Other Investments	0	0
0	Total Investments	0	0
	Non-Current Assets		
35	Fixed Assets	97	41
0	Other Non-current Assets	0	0
35	Total Non-current Assets	97	41
3,843	Total Assets	4,625	3,899
	Current Liabilities		
731	Accounts Payable and Accruals Provisions	699	1,060
774	Other Current Liabilities	1,419	1,227
1,505	Total Current Liabilities	2,118	2,287
	Non-Current Liabilities		
0	Loans - WCC	0	0
0	Loans - Other	0	0
12	Other Non-Current Liabilities	12	12
12	Total Non-Current Liabilities	12	12
2,326	Net Assets	2,495	1,600
2.5	Current Ratio	2.1	1.7
60.5%	Equity Ratio	53.9%	41.0%

Actual 30-Jun-15	STATEMENT OF CASH FLOWS (CONT)	Actual 31-Mar-16	Budget 31-Mar-16
	Financing Cash Flow		
	<i>Cash provided from:</i>		
	Drawdown of Loans		
	Other		
0		0	0
	<i>Cash applied to:</i>		
	Repayment of Loans		
	Other		
0		0	0
0	Total Financing Cash Flow	0	0
1,519	Net Increase/(Decrease) in Cash Held	771	810
1,937	Opening Cash Equivalents	3,456	2,009
3,456	Closing Cash Equivalents	4,227	2,819

Actual 30-Jun-15	CASH FLOW RECONCILIATION	Actual 31-Mar-16	Budget 31-Mar-16
1,053	Operating Surplus/(Deficit) for the Year	560	91
	<i>Add Non Cash Items</i>		
20	Depreciation	16	15
	Other (movement Restricted Funds)	(19)	
1,073		557	106
	Movements in Working Capital		
101	(Increase)/Decrease in Receivables	336	0
(24)	(Increase)/Decrease in Other Current Assets	(31)	0
437	Increase/(Decrease) in Accounts Payable	(656)	(130)
(50)	Increase/(Decrease) in Other Current Liabilities	790	834
464		439	704
	Net Gain/(Loss) on Sale:		
0	Fixed Assets	(225)	0
	Investments	0	0
0		(225)	0
1,537	Net Cash Flow from Operations	771	810

Actual 30-Jun-16	STATEMENT OF CASH FLOWS	Actual Sep-16	Budget Sep-16
	<i>Cash provided from:</i>		
3378	Trading Receipts	762	707
2894	WCC Grants	781	1,379
82	Other Grants	21	21
513	Sponsorships and Donations	320	45
94	Investment Income	14	12
241	Other Income	1,750	27
7202		3,648	2,191
	<i>Cash applied to:</i>		
4,357	Payments to Employees	956	1,207
2,830	Payments to Suppliers	1,769	523
	Net GST Cashflow		
167	Other Operating Costs (VESTING)		
	Interest Paid	0	0
7354		2,725	1,730
-152	Total Operating Cash Flow	923	461
	Investing Cash Flow		
	<i>Cash provided from:</i>		
18	Sale of Fixed Assets		
	Other		
18		0	0
	<i>Cash applied to:</i>		
	Purchase of Fixed Assets		
	Other -vesting Cash for Capital Projects	0	0
0		0	0
18	Total Investing Cash Flow	0	0

Actual 30-Jun-16	STATEMENT OF CASH FLOWS (CONT)	Actual 30-Sep-16	Budget 30-Sep-16
	Financing Cash Flow		
	<i>Cash provided from:</i>		
	Drawdown of Loans		
	Other		
0		0	0
	<i>Cash applied to:</i>		
	Repayment of Loans		
	Other		
0		0	0
0	Total Financing Cash Flow	0	0
(134)	Net Increase/(Decrease) in Cash Held	923	461
3,456	Opening Cash Equivalents	3,322	3,277
3,322	Closing Cash Equivalents	4,245	3,738

Actual 30-Jun-16	CASHFLOW RECONCILIATION	Actual 30-Sep-16	Budget 30-Sep-16
384	Operating Surplus/(Deficit) for the Year	158	(142)
	<i>Add Non Cash Items</i>		
14	Depreciation	5	5
	Other (movement restricted funds)	11	
398		174	(137)
	Movements in Working Capital		
45	(Increase)/Decrease in Receivables	232	90
(86)	(Increase)/Decrease in Other Current Assets	(29)	20
(537)	Increase/(Decrease) in Accounts Payable	(32)	(39)
28	Increase/(Decrease) in Other Current Liabilities	645	527
(550)		816	598
	Net Gain/(Loss) on Sale:		
0	Fixed Assets	(67)	0
	Investments	0	0
0		(67)	0
(152)	Net Cash Flow from Operations	923	461

2. Public Excluded

Resolution to Exclude the Public:

THAT the Council Controlled Organisations :

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

General subject of the matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
2.1 Review of the Quarter Two Report for Wellington International Airport Limited to 30 September 2016	7(2)(a) The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. 7(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	s48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7.
