
ORDINARY MEETING

OF

COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE

AGENDA

Time: 1:30pm
Date: Wednesday, 16 September 2020
Venue: Ngake (16.09)
Level 16, Tahiwī
113 The Terrace
Wellington

MEMBERSHIP

Mayor Foster
Councillor Condie (Chair)
Councillor Foon
Councillor O'Neill
Councillor Rush
Councillor Sparrow
Councillor Young

Have your say!

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

AREA OF FOCUS

The Council-Controlled Organisations (CCO) 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.

To read the full delegations of this Subcommittee, please visit wellington.govt.nz/meetings.

Quorum: 3 members

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1. Meeting Conduct

1.1 Karakia

The Chairperson will open the meeting with a karakia.

Whakataka te hau ki te uru, Whakataka te hau ki te tonga. Kia mākinakina ki uta, Kia mātaratara ki tai. E hī ake ana te atākura. He tio, he huka, he hauhū. Tihei Mauri Ora!	Cease oh winds of the west and of the south Let the bracing breezes flow, over the land and the sea. Let the red-tipped dawn come with a sharpened edge, a touch of frost, a promise of a glorious day
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At the appropriate time, the following karakia will be read to close the meeting.

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

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

1.3 Conflict of Interest Declarations

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

1.4 Confirmation of Minutes

The minutes of the meeting held on 3 June 2020 will be put to the Council Controlled Organisations Subcommittee for confirmation.

1.5 Items not on the Agenda

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

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

The Chairperson shall state to the meeting:

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

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

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

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

1.6 Public Participation

A maximum of 60 minutes is set aside for public participation at the commencement of any meeting of the Council or committee that is open to the public. Under Standing Order 31.2 a written, oral or electronic application to address the meeting setting forth the subject, is required to be lodged with the Chief Executive by 12.00 noon of the working day prior to the meeting concerned, and subsequently approved by the Chairperson.

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

2. General Business

FINAL STATEMENTS OF INTENT FOR COUNCIL CONTROLLED ORGANISATIONS

Purpose

1. To receive and consider the final 2020/21 Statement of Intent (SOI) for the Council-controlled Organisations (CCOs) listed below, noting that Wellington Regional Stadium Trust (trading as Sky Stadium) is not a CCO but is treated as such due to Council's investment.
 - Basin Reserve Trust
 - Karori Sanctuary Trust (trading as ZEALANDIA)
 - Wellington Cable Car Limited
 - Wellington Museums Trust (trading as Experience Wellington)
 - Wellington Regional Economic Development Agency Ltd (trading as WellingtonNZ)
 - Wellington Regional Stadium Trust (trading as Sky Stadium)
 - Wellington Zoo Trust

Summary

2. The COVID-19 pandemic which caused New Zealand to transition quickly to Alert Level 4 (lock down) at midnight on Wednesday 25th March 2020 disrupted some of the Council's meetings in the immediate wake of lock down.
3. The Subcommittee meeting that was scheduled on 8 April 2020 to consider the CCO draft SOIs was cancelled.
4. The draft SOIs were accepted and on 13 May 2020. CCOs were asked to prepare final SOIs based on a consistent set of planning parameters.
5. The financial variances between draft SOIs received prior to lock down and the final SOIs based on the consistent planning parameters, helped to measure the possible impact of COVID-19 on the CCOs in 2020/21. This financial impact was used by Council in determining its CCO COVID Response Support budget in the 2020/21 Annual Plan.
6. The 2020/21 Statement of Intent for the Wellington Regional Development Agency Ltd (trading as WellingtonNZ) was accepted by the Wellington Regional Strategy Committee at its meeting held on 9th June 2020.
7. Officers have reviewed the final SOIs and assessed that the SOIs demonstrate each organisation's enduring commitment to Council's strategies and policies and specific expectations outlined in Letters of Expectation.

Recommendations

That the Council Controlled Organisations Subcommittee:

1. Receive the information.
2. Note that the Council-controlled Organisations Subcommittee meeting scheduled to be held on 8 April 2020 was cancelled and that the draft Statements of Intent were accepted.
3. Note that the 2020/21 Statement of Intent for the Wellington Regional Development Agency Ltd (trading as WellingtonNZ) was accepted by the Wellington Regional Strategy Committee at its meeting held on 9th June 2020.
4. Agree to recommend to the Strategy and Policy Committee that it accepts the 2020/21 Statements of Intent for the Basin Reserve Trust, the Karori Sanctuary Trust, the Wellington Cable Car Limited, the Wellington Museums Trust, the Wellington Regional Stadium Trust and the Wellington Zoo Trust.

Background

8. Under the Local Government Act 2002, CCOs are required to submit a draft SOI to the Council by 1 March in the previous financial year. As a matter of good practice, the Council precedes this with a Letter of Expectation which outlines the Council's expectations in respect of the SOIs it will receive.
9. The draft SOIs were received and accepted.
10. The planning parameters outlined below were provided by Council officers on 13 May 2020 to assist with the preparation of final SOIs and provide consistency in the interpretation of the (then) unknown Alert Level responses to COVID-19.
 - No further financial assistance from NZ Government (wage subsidies).
 - Alert Level 2 for all of Q1.
 - Alert Level 1 for Q2, Q3 and Q4.
 - Trans-Tasman travel recommences for Q4.
 - If applicable, Council rents and charges continue as normal.
 - Council grants unchanged from those currently in the 2020/21 Annual Plan consultation document.
11. The estimated financial impact of COVID-19 on CCOs in 2020/21 was estimated to be the variance between the financial forecasts in the CCO's draft SOI and final SOI. This methodology is considered acceptable under the circumstances, but the actual outcomes may vary significantly.
12. The final SOIs are included in this report for consideration and referral to the Strategy and Policy Committee for approval. As the key accountability document between the Council and the Board of each entity, the approval or support of the SOI is important in confirming the strategic direction and accountability to Council of each organisation.
13. The 2020/21 SOI for Wellington Regional Economic Development Agency Limited was considered by the Wellington Regional Strategy Committee at its meeting held on 9 June 2020 and is included here.

14. The 2020/21 SOI for Wellington Water Limited has been considered by the Wellington Water Committee.

Discussion

15. Officers have reviewed the final SOI received from each entity and acknowledge that the SOIs respond constructively to this Subcommittee's letter of expectation in each case and the planning parameters provided.
16. Final SOIs are appended to this report.

17. BASIN RESERVE TRUST

OFFICER SUMMARY

The Basin Reserve Trust has presented its Statement Of Intent for 2020/21 (SOI) and it is noted that the Trust's intentions with regard to the Council strategies and policies outlined in the letter of expectation, Officers will work with the Trust on developing plans around aligning to relevant Council strategies and policies.

The Basin Reserve is the home of Cricket Wellington, the Firebirds and the Blaze. It also provides a base for Cricket Wellington development teams. In 2020/21 The Trust is planning to host 38 days of cricket events, with 100 days of use for the practice facilities.

The event and function calendar will have a domestic and community focus for the 2020/21 year and will aim to deliver 71 event days and 15 functions.

Following the full renewal of the outfield surface (turf), the junior sports playing fields will be available for use in quarter four, hosting up to 18 games of junior rugby and girls' junior football from April 2021. The Basin will also host cross country events for the neighbouring schools again in 2020/21.

The Trust was successful in raising \$780k toward the strengthening and refurbishment of the Museum Stand, COVID-19 impacted efforts with the withdrawal of some preapproved grants. The remaining \$280k commitment to reach the target of \$1.0m has been carried forward to the 2020/21 year.

Draft SOI

Responding to the COVID-19 pandemic and New Zealand's move into nationwide lockdown in March, the draft SOI was accepted.

The final SOI has been updated based on parameters provided by Council on 13 May 2020. The parameters were intended to outline a potential scenario to help understand the potential financial outcomes for Council's planning purposes.

Final SOI Parameters:

- No further financial assistance from NZ Government (wage subsidies)
- Alert Level 2 for all of Q1
- Alert Level 1 for Q2, Q3 and Q4
- Trans-Tasman travel recommences for Q4
- If applicable, Council rents and charges continue as normal
- Council grants unchanged from those currently in the 2020/21 Annual Plan consultation document (below)

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Basin Reserve Trust	2020-21
Operating Grant incl. Turf Management	694,659

Final SOI

In response to these parameters, activities that have been removed from the final SOI are as follows;

- Beers at the Basin – November 2020
- Blackcaps v Pakistan Test Match – December 2020
- Women's Cricket World Cup – February 2021
- Blackcaps v Bangladesh ODI – March 2021
- Night Noodle Markets – April 2021

While the future of international sporting fixtures is still unclear, the event programmes are expected to take place subject to any Covid-19 restrictions and Beers at the Basin is still booked for November 2020, the Trust's forecast financial position for the year will improve if these events go ahead.

Council Support

In its 2020/21 annual plan, Council has made provision for essential funding support related to COVID-19 of up to \$5.0 million for its CCOs and agreed to provide each of its CCOs with a letter of comfort pertaining to the impacts of COVID-19 and any concerns around ongoing viability.

SUMMARY FINANCIALS (\$000)

COVID-19 impact on quarter four

The Basin Reserve was closed for public access and thoroughfare during Alert Level 4 lockdown and remained closed until Alert Level 3 on Tuesday 28th April 2020. During the Alert Level 4 lockdown, some ground maintenance was able to be carried out under the 'essential works' provisions. The main contractor at the Museum Stand returned to work on Tuesday 28th April under Alert Level 3.

Some events were cancelled, the most significant being the Night Noodle Markets. Lost revenue to financial year-end 2019/20 from events is approximately \$40k.

The Trust had \$175k of granted funding from class 4 trusts that had been approved cancelled by the Trusts before it was paid out.

The Trust delegates the daily operation of the Basin Reserve to Cricket Wellington under a management agreement between the parties. It does not have any employees and therefore did not qualify for the government wage subsidy.

COVID-19 impact on 2020/21

The forecast impact is based on the Trust's pre-COVID draft SOI and the final SOI which has been prepared based on the parameters provided above.

- Revenue is forecast to reduce by \$929k and operating expenses (before depreciation) by \$798k.
- The forecast operating deficit is \$137k – an adverse movement of \$132k.
- The Trust plans to mitigate this through being prepared to host events depending on Covid-

SUMMARY FINANCIALS (\$000)

19 restrictions at the time and optimise opportunities around events when they are able to be hosted.

FINANCIAL PERFORMANCE (\$000)					
	Actual	Forecast	Draft SOI	Final SOI	IMPACT
30 JUNE	2019	2020	2021	2021	2021
Total Revenue	957	1,796	1,742	813	(929)
Opex before Depreciation	862	1,846	1,747	949	(798)
Net Surplus (Loss)	(23)	(51)	(5)	(137)	(132)
FINANCIAL POSITION					
Total Assets	836	696	645	513	(132)
Total Liabilities	259	170	123	123	0
Equity	577	527	522	390	(132)
CASH FLOWS					
Total Net Cash Flows	60	(22)	36	(96)	(132)
Opening Cash	91	152	130	130	
Closing Cash	152	130	166	35	

KEY PERFORMANCE INDICATORS

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

	Actual	Forecast	Draft SOI	Final SOI
30 JUNE	2019	2020	2021	2021
Number of event days				
Cricket events (days)	44	49	44	33
Other sports events (days)	25	10	20	20
Practice facility usage (days)	100	67	32	20
Community events (days)	31	8	25	15
Functions (days)	53	73	100	100
Numbers attending events	134,858	41,132	90,000	15,000
Event income	\$223,282	\$190,637	\$986,539	\$79,100
Council operating grant	\$666,900	\$680,438	\$694,659	\$694,659
Grant per attendance	\$4.95	\$16.54	\$7.72	\$46.30

18. The Basin Reserve Trust's commitment to opening the ground to public access 24 hours per day and 7 days a week, outside of operational closures, is acknowledged in

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the SOI. The Trust is committed to providing 24 x 7 thoroughfare at the ground (subject to its normal operational closures) when suitable lighting has been installed so that safe access through the ground is better assured.

19. The Trust's SOI confirms it will present the Basin Reserve to a high standard year-round. The Trust will focus on the maintenance of the upgraded Basin Reserve assets going forward.
20. The Trust has raised \$951,000 toward its \$1.0 million commitment for the Museum Stand strengthening and refurbishment project. The balance of the fund-raising commitment has been carried forward into the current financial year.
21. The 2021 ICC Women's World Cup that was scheduled for February 2021 has been postponed for twelve months to 2022. Much of the planning for this event will now fall into next year's SOI.
22. Officers recommend that the Subcommittee recommend that the Strategy and Policy Committee approve the Basin Reserve Trust 2020/21 SOI.

23. KARORI SANCTUARY TRUST

OFFICER SUMMARY

The Karori Sanctuary Trust (trading as ZEALANDIA) has presented its Statement of Intent for 2020/21 (SOI) and it responds positively to the sub-committee's letter of expectation.

The SOI is a comprehensive document that clearly articulates the Trust's intentions to continue to meet the enduring expectations of Council and to maintain the Trust's alignment with relevant Council policies and strategies.

ZEALANDIA'S guiding vision is for nature-rich communities where people and nature flourish and the wider Wellington region is internationally recognised as the most nature connected urban area in the world. Conservation and restoration work within the sanctuary remains a core element of ZEALANDIA'S work. The Trust will continue to map its work across the UN Sustainable Development Goals (SDGs) to enable ZEALANDIA to assess its contribution in achieving a better and more sustainable future for all.

Conservation and restoration activities in the sanctuary remain central to their work and investment in this area continues year-on-year. The continuing improvements to the wetland, including the removal of perch from the lower lake, are major projects that will continue through 2020/21.

ZEALANDIA'S close relationship with Predator Free Wellington will continue, including (but not limited to) formal agreements relating to the leadership of education and research activities.

The Sanctuary to Sea project continues to make important gains, with the strategic partnerships involved growing in number, significance and impact.

The ZEALANDIA Centre for People and Nature will be advanced in 2020/21 through the award of a post-doctoral fellowship, and the ongoing planning for the hub building, Tanglewood House. The Centre represents one of the Trust's key long-term initiatives that will inform and enable much of its work, especially in outreach beyond the sanctuary itself.

Draft SOI

Responding to the COVID-19 pandemic and New Zealand's move into nationwide lockdown in March, the draft SOI was accepted without comment.

The final SOI was updated based on parameters provided by Council on 13 May 2020. The parameters were intended to outline a potential scenario to help understand potential financial

outcomes for Council's planning purposes.

Final SOI Parameters:

The following parameters were provided by Council to give consistency in the interpretation of the (then) unknown passage of COVID-19.

- No further financial assistance from NZ Government (wage subsidies)
- Alert Level 2 for all of Q1
- Alert Level 1 for Q2, Q3 and Q4
- Trans-Tasman travel recommences for Q4
- If applicable, Council rents and charges continue as normal
- Council grants unchanged from those currently in the 2020/21 Annual Plan consultation document (below)

Karori Sanctuary	2020-21
Operating Grant	1,055,347
Tanglewood House (Capex)^	786,431
Rata Café Balcony (Capex)	300,000
	2,141,778

^ Funding for Tanglewood House project will be provided approximately 1/3rd by Council and 2/3rd from the Trust's fundraising and working capital. This leverages Council's investment to achieve greater outcomes.

Final SOI

Visitor numbers are forecast to fall from in excess of 130,000 in recent years to 70,000 in the 2020/21 based on the above parameters. Furthermore, despite planned cost savings of over \$700k the Trust is forecasting a net deficit after depreciation of \$300k for the year.

Council Support

In its 2020/21 annual plan, Council has made provision for essential funding support related to COVID-19 of up to \$5.0 million for its CCOs and agreed to provide each of its CCOs with a letter of comfort pertaining to the impacts of COVID-19 and any concerns around ongoing viability.

SUMMARY FINANCIALS

COVID-19 impact on quarter four

ZEALANDIA closed to the public when New Zealand moved to Alert Level 3 on Monday 23rd March 2020 and re-opened on Thursday 14th May (at Alert Level 2) to members and was free to all visitors from Saturday 16th May until Tuesday 30th June. As part of the Council's Pandemic response Plan, ZEALANDIA hosted 35,150 visitors during its free entry campaign to 30th June 2020 and received \$230,000 from Council in support of the free entry initiative.

The Trust received \$365,361 through the government wage subsidy.

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COVID-19 impact on 2020/21

The impact is based on the Trust's pre-COVID draft SOI and the final SOI which has been prepared based on the parameters provided above is set out below.

- Operating revenue is forecast to reduce by \$1.403m and operating expenses (before depreciation) by \$773k.
- The forecast operating deficit is \$302k – an adverse movement of \$570k on the draft SOI net profit budget.
- The Trust's year end cash position is improved by \$350k between the draft SOI and the final SOI, due to the re-phasing of the Tanglewood house investment most of which is expected to occur early in the 2022 financial year.

Under this scenario, visitor numbers are expected to reduce to 70,000 in 2020/21 due to the expected decline in international travel along with the impact of a possible domestic economic downturn. The 2020/21 budget reflects this assumption.

The total cost of Tanglewood House is expected to be \$2.3m of which Council has committed to contribute \$786k in 2020/21. The Trust has capital reserves of \$1.3m tagged for the design and construction of the building and the balance required to complete the development will be raised by the Trust.

FINANCIAL PERFORMANCE (\$000)					
	Actual 2019	Forecast 2020	Draft SOI 2021	Final SOI 2021	IMPACT 2021
30 JUNE					
Total Revenue	6,415	5,794	5,984	4,931	(1,403)
Opex before Depn	4,936	5,035	5,647	4,874	(773)
EBITDA*	1,478	759	338	57	(630)
Net Profit (Loss)	1,145	400	268	(302)	(570)
FINANCIAL POSITION					
Total Assets	5,983	6,303	6,900	5,853	(1,047)
Total Liabilities	812	732	760	584	(176)
Equity	5,171	5,571	6,140	5,269	(871)
CASH FLOWS					
Total Net Cash Flows	880	215	(910)	(560)	350
Opening Cash	540	1,420	1,400	1,635	
Closing Cash	1,420	1,635	490	1,074	

*Earnings before Interest, Tax, Depreciation & Amortisation.

KPI DASHBOARD

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

	Actual 2019	Forecast 2020	Draft SOI 2021	Final SOI 2021
30 JUNE				
Non-financial				
Visitors	138,141	120,000	119,300	70,000
Individual members	10,932	11,839	11,200	11,200

KPI DASHBOARD				
Students & education visits	11,727	8,800	9,000	9,000
Visitor satisfaction rating	97%	>95%	>95%	>95%
Volunteer satisfaction rating	new	new	>80%	>80%
Volunteer numbers	608	>470	>490	>490
Non-council revenue as % total	new	new	75%	75%
Financial				
Full cost to Council*	\$1,856,040	\$1,538,190	n/a	n/a
Full cost per visitor*	\$13.44	\$14.95	n/a	n/a
Operating grant per visit**	\$6.21	\$7.33	\$8.28	\$12.85
Average revenue per visit***	\$32.85	\$26.74	\$27.01	\$27.01
Non-Council donations & funding	\$697,089	\$465,535	\$280,000	\$200,000
Membership subscription revenue	\$338,774	\$311,182	\$324,700	\$324,700
* SOI figures based on WCC's Annual Plan and LTP figures.				
** total WCC operating grant/visitors				
*** excl. grants & interest				
30 June	2020	2021	2022	2023
Manawaroa: We actively restore ecosystem function to foster resilience				
Number of fauna or flora species transferred into or out of the sanctuary, or 'topped up'.	0	1	1	1
<i>This indicates active effort to enhance biodiversity outcomes inside ZEALANDIA and beyond. Transfers over the coming years are likely to include the release of Wellington barking gecko, a top up of tieke, and propagation of Dactylanthus plant.</i>				
Percentage of bird community that is native	80%	80%	80%	80%
<i>This is an indicator of the proportion of our bird community that is indigenous and is measured through annual 5 minute bird counts. The target is to maintain the level at or above 80%.</i>				
Kaitiakitanga: We look after what we have alongside our many partners				
Percentage of incursions into the mouse-free area eradicated or under active management	100%	100%	100%	100%
<i>The mouse free area is critical for lizard reintroductions, and for research into the effect of mice on species. This target will ensure we maintain those values.</i>				
Mice maintained to target levels (abundance per 100 trap nights)	<10	<10	<10	<10
<i>The figure gives an abundance index based on the average abundance/100 corrected trap nights.</i>				
Percentage of pest animal incursions successfully eradicated or under active response	100%	100%	100%	100%
<i>The goal is to actively and responsively control incursions if they occur. The target reflects the uncertainty involved in the outcomes of these responses, and the commitment to continue the response until eradication</i>				

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KPI DASHBOARD

has occurred.

24. The Trust's SOI responds constructively to the subcommittee's letter of expectation. It acknowledges the Trust's commitment to observing council's strategies and policies, specifically those outlined in the letter of expectation.
25. The SOI provides an update of progress with its development of Tanglewood House and it outlines the planned future steps with this project.
26. The SOI commits to developing an asset management strategy to support the long term management of its infrastructure.
27. The SOI describes the Trust's commitment to maintaining the living wage for employees.
28. Officers recommend that the Subcommittee recommend that the Strategy and Policy Committee approve the Karori Sanctuary Trust 2020/21 SOI.

29. WELLINGTON CABLE CAR LIMITED

OFFICER SUMMARY

The Cable Car is the second most visited tourist attraction in Wellington after the Museum of New Zealand Te Papa Tongarewa and is an iconic attraction for visitors and locals.

The Wellington Cable Car Limited has presented its Statement of Intent for 2020/21 (SOI) and it responds positively to Council's expectations.

Wellington Cable Car plans and budgets to be financially autonomous in the short and medium-term. Pre-COVID-19, Wellington Cable Car had sufficient financial reserves to achieve this while steadily investing in maintenance and capital projects. The Cable Car is funded solely by passenger revenue and does not receive any other central or local government funding to subsidise the service.

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

The company has comprehensive and detailed seismic performance information on the tunnels and recently completed a detailed assessment of the track and sleepers. Rolling stock is surveyed annually. All this information will update the company's Asset Management Plan in 2020/21.

There is approximately \$2.5m to 3.0m of capital works planned in 2021/22 for tunnel strengthening and seismic resilience which is planned to protect this critical infrastructure. The work will be reviewed during the next planning and budgeting process to ascertain appropriate timing.

Draft SOI

Responding to the COVID-19 pandemic and New Zealand's move into nationwide lockdown in March, the draft SOI was accepted without comment.

The final SOI was updated based on parameters provided by Council on 13 May 2020. The parameters were intended to outline a potential worst case scenario to help understand the potential worst case financial outcomes for Council's planning purposes.

Final SOI Parameters:

The following parameters were provided by Council to give consistency in the interpretation of the (then) unknown passage of COVID-19.

- No further financial assistance from NZ Government (wage subsidies)
- Alert Level 2 for all of Q1
- Alert Level 1 for Q2, Q3 and Q4
- Trans-Tasman travel recommences for Q4
- If applicable, Council rents and charges continue as normal

Final SOI

The immediate impact of COVID-19 is expected to see passenger numbers fall from over 1.0m per annum to approximately 517,000 in 2020/21, with fare revenue falling from \$2.67m (pre-COVID) to around \$1.438m in the 2020/21 financial year. The company is forecasting a deficit of \$1.625m for the 2020/21 year.

The company expects to return to pre-COVID-19 business levels in 3 years.

- FY 2021-22 at 75% of FY 2019-20
- FY 2022-23 at 90% of FY 2019-20

Council Support

In its 2020/21 annual plan, Council has made provision for essential funding support related to COVID-19 of up to \$5.0 million for its CCOs and agreed to provide each of its CCOs with a letter of comfort pertaining to the impacts of COVID-19 and any concerns around ongoing viability.

SUMMARY FINANCIALS

COVID-19 impact on quarter four

The Cable Car was closed at 7pm on Monday 23rd March 2020 and remained closed until Thursday 14th May 2020.

Upon reopening patronage was reduced significantly from comparable periods in prior years and the service timetable was altered in response to the lower demand. Factors contributing to the reduced patronage included seating/carrying capacity (due to social distancing requirements) down by 60% - 80%. In addition university students did not return to campus learning immediately, many businesses encouraged staff to work from home where possible and public transport (bus & train networks) operated free of charge until 30th June 2020. The company forecast a reduction in Q4 fare revenue on prior years of \$900k.

The company received \$160,221 from the government wage subsidy.

COVID-19 impact on 2020/21

The impact is based on the company's pre-COVID draft SOI and the final SOI which has been prepared based on the parameters provided above.

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SUMMARY FINANCIALS

Until recently, the company's three main customer groups have comprised:

- Tourists (approximately 650,000 trips per year, largely concentrated between September and April, being (formerly) the cruise ship season in New Zealand).
 - The tourist market had been growing steadily. One key marker of this was cruise ship passengers. Large cultural and sporting events also boost tourist passenger numbers.
- Local commuters (approximately 200,000 trips spread evenly throughout the year)
- Students (approximately 180,000 trips per year, with noticeable drops during university and school holidays)

Passenger numbers are expected to reduce to 517,000 in 2020/21 due to the expected decline in international travel along with the impact of a possible domestic economic downturn.

In financial terms:

- Revenue is forecast to reduce by \$1.97m and operating expenses by \$267k.
- The forecast operating deficit is \$1.685m – an adverse movement of \$1.703m.
- The company has reduced planned repairs and maintenance and capital expenditure identified in the draft SOI by approximately \$400k for 2020/21 without sacrificing critical works.

FINANCIAL PERFORMANCE (\$000)					
30 JUNE	Actual 2019	Forecast 2020	Draft SOI 2021	Final SOI 2021	IMPACT 2021
Total Revenue	5,304	3,040	3,655	1,685	(1,970)
Operating Expenses	4,373	3,625	3,637	3,370	(267)
Operating Surplus/Deficit	930	(585)	18	(1,685)	(1,703)
Surplus/(Loss) after tax	785	(487)	6	(1,685)	(1,691)
FINANCIAL POSITION					
Total Assets	12,878	11,828	11,963	9,943	(2,020)
Total Liabilities	2,003	1,438	932	1,240	308
Equity	10,876	10,389	11,032	8,704	(2,328)
CASH FLOWS					
Total Net Cash Flows	(1,101)	(1,221)	(120)	(1,296)	(1,176)
Opening Cash	2,768	5,007	4,346	3,786	
Closing Cash	1,667	3,786	4,226	2,490	

KPI DASHBOARD

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

30 JUNE	Actual 2019	Forecast 2020	Draft SOI 2021	Final SOI 2021
Passengers	1,170,392	920,657	1,102,663	516,957

KPI DASHBOARD				
Fare income (\$000)	\$3,582,803	\$2,669,370	\$3,537,866	\$1,437,687
Passenger Satisfaction				
Customer satisfaction = CXI benchmark +5%	new	new	+5%	+5%
TripAdvisor rating (out of 5)	new	new	4.2	4.2
Cable Car reliability	n/a	n/a	99%	99%

30. The company's SOI responds to the subcommittee's letter of expectation and clearly acknowledges its commitment to observing council's strategies and policies, specifically those outlined in the letter of expectation.
31. The SOI provides details on the age and condition of its assets together with plans for track maintenance work, bridge inspections and seismic improvements to the tunnel network.
32. The company has a systematic programme of maintenance and renewal of the cable cars. This process helps to inform the operating life of the rolling stock. By 2023 the company expects to have a thorough understanding of the expected remaining operating life of the cable cars.
33. Wellington Cable Car supports the Living Wage and all employees are paid at, or above, the Living Wage which remains integral to its remuneration strategy.
34. The company does not receive any operational grant funding from Council and, as such, its revenues are 100% exposed to its trading environment. The operating costs of this service are largely fixed and low passenger volumes result in trading losses. This is demonstrated in its forecast cash loss for the year of \$1.431 million.
35. Officers recommend that the Subcommittee recommend that the Strategy and Policy Committee approve the Wellington Cable Car Limited 2020/21 SOI.

36. WELLINGTON MUSEUMS TRUST

OFFICER SUMMARY
<p><i>Creating remarkable art, culture and science experiences that generate vitality: enriching the city we love.</i></p> <p>The Wellington Museums Trust (trading as Experience Wellington) has presented its Statement of Intent for 2020/21 (SOI) and it responds positively to the sub-committee's letter of expectations.</p> <p>The SOI clearly articulates the Trust's intentions to continue to meet the enduring expectations of Council and to maintain the Trust's alignment with relevant Council policies and strategies.</p> <p>Some of the events and work streams planned for 2020/21 include.</p> <ul style="list-style-type: none"> • Working with Council's Te Ngākau Civic Square Planning Team to return Capital E Nōku Te Ao to Te Ngākau, potentially as part of the Central Library Project. • Launching <i>Creative Collider</i>. This is a new Capital E-led project which will bring together Wellington's creative sector and tamariki to develop and test new works for children. Ideas sparked by this will have the opportunity to access seed funding and support from the Capital E National Theatre for Children and the National Arts Festival for Children.

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- Completing design work on the earthquake strengthening and upgrade of the Wellington Museum Te Waka Huia o Ngā Taonga Tuku Iho using the funding provided in Council's 2018-28 Long Term Plan for this project.
- Attracting art lovers to Wellington for the third high profile international art exhibition at City Gallery Wellington Te Whare Toi which will open in March 2022 (delayed 12 months owing to COVID-19).
- Launching *The Navigators* planetarium show for Space Place Te Ara Whānui ki te Rangi which will tell the story of the arrival of two cultures on the shores of Aotearoa New Zealand. The Trust plan to expand its retail activity at Space Place to coincide with the opening of *The Navigators* which will be premiered in June 2021.
- Continuing staff learning and development programmes building confidence and understanding of Te Reo and Tikanga Māori.
- Going live with a new customer relationship management system which will help communication and engagement with supporters and funders.
- Working with Council's City Resilience and Sustainability Team to reduce the carbon footprint of Experience Wellington across the board.

Draft SOI

Responding to the COVID-19 pandemic and New Zealand's move into nationwide lockdown in March, the draft SOI was accepted without comment.

The final SOI was updated based on parameters provided by Council on 13 May 2020. The parameters were intended to outline a potential scenario to help understand the potential financial outcomes.

Final SOI Parameters:

The following parameters were provided by Council to give consistency in the interpretation of the (then) unknown passage of COVID-19.

- No further financial assistance from NZ Government (wage subsidies)
- Alert Level 2 for all of Q1
- Alert Level 1 for Q2, Q3 and Q4
- Trans-Tasman travel recommences for Q4
- If applicable, Council rents and charges continue as normal
- Council grants unchanged from those currently in the 2020/21 Annual Plan consultation document (below):

Wellington Museums Trust	2020-21
Operating Grant	7,339,851
Rental Grant	1,768,980
Carter Observatory	381,658
Bond Store Upgrade (Capex)	5,110,000
	14,600,489

In response to the parameters provided the Trust has assessed the key impacts as being:

- Domestic visitors (excluding international visitors) are expected to drop by;
 - 60% in Q1 (1 July to 30 September),

- 50% in Q2 (1 October to 31 December 2020),
 - 40% in Q3 (1 January – 31 March 2021) and
 - 40% in Q4 (1 April – 30 June 2021).
- No international tourism during 2020/21;
 - Regional education groups are expected in Terms 3 and 4 of 2020 but national school groups are unlikely to visit before Term 1 of 2021 (3rd Quarter 2020/21);
 - Retail significantly reduced in line with visitation and lack of international tourists;
 - Venue hire for Museums Wellington will be reduced by 50%, City Gallery Wellington reduced by 75%;
 - No sponsorship is expected within 2020/21; donations likely to be nominal;
 - Contracts for service with Ministry of Education and Creative New Zealand will continue as planned; and
 - Non-Council Grants reduced by 50%.

Final SOI

The immediate impact of COVID-19 is expected to see visitor numbers fall from a projected total of 737,900 to 261,700 in 2020/21, with trading revenue falling from \$2.254m (pre-COVID) to around \$506k in the 2020/21 financial year. The company is forecasting a deficit of \$1.228m for the 2020/21 year.

Council Support

In its 2020/21 annual plan, Council has made provision for essential funding support related to COVID-19 of up to \$5.0 million for its CCOs and agreed to provide each of its CCOs with a letter of comfort pertaining to the impacts of COVID-19 and any concerns around ongoing viability.

SUMMARY FINANCIALS

COVID-19 impact on quarter four

Experience Wellington was closed from Monday 23rd March and its various facilities began reopening from Thursday 21st May 2020 with reduced operating hours. Nairn Street Cottage remained closed for the year ended 30 June 2020. The impact on visitation in Q4 was significant with total visitors for the quarter of 15,567 against a target of 148,529.

The trust received \$796,642 from the government wage subsidy.

COVID-19 impact on 2020/21

The impact is based on the Trust's pre-COVID draft SOI and the final SOI which has been prepared based on the parameters provided above.

Visitation to the facilities operated by the Trust is expected to reduce to 261,700 in 2020/21 (down from the original forecast of 737,900 for the year) due to the expected absence of international travel along with the impact of a possible domestic economic downturn.

In financial terms:

- Revenue is forecast to reduce by \$2.0m and operating expenses (before depreciation) by

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\$722k.

- The forecast operating deficit is \$1.228m – an adverse movement of \$1.217m and is reflected in a commensurate reduction in the Trust's cash reserves.
- The forecast cash reserves are under the SOI scenario run into a \$398k deficit in Q4.

FINANCIAL PERFORMANCE (\$000)					
30 JUNE	Actual 2019	Forecast 2020	Draft SOI 2021	Final SOI 2021	IMPACT 2021
Total Revenue	13,602	12,749	14,237	12,234	(2,003)
Opex before Depreciation	13,111	12,210	13,664	12,942	(722)
Depreciation	480	550	584	520	(64)
Net Surplus (Loss)	12	(11)	(11)	(1,228)	(1,217)
FINANCIAL POSITION					
Total Assets	6,809	6,080	6,080	4,852	(1,228)
Total Liabilities	2,320	1,610	1,621	1,610	(11)
Equity	4,490	4,470	4,459	3,242	(1,217)
CASH FLOWS					
Total Net Cash Flows	138	(50)	0	(1,228)	(1,228)
Opening Cash	944	880	830	830	
Closing Cash	1,082	830	830	(398)	

KPI DASHBOARD

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

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

30 JUNE	Actual 2019	Forecast 2020	Draft SOI 2021	Final SOI 2021
Visitation				
City Gallery	153,676	150,000	162,000	56,200
Wellington Museum	132,953	130,000	130,000	56,000
Capital E	137,015	70,500	125,500	45,500
Cable Car Museum	288,889	256,000	262,000	79,000
Space Place	55,683	57,000	56,000	24,000
Nairn Street Cottage	2,104	2,000	2,400	1,000
TOTAL	770,320	665,500	737,900	261,700

Domestic visitors (excluding international visitors) are expected to drop by;

- 60% in Q1 (1 July to 30 September),
- 50% in Q2 (1 October to 31 December 2020),

KPI DASHBOARD

- 40% in Q3 (1 January – 31 March 2021) and
- 40% in Q4 (1 April – 30 June 2021).

No international visitors are expected during 2020/21

	Actual 2019	Forecast 2020	Draft SOI 2021	Final SOI 2021
30 JUNE				
Council subsidy per visit	\$9.77	n/a	n/a	\$29.47
City Gallery	\$15.65	n/a	\$4.96	\$43.34
Museums Wellington*	\$3.89	n/a	\$1.44	\$15.52
Capital E	\$12.20	n/a	\$2.89	\$39.26
Space Place	\$8.87	n/a	\$9.32	\$23.56

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

- City Gallery Wellington 30%
- Museums Wellington (Wellington Museum, Cable Car Museum and Nairn Street Cottage) 26%
- Capital E 22%
- Space Place 4.9% plus the cash underwrite
- Experience Wellington Executive Office 17.1%

NON-COUNCIL REVENUE	Actual 2019	Forecast 2020	Draft SOI 2021	Final SOI 2021
30 JUNE				
Trading Revenue				
City Gallery	363	296	803	99
Museums Wellington*	1,056	837	566	144
Capital E	608	252	363	127
Space Place	570	566	522	136
Sub Total	2,597	1,951	2,254	506
Sub-letting, Interest & Other	228	206	206	30
Subtotal Trading Revenue	2,825	2,157	2,460	536
Fundraising				
City Gallery	467	574	616	395
Museums Wellington*	148	158	152	100
Capital E	784	858	999	942
Space Place	81	111	103	485
Sub Total	1,480	1,701	1,870	1,922
Total Non-Council Revenue				
City Gallery	830	870	1,419	494
Museums Wellington*	1,204	995	718	244
Capital E	1,392	1,110	1,362	1,069
Space Place	651	677	625	621
Sub Total	4,077	3,652	4,124	2,428
Sub-letting, Interest & Other	228	206	206	30
Total Non-Council Revenue	4,305	3,858	4,330	2,458

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	Actual 2019	Forecast 2020	Draft SOI 2021	Final SOI 2021
30 JUNE				
Spend per visit	\$3.37	\$3.24	n/a	\$1.93
City Gallery	\$2.36	\$1.87	\$4.96	\$1.76
Museums Wellington*	\$2.49	\$2.16	\$1.44	\$1.06
Capital E	\$4.43	\$3.29	\$2.89	\$2.79
Space Place	\$10.25	\$9.93	\$9.32	\$5.67

37. The Trust's SOI responds constructively to the subcommittee's letter of expectation. It acknowledges the Trust's commitment to observing council's strategies and policies, specifically those outlined in the letter of expectation.
38. The City Gallery's future programmes have been delayed by up to 12 months as a result of COVID-19 but planning will continue during 2020/21.
39. Planning for the future of Capital E returning to Te Ngakau Civic Square is continuing with current discussions focussed on opportunities related to the central library project.
40. Wellington Museums Trust support the Living Wage and all employees are paid at, or above, the Living Wage and this will remain integral to its ongoing remuneration strategy.
41. Officers recommend that the Subcommittee recommend that the City Strategy Committee approve the Wellington Museums Trust 2020/21 SOI.
42. WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LTD

OFFICER SUMMARY

This place is wild. It's wildly creative, wildly entrepreneurial, wildly interesting.

We're a small region in global terms, but one filled with people with wild ambition. WellingtonNZ shares that ambition, represented in our organisation's purpose: to make the Wellington region wildly famous.

WellingtonNZ's primary focus during the pandemic response period is to help support the local economy and local businesses to **"get the tills ringing"** while at the same time considering the long-term impacts and changes that COVID-19 will have on the Wellington regional economy.

WellingtonNZ will be particularly focused on those programmes of activity that have cross sector benefits. A good example is **Events** – which directly benefit retail, hospitality, accommodation and the event production sectors, and also have flow on benefits for positioning Wellington as being a vibrant place to live in and visit, giving heart to our city and region.

Major Events are expected to play a significant role in the region's economic and social recovery given cross-sector benefits (hospitality, retail, accommodation etc). Planning includes:

- Digital Nights Wellington – Van Gogh Alive
- WOAP – October 2020
- Jazz Festival – October or November 2020

- Beervana – November 2020
- Downtown Shakedown – Dec 2020
- WOW Exhibition at Te Papa in December 2020 to February 2021
- Homegrown in March 2021
- CubaDupa in March 2021
- Second Unit June 2021
- Dali and the Surrealists – June 2021 to August 2021
- Beervana & WOAP – August 2021
- Rugby Tests July – September 2021
- Jazz Festival in October 2021
- WOW in September / October 2021

WellingtonNZ is also working with other partners and stakeholders, including Sky Stadium, on other major event opportunities for 2020 and 2021.

Traditional **Business Growth** activities, centred around the **Regional Business Partnership (RBP)** programme (which provides business support, innovation, capability funding, and facilitation of R&D funding under contract from NZTE and Callaghan Innovation) will assume greater importance than before as the government increases funding that WellingtonNZ can leverage on behalf of businesses. WellingtonNZ will be working closely with businesses to help them recover, reactivate, reimagine and transform their operations. The activities of **CreativeHQ** will also be important in this regard – including start up incubation and acceleration services and wider enterprise innovation and training activities.

The focus for CreativeHQ will continue to be in 4 core areas;

- Incubation services and associated eco-system services for start-up ventures;
- Acceleration programmes under the Lightning Lab Brand;
- Structured innovation training and associated enterprise capability services (targeting customers from start-ups to corporates);
- Public sector innovation through leveraging GovTech expertise.

The core funding provided by WellingtonNZ to CreativeHQ is used to support these services in the Wellington region. In addition, CreativeHQ is building its market reach by providing services nationally and internationally. Activities outside of the Wellington region are funded by 3rd party and commercial partners/contracts.

Draft SOI

WellingtonNZ's draft SOI was reviewed at the Wellington Regional Strategy Committee (WRSC) meeting held (via Zoom) on 9th June 2020. The WRSC approved the SOI which is presented here.

SUMMARY FINANCIALS (including CreativeHQ but excluding Venues Wellington)

COVID-19 impact on quarter four

WellingtonNZ: activated a dedicated COVID Business Response Team (repurposed from its Business Growth team) that provided business support services and delivered information, advice

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SUMMARY FINANCIALS (including CreativeHQ but **excluding Venues Wellington**)

and assistance to businesses in the Wellington region. The team ran an extended series of online workshops targeting both general support and specific sector support. This programme issued NZTE funded COVID Business Support vouchers – providing access to assistance from local consultants and professional services providers and business mentors to help businesses respond to immediate and near-term challenges.

Venues Wellington: In general most clients postponed rather than cancelled events - approximately 4:1 postponed vs cancelled. Both Business Events and Performance Events were pushed out to later this calendar year or into the next calendar year.

CreativeHQ: quickly adapted to a work from home environment and developed its own COVID response programme. It co-designed, with Callahan Innovation, the *Hack The Crisis* online hackathon. There were nearly 1,000 participants and over 200 ideas submitted; 20,000 person hours contributed to the hack. CreativeHQ is providing continued support now the Hackathon has completed, in order to facilitate continued development of solutions.

WellingtonNZ received \$675,057 through the government wage subsidy scheme for staff that worked in the i-Site and Venues Wellington businesses.

COVID-19 impact on 2020/21

In the short term (i.e. the next 12 months) WellingtonNZ will ensure that it operates in areas that have the most immediate impact across multiple sectors. At the same time as responding to the immediate recovery, WellingtonNZ will be reimagining what the future may look like and its role in that.

The summary financials below include CreativeHQ but do not include Venues Wellington as the financial results for the venues are reported within Council's financial position.

FINANCIAL PERFORMANCE (\$000)	Actual	Final SOI
30 JUNE	2019	2021
Total Revenue	31,509	27,045
Total Expenses	30,677	27,545
Income Tax & Subvention Payment (received)	113	
Net Surplus / (Deficit)	719	(500)
Movement in Value of Investments	148	
Share of Associates	13	
Total Comprehensive Revenue & Expense	880	(500)
FINANCIAL POSITION		
Total Assets	8,160	6,632
Total Liabilities	4,812	4,094
Equity	3,349	2,538
CASH FLOWS		
Total Net Cash Flows	532	560
Opening Cash	1,911	2,443
Closing Cash	2,443	3,003

WellingtonNZ did not include forecasts to 30 June 2020 in its SOI.

KPI DASHBOARD

WellingtonNZ has reviewed its performance framework with the aim of:

- Reducing the number of metrics;
- Ensuring metrics are linked to factors which WellingtonNZ can control and which measure WellingtonNZ's direct impact;
- Measuring outcomes not just outputs;
- Providing greater clarity on the region's return on investment.

In addition to these headline measures WellingtonNZ will continue to measure a range of operational metrics including those that relate directly to its WCC, Major Events and Venues Wellington funding (aligned to the expectations of the Funding Agreements), and a range of historical metrics.

KEY PERFORMANCE INDICATORS	Actual	Forecast	Final SOI
30 JUNE	2019	2020	2021
KPI 1: Direct economic impact of WellingtonNZ's activities and interventions		\$151m	\$86m
KPI 2: Number of different business engagements in WellingtonNZ programmes		4,013	3,789
KPI 3: Equivalent Advertising Value (EAV) from media activity		\$29m	\$10m
KPI 4a: Value of expenditure generated from events (including business, performance and major events).		\$91m	\$40m
KPI 4b: The number of Wellington region residents that attend events.		684,406	475,000
KPI 5: Stakeholder engagement		80%	80%
KPI 6: Financial management		On track	To budget
KPI 7: Funding diversification		25%	30%
KPI 8: Employee engagement		65%	70%
INDIRECT MEASURES OF IMPACT (MOI)	Actual	Forecast	Final SOI
30 JUNE	2019	2020	2021
MOI 1: Number of international visitors	756,570	677,848	100,000
MOI 2a: International visitor arrivals through Wellington International Airport - from Australia	154,108	114,336	40,000
MOI 2b: International visitor arrivals through Wellington International Airport - International (exc. Australia)	216,439	160,131	10,000
MOI 3: Visitor nights recorded in the Accommodation Data Programme	3,258,048	unavailable	1,832,261
MOI 4a: Visitor spend - domestic	\$1,845m	\$1,640m	\$1,453m
MOI 4b: Visitor spend - Australia	\$243m	\$203m	\$60m
MOI 4c: Visitor spend - total international (incl. Australia)	\$857m	\$739m	\$86m
MOI 5: Share of NZ multi-day conferences in the Wellington region	21%	unavailable	22.0%
MOI 6: Population growth due to migration to the Wellington region	3,409	3,200	1,500
MOI 7: Share of NZ international students reported in the Wellington region	7.0%	6.7%	7.2%
MOI 8: Wellington region GDP growth	5.3%	4.4%	-2.5%
MOI 9: Total number of work ready job seekers in Wellington	9,750	20,000	29,000

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KPI DASHBOARD

region at June 30			
MOI 10a: Total consumer spending in Wellington region through electronic card data - total	\$6,989m	\$6,194m	\$5,415m
MOI 10b: Total consumer spending in Wellington region through electronic card data - retail	\$1,820m	\$1,576m	\$1,389m
MOI 10c: Total consumer spending in Wellington region through electronic card data - hospitality	\$1,098m	\$961m	\$846m

43. The draft SOI for the Wellington Regional Economic Development Agency Ltd responded to the letter of expectation of the Wellington Regional Strategy Committee (WRSC) and was reviewed and approved at the WRSC meeting held via Zoom on 9th June 2020.
44. Officers recommend the Subcommittee recommend that the Strategy and Policy Committee accept the Wellington Regional Economic Development Agency Ltd 2020/21 SOI.

45. WELLINGTON REGIONAL STADIUM TRUST

OFFICER SUMMARY

The Wellington Regional Stadium Trust (trading as Sky Stadium) has presented its Statement Of Intent for 2020/21 (SOI). The SOI is well presented, informative and responds positively to the sub-committee's letter of expectations.

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

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

Sky Stadium's strategic priorities centre on the following areas:

- Deliver great customer experiences
- Grow commercial revenues
- Invest in and improve its facilities
- Value its people, its community and its stakeholders
- Operate a safe building
- Operational excellence
- Attract and deliver world class events
- Sustainability

The Trust maintains a robust asset management programme that prioritises maintenance based on a 5-year asset condition report compiled by WPS Opus on behalf of the Trust.

The first major phase of the Concourse Upgrade was completed in 2019 with the removal of some of the steel cladding around the major thoroughfares to bring natural light and the city's vista into the Stadium.

The second phase is now underway and is expected to be completed by the end of 2020. This

includes:

- The enhancement and renovation of food and beverage outlets;
- Cladding of some of the current grey concrete walls and pillars;
- Develop a consistent look & feel and way finding around the concourse;
- Making the space more suitable for exhibition clients;
- Improved lighting

The final phase will be refurbishment of parts of the concourse floor which will likely be done in conjunction with some seismic improvements.

With the rebrand to Sky Stadium, the Trust took the opportunity to replace all wayfinding and introduce bilingual signage in English and Te Reo Māori throughout the venue.

Over the past year, the Trust has been investigating and implementing new waste minimisation and sustainability practices suitable for the venue. The key aim of this work has been to reduce the amount of waste generated at events and to redirect the waste that is generated away from landfill. Considerable progress has been made on reducing waste to landfill over the past two years.

A big recent focus of this work has been looking at the products that food items are served in from the catering outlets throughout the stadium. In July 2019 all food serving ware was changed to compostable products and compostable bins were installed throughout the venue. The next key focus for this piece of work is on the cups that are used to serve beer and wine.

Sky Stadium has a Gold rating for accessibility as awarded by Be.Lab (formerly known as Be.Accessible) and intends to apply for Platinum status in the near future.

Prior to COVID-19 the operating environment remained positive for the Trust, albeit with a number of challenges.

The past few years have boasted a strong events calendar. The events outlook for 2020/21, is very challenging as the Trust in partnership with Wellington NZ, continues to work on attracting events during the pandemic.

The Trust's focus lies particularly on those events that will substantially fill the Stadium and generate economic return for the city and region.

The Stadium can operate relatively normally in Alert Level 1 (gatherings greater than 100) but is significantly constrained at higher Alert Levels. Sky Stadium is effectively closed at the higher Alert Levels with the rare exceptions of hosting events without crowds, which it will do occasionally if required. An example is the North versus South rugby match that has been transferred from Eden Park (Auckland) to Wellington. At Alert Levels higher than Level 1 the impacts on the Stadium's revenues and cashflows are significant.

In response to the challenges posed by Covid-19 Council and the Greater Wellington Regional Council agreed to jointly provide a loan facility of \$4.2m that may be drawn down if necessary, by the Stadium.

SUMMARY FINANCIALS (\$000)

The financial projections are prepared on the basis of keeping the Stadium event ready which will play an important part in the economic recovery for Wellington and the Region.

The assumptions made about the event calendar, in particular for the first 12 months may not play out, especially if there are further changes in alert levels and restrictions on mass gatherings. Should this occur, there is limited opportunity to reduce operating expenditure while still maintaining the Stadium in event ready mode.

An overall deficit of \$0.86m is projected for FY21. This includes receipt of the balance of the

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SUMMARY FINANCIALS (\$000)

Wellington City Council \$5.0m grant towards the concourse upgrade, which is shown as income in the year of receipt.

A small operating cash deficit of \$0.33m is forecast for FY21 followed by positive operating cash flows of \$1.71m and \$0.98m.

The Trust is budgeting \$20m of capital expenditure across the next five years. This is funded from operating cash flows and debt, as well as the balance of the Wellington City Council upgrade grant.

FINANCIAL PERFORMANCE (\$000)		
	Actual	Final SOI
30 JUNE	2019	2021
Total Revenue	16,038	13,410
Expenses before Interest & Depn	9,993	9,980
Interest & Depreciation	4,303	4,300
Net Surplus (Deficit)	1,742	(860)
Total Assets	97,941	97,740
Total Borrowings	2,500	5,730
Total Liabilities	6,712	50,030
Trust Funds	91,229	47,710
Net Cash Flow	1,943	(40)
Opening Cash	914	540
Closing Cash On Hand	2,856	500

The final SOI reflects a programme reduced through the impacts of COVID-19 and the consequential reduction in revenue and cashflows. This position is fluid and will be heavily influenced by the degree to which the Stadium is able to source and host events and any audience restrictions.

KEY PERFORMANCE INDICATORS

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

NON FINANCIAL PERFORMANCE MEASURES	
Measure	How measured
Deliver a strong Rugby international test programme for 2020 and 2021	<ul style="list-style-type: none"> Key stakeholders are satisfied with management of the test operation Sell-out crowds for test matches 40% out of region visitors
Deliver more large scale non-sporting events	<ul style="list-style-type: none"> Secure at least one concert per year Secure at least two other events outside the traditional rugby and football regular season calendar per year
Continued investment in stadium infrastructure	<ul style="list-style-type: none"> Concourse upgrade is completed Resilience plans finalised and shared with council partners.
Deliver a full event calendar	<ul style="list-style-type: none"> Securing 45-50 event days per year. (Excludes community events).

Host unique events that deliver economic benefit to the region	<ul style="list-style-type: none"> Maintaining economic benefit to the Region at an average of \$40 million per year Working with promoters to deliver special events to Wellington
Continue to enhance food and beverage offering	<ul style="list-style-type: none"> Greater range and quality of offerings Higher customer satisfaction
Sustainability	<ul style="list-style-type: none"> Eliminate single use plastic

In pre-COVID-19 terms, Sky Stadium remains the busiest stadium in New Zealand, hosting over 50 event days each year in addition to community event days. In addition, the Stadium hosts up to 1,000 non-event day functions, conferences and meetings each year.

While the 2020/21 event calendar is still work in progress and the operating environment is very challenging the Trust's focus lies particularly on sourcing events that will fill the Stadium and generate economic returns for the city and region.

46. The SOI describes the Trust's alignment with Council and clearly supports Council's event policy in delivering the most diverse sporting events calendar of any stadium in New Zealand supplemented with other major events, concerts and performances.
47. With the rebrand to Sky Stadium, the Trust took the opportunity to replace all wayfinding and introduce bilingual signage in English and Te Reo Māori throughout the venue.
48. The events outlook for 2020/21, while still a work in progress looks positive as the Trust in partnership with Wellington NZ, continues to work on attracting events. The Trust's focus lies particularly on those events that will fill the Stadium and generate economic return for the region.
49. The Stadium can operate in Alert Level 1 (gatherings greater than 100) but is closed for business at higher Alert Levels, which is a significant constraint on the business under the current Alert Levels.
50. Officers recommend that the Subcommittee recommend that the Strategy and Policy Committee approve the Wellington Regional Stadium Trust 2020/21 SOI.

51. WELLINGTON ZOO TRUST

OFFICER SUMMARY
<p style="text-align: center;"><i>“As New Zealand’s capital city zoo we believe we should be providing a uniquely Wellington experience for families, school groups and other visitor groups - innovative, fun, professional, creative and personal.”</i></p> <p>The Wellington Zoo Trust has presented its Statement of Intent for 2020/21 (SOI) and it responds positively to the sub-committee's letter of expectation. The SOI clearly articulates the Trust's intentions to continue meeting the enduring expectations of Council.</p> <p>Wellington Zoo is closely aligned to the Council's strategic direction and the SOI discusses how the Zoo's actions and activities contribute to Council's Towards 2040 strategy; specifically Connected City, Eco City, People Centred City and Dynamic Central City strategies. The Zoo aims to be a reflection of Wellington City and contribute to the cultural and natural heritage of Wellington as an accessible and liveable city.</p> <p>The Zoo's five-year strategy integrates te ao Māori, the Global UN Sustainable Development Goals</p>

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(SDGs) and the key strategic focus areas for the Zoo over the next five years. The strategy blends the major outcomes for the Zoo into key areas using the inspiration of Atua and Māori concepts and creates a strategic context for its kaupapa.

The Zoo's strategy is about the Wellington Zoo of the 21st century and seeks to take the Zoo into a new realm, building on its success of the past few years using the Zoo's rebuilt physical platform to unlock the potential for Wellington Zoo to be seen as a leader and trusted voice in the conservation of species, engagement with community, excellence in animal welfare and sustainability outcomes.

Wellington Zoo has been recognised in a multitude of awards over the past few years, from holistic sustainability to business and environmental leadership.

It will continue to strive for excellence across the organisation. To achieve its strategy the Zoo will be ensuring its commitment to sustainability and its Toitū carbonzero certification continues with projects such as the solar power installation in as many Zoo buildings as possible. The Zoo intends to increase its EV fleet by two additional vehicles (four in total) this financial year and obtain its electricity from Ecotricity, the only Toitū carbonzero certified electricity provider in New Zealand. As a Toitū carbon zero certified organisation since 2013 the Zoo will continue to reduce its waste to landfill and work with officers to meet the Regional Waste Management and Minimisation Plan and the Te Atakura, the First to Zero plan.

During New Zealand's COVID-19 lock down, Wellington Zoo enjoyed widespread media coverage across every major TV channel in New Zealand and Sky News Australia. There was a high level of interest from both media and the community around how the animals and keepers were managing during the COVID-19 lockdown.

Draft SOI

Responding to the COVID-19 pandemic and New Zealand's move into nationwide lockdown in March, the draft SOI was accepted without comment.

The final SOI was updated based on parameters provided by Council on 13 May 2020. The parameters were intended to outline a consistent potential scenario to help understand the potential financial outcomes for Council's planning purposes.

Final SOI Parameters:

The following parameters were provided by Council to give consistency in the interpretation of the (then) unknown passage of COVID-19.

- No further financial assistance from NZ Government (wage subsidies)
- Alert Level 2 for all of Q1
- Alert Level 1 for Q2, Q3 and Q4
- Trans-Tasman travel recommences for Q4
- If applicable, Council rents and charges continue as normal
- Council grants unchanged from those currently in the 2020/21 Annual Plan consultation document (below)

Wellington Zoo Trust	2020-21
Operating Grant	3,494,475
Zoo Renewals (Capex)	910,991
Snow Leopards (Capex)^	1,677,720
	6,083,186

^ Funding for the Snow Leopards project will be provided 75% by Council and 25% from Wellington Zoo fundraising. This helps to leverage Council's investment to achieve greater outcomes.

Final SOI

Based on the parameters provided above, revenues are expected to be at the levels set out in the table below relative to the draft SOI.

Revenue %	July-Sept 2020	Oct-Dec 2020	Jan-Mar 2021	Apr-June 2021
General Visitors	60%	70%	80%	80%
Membership	-	70%	80%	80%
Close Encounters	-	70%	80%	80%
Venues	-	30% (Nov/Dec only)	30%	30%
Learning	-	70%	80%	80%
Retail	25%	70%	80%	80%
Café Commission	50%	100%	100%	100%
Catering Commission	-	30%	30%	30%

While the Trust has not updated its budgeted visitation figures in the final SOI, based on the “General Visitors” scaling above the corresponding quarterly visitation impacts could be as follows.

Period	Draft SOI	Scaled
Q1 (Jul – Sep) @ 60%	49,304	29,582
Q2 (Oct – Dec) @ 70%	66,626	46,638
Q3 (Jan – Mar) @ 80%	68,451	54,761
Q4 (Apr – Jun) @ 80%	69,619	55,695
TOTAL	254,000	186,667

Note: the scaled figures are indicative and were not provided by the Trust.

Council Support

In its 2020/21 annual plan, Council has made provision for essential funding support related to COVID-19 of up to \$5.0 million for its CCOs and agreed to provide each of its CCOs with a letter of comfort pertaining to the impacts of COVID-19 and any concerns around ongoing viability.

SUMMARY FINANCIALS

COVID-19 impact on quarter four

Wellington Zoo closed 23rd March 2020 and re-opened on Saturday 16 May (at Alert Level 2) to Zoo Crew members and was free to all visitors from Monday 18th May until Tuesday 30th June.

The Trust’s SOI reports;

- Visitor Revenue loss from 23 March to 30 June 2020 of \$999,729.
- Operational Grants/Fundraising loss of \$53,840 against budget.
- Interest revenue reduction of \$5,853.
- Personnel expenditure is above budget by \$67,624 due mainly to increase in leave liability provision due to staff not taking leave over this period.

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SUMMARY FINANCIALS

As part of the Council Pandemic Response Plan the Zoo ran a free entry campaign to 30 June 2020 and hosted 50,891 visitors. The take-up rate of pre-booked free entry tickets to the Zoo over this period was 77%.

Council provided financial support to help fund the free entry initiative totalling \$273,843. The Zoo also received \$581,191 wage subsidy for the year to 30 June 2020. Funding from these sources helped to offset the impacts noted above.

COVID-19 impact on 2020/21

The impact is based on the trust's pre-COVID draft SOI and the final SOI which has been prepared based on the parameters indicated above.

- Operating revenue is forecast to reduce by \$1.787m and operating expenses reduce by \$212k.
- A forecast operating deficit \$1.575m which results in negative net cash flows and a consequent reduction in reserves. This results in a closing cash position of \$0.04m at the end of 2020/21.

FINANCIAL PERFORMANCE (\$000)					
	Actual	Forecast	Draft SOI	Final SOI	IMPACT
30 JUNE	2019	2020	2021	2021	2021
Total Revenue	7,877	8,523	8,708	6,736	(1,787)
Total Expenses	7,999	8,523	8,708	8,311	(212)
Operating Surplus (Deficit)	(122)	0	0	(1,575)	(1,575)
Net Surplus	(184) *	(531) *	0	(1,575)	(1,575)
Total Assets					
Total Assets	4,454	3,619	3,409	293	(3,116)
Total Liabilities					
Total Liabilities	2,588	2,276	2,066	1,008	(1,058)
Trust Funds					
Trust Funds	1,866	1,343	1,343	(715)	(2,058)
Net Cash Flow					
Net Cash Flow	222	(518)	(213)	(1,789)	(1,576)
Opening Cash					
Opening Cash	3,668	3,890	3,372	1,832	
Closing Cash On Hand					
Closing Cash On Hand	3,890	3,372	3,159	43	

* Includes vesting to Council for asset renewals.

KPI DASHBOARD

The Zoo has not restated its financial KPIs (or visitation figures) in response to COVID-19 in its final SOI. Officers agree with this approach as it will provide a clear basis to assess the impacts of Covid-19. The Zoo will provide quarterly updates as the year unfolds.

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

Actual	Forecast	Draft SOI	Final SOI
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KPI DASHBOARD				
30 JUNE	2019	2020	2021	2021
Non-financial				
Visitors	252,973	246,864	254,000	254,000
Student & education visits	new	new	20,000	20,000
No. Students participating in LEOTC sessions	12,016	retired	retired	retired
Visitor satisfaction (out of ten)	9.1	8.5	8.5	8.5
People participating in close encounters	5,265	retired	retired	retired
Number of native animals receiving medical attention by The Nest Te Kōhanga	31	28	25	25
Percentage of native patients' successful release to the wild after treatment in The Nest Te Kōhanga	n/a	450	450	450
Number of Field Conservation Projects supported for threatened (NZ) endangered or critically endangered (global) species	65%	50%	50%	50%
Participate in animal based scientific projects and paper publication	9	8	12	12
Financial				
% of OPEX directly contributed to field conservation	7.6%	6.0%	7.0%	7.0%
% Operating costs generated by the Trust	57%	59%	59%	59%
Ratio Trust generated income as % Council grant	134%	146%	144%	144%
Trading revenue per visit (excl. grants & interest)	\$17.53	\$19.56	\$17.77	\$17.77
Council operating grant per visitor	\$13.12	\$13.41	\$13.76	\$13.76
Full cost per visitor	\$20.73	n/a	\$21.77	\$21.77

52. The Trust's SOI responds to the subcommittee's letter of expectation and acknowledges the Trust's commitment to observing council's strategies and policies, specifically those outlined in the letter of expectation.
53. The Zoo is working closely with Council in linking its Asset Management Plan to Council processes to ensure the ongoing maintenance and renewal of the Zoo assets. It is acknowledged that the operating environment will be challenging but it is important that the safety of people and the welfare of animals are prominent in the asset management decision making processes.
54. Wellington Zoo support the Living Wage and all employees are paid at, or above, the Living Wage and this will remain integral to its ongoing remuneration strategy.
55. Officers recommend that the Subcommittee recommend that the Strategy and Policy Committee approve the Wellington Zoo Trust 2020/21 SOI.

Attachments

Attachment 1.	Basin Reserve Trust 2020/21 Statement of Intent ↓	Page 38
Attachment 2.	Karori Sanctuary Trust 2020/21 Statement of Intent ↓	Page 54
Attachment 3.	Wellington Cable Car Ltd 2020/21 Statement of Intent ↓	Page 98
Attachment 4.	Wellington Museums Trust 2020/21 Statement of Intent ↓	Page 141
Attachment 5.	Wellington Regional Economic Development Agency Ltd 2020/21 Statement of Intent ↓	Page 177

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Attachment 6.	Wellington Regional Stadium Trust 2020/21 Statement of Intent ↓	Page 208
Attachment 7.	Wellington Zoo Trust 2020/21 Statement of Intent ↓	Page 233

Author	Warwick Hayes, Project Manager Economic & Commercial
Authoriser	Danny McComb, Manager Economic & Commercial Claire Richardson, Chief Operations Officer

SUPPORTING INFORMATION

Engagement and Consultation

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

Treaty of Waitangi considerations

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

Financial implications

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

Policy and legislative implications

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

Risks / legal

Not applicable.

Climate Change impact and considerations

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

Communications Plan

Not applicable.

Health and Safety Impact considered

Not relevant.



Basin Reserve Trust

2020-21 Statement of Intent

(COVID-19 IMPACT)



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1. Introduction

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

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

The Statement of Intent outlines the activities and intentions of the BRT for the period July 2020 to June 2021. It details the BRT's approach to governance and contains financial information, including the annual budget.

2. Objectives

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

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

3. COVID-19 Impact

COVID-19 will disrupt the BRT's well-established event calendar in the 2020/21 reporting cycle. Applying the Statement of Intent planning parameters set by Wellington City Council, the number of



event and function days will be reduced resulting in decreased revenue from events and functions. Key activities that have been removed from the pre-COVID Statement of Intent are as follows

- Beers at the Basin – November 2020
- Blackcaps v Pakistan Test Match – December 2020
- Women’s Cricket World Cup – February 2021
- Blackcaps v Bangladesh ODI – March 2021
- Night Noodle Markets – April 2021

The key risk for the BRT is the financial impact from lost events that generate a large proportion of the BRT’s event revenue. The strained economic climate will also significantly effect the BRT’s ability to secure a naming rights partner. The forecasted pre and post COVID-19 impact is tabled below:

	2020-21 Pre-COVID	2020-21 Post-COVID	Variance
Profit / loss	-\$4,670	-\$136,561	-\$131,891
Cash position	\$166,397	\$34,506	-\$131,891

The BRT’s fundraising ability for the ground redevelopment will also be impacted. Due to COVID-19, the BRT had \$175K of funding from class 4 trusts cancelled before it was paid out. As class 4 trusts (and most other funding agencies) do not apply funding retrospectively the BRT will need to work with WCC to review funding expectations for the redevelopment.

4. 2019-20 Activities

In-line with the objectives of the Trust Deed and in response to Wellington City Councils COVID-19 revised expectations, the BRT will focus on the following initiatives in 2020-21;

Events and Functions

The event and function calendar will have a domestic and community focus for the 2020/11 reporting cycle. The Basin will aim to deliver 71 event days, 100 practise days and 15 functions.

An overview of the wide range of events that are planned for 2020/21 are outlined below:

Community and other Sport Events

20 community event days and 20 other sports event days are planned for 2020-21, key events include;

- Rugby and Football – partnerships with Wellington Rugby and Capital Football and now well established with the Basin a serving to provide these two codes with three well used junior rugby and girls’ junior football fields. Due to a major turf renovation commencing in April 2020, during the 2020 winter unfortunately the fields will be unavailable for quarter one of this SOI cycle. The fields will be available for use in quarter four, facilitating up to 18 games of junior rugby and girls’ junior football from April 2021.
- Athletics – neighbouring schools cross country events will feature again in 2020-21.



- Community Cricket – a wide range of community cricket events will be held including the boys and girls Primary School and Secondary School final, Governor Generals XI game and junior cricket field days

Functions

The BRT has contracted Black and Gold Events to manage and promote the recently refurbished Norwood Room and Long Room in the RA Vance Stand as a venue for conferences, meetings, weddings, celebrations, Christmas functions or team building workshops. In total, 15 functions are planned for 2020/21. Due to COVID-19 this number is significantly reduced from recent years.

Domestic Cricket

The Basin is the home of Cricket Wellington and the home ground of the Wellington Firebirds in the Plunket Shield, Ford Trophy and Men's Super Smash, as well as the Wellington Blaze in the Hallyburton Johnston Shield and Women's Super Smash. The Basin also accommodates Cricket Wellington development teams. The Basin is planning to host 38 days of cricket events, with 100 days of use planned for the practice facilities.

International Cricket

The BRT is holding discussions with New Zealand Cricket regarding opportunities to host any international games that may be arranged with Australia during quarter four. As there is currently no arrangements in place, no international cricket is forecasted for the 2020/21 reporting cycle.

Redevelopment

With the Old Pavilion (commonly known as the Museum Stand) set to be completed in the 2019-20 SOI reporting year, the BRT is committed to working with Wellington City Council on the continual redevelopment of the Basin Reserve and its infrastructure.

Key projects that the BRT would like to see prioritised as next steps are as follows

- Changing room upgrades so that the facilities are gender neutral for the Women's World Cup
- Picket fence upgrade - refer attachment
- Permanent camera stands and sightcreens upgrades
- Electrical master plan
- Playground
- Embankment toilet upgrade
- Perimeter fence and gate upgrades
- Additional groundsman storage (between practice cage and Old Pavilion)
- Floodlights
- Toilets and marquee base between Old Pavilion and RA Vance Stand
- RA Vance carpark / broadcast compound

The BRT hopes to agree the schedule of development works and commence planning for these works during 2020-21.



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

Sponsorship and Fundraising

The BRT remains committed to assisting with fundraising and sponsorship including funding for the installation of replacement floodlights.

The Trust will report on progress each quarter.

Cricket Wellington and The New Zealand Cricket Museum

The Basin Reserve is the home of Cricket Wellington, the Regional Sports Organisation for cricket in Wellington and the New Zealand Cricket Museum. When the Old Pavilion reopens it will house the administration offices of Cricket Wellington, as well as a new modern national Cricket Museum that records the history of cricket and tells the story of the Basin. The New Zealand Cricket Museum is likely to reopen in February 2021.

Wellington Regional Stadium Trust (WRST) Turf Services Partnership

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

William Wakefield Memorial

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

Harassment Policies

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

Other

As a leading CCO, the BRT will work closely with Wellington City Council to support the following initiatives



- The BRT will identify ways the Trust can appropriately support Wellington City Councils, Te Taihū Te Reo Māori Policy and Mana whenua.
- The BRT will ensure that the Te Māpahi Maurea Naming Policy is adhered to at all times
- The BRT was awarded the Toitu Carbon Zero status on 19 December 2019. The Trust will ensure that we remain a carbon zero footprint venue
- The BRT will continue to support the Accessible Wellington, The Accessible Journey Action Plan 2019

5. Performance Targets

In-line with Wellington City Councils 2018-28 Ten Year Plan, the BRT aims to deliver the following performance measures for 2020/21:

Measure	2019/20 Forecast	2020-21 Q1	2020-21 Q2	2020-21 Q3	2020-21 Q4	2020-21	2021-22	2022/23
Quarterly Targets								
Community Events Days	8			3	17	20	21	21
Cricket Events Days	49	4	19	10		33	50	50
Other Sports Events Days	10				20	20	25	25
Practice facility usage (Days)	73	15	45	40		100	100	100
Functions	67		5	5	5	15	25	25
Annual Targets								
Numbers attending events	41,132	--	--	--	--	15,000	41,000	41,000
Event Income (\$)	190,637	--	--	--	--	79,100	206,000	206,000
Council Operating Grant [^] (\$)	680,438	--	--	--	--	694,659	\$709,525	\$724,992
Cash subsidy (grant) per attendance (\$)	16.54	--	--	--	--	46.30	\$17.30	\$17.70

[^]includes turf management fee

6. Governance

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

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



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

Trust Membership

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

Performance Management

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

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

7. Finance

Analysis

The post COVID-19 budget reflects reduced operating income that results in a forecasted loss of \$136,561

Revenue - \$812,719

Revenue	Pre-COVID Forecast 2020-21	Post-COVID Forecast 2020-21	% Change	Comment
Council Funding	694,659	694,659	N/A	N/A
Sale of goods and services	1,047,091	117,700	89%	Significant revenue generating events not proceeding due to COVID-19, including the CWC21
Interest	360	360		N/A
Total	1,742,110	812,719		



Expenses - \$949,280

Revenue	Pre-COVID Forecast 2020-21	Post-COVID Forecast 2020-21	% Change	Comment
Depreciation	118,000	118,000	N/A	N/A
Costs relating to providing goods and services	1,481,700	684,200	90%	Costs saving due to events not proceeding because of COVID-19, including the CWC21
Other expenses	147,080	147,080		N/A
Total	949,280	949,280		

Capital Expenditure

Capital expenditure of \$118K is included within the budget

Cashflow

Cashflow varies throughout the year as key revenues from grants are received quarterly. The forecasted financial year-end cashflow is \$34,506

Risks

The main financial risks are as follows:

- The concession agreement with Black and Gold is terminated
- The domestic cricket season doesn't proceed as planned
- Increased repairs and maintenance are required

Estimate of amount intended for distribution

There is no intention to pay out reserves to stakeholders.

Acquisition procedures

There is no intention to make any acquisitions.

Estimate of commercial value of stakeholder's investment

N/A



Appendix 1 - 2020-21 Statement of Financial Performance

ACCOUNTING POLICIES**BASIN RESERVE TRUST
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2021****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 Good 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 2021**

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

Creditors and accrued expenses

Creditors and accrued expenses are measured at the amount owed.

BASIN RESERVE TRUST
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2021**Budget figures**

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

Tier 2 PBE Accounting Standards applied

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

CHANGES IN ACCOUNTING POLICIES

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

FORECAST FINANCIAL STATEMENTS

**BASIN RESERVE TRUST
STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIODS ENDING**

FYE 30-Jun-20		Qtr to 30-Sep-20	Qtr to 31-Dec-20	Qtr to 31-Mar-21	Qtr to 30-Jun-21	FYE 30-Jun-21	FYE 30-Jun-22	FYE 30-Jun-23
\$		\$	\$	\$	\$	\$	\$	\$
	Revenue							
680,438	Council funding	347,329	-	347,330	-	694,659	697,800	706,750
875,000	Grants other	-	-	-	-	-	-	-
240,018	Sale of goods and services	21,550	40,150	37,650	18,350	117,700	253,600	253,600
360	Interest revenue	90	90	90	90	360	360	360
1,795,816	Total Revenue	368,969	40,240	385,070	18,440	812,719	951,760	960,710
	Expenses							
103,000	Depreciation of property, plant and equipment	29,500	29,500	29,500	29,500	118,000	110,000	95,000
726,900	Costs related to providing goods and services	143,000	175,900	208,650	156,650	684,200	751,500	772,600
1,016,580	Other expenses	30,645	35,645	33,145	47,645	147,080	150,580	151,080
1,846,480	Total Expenses	203,145	241,045	271,295	233,795	949,280	1,012,080	1,018,680
(50,664)	Surplus/(Deficit) for the Year	165,824	(200,805)	113,775	(215,355)	(136,561)	(60,320)	(57,970)

**BASIN RESERVE TRUST
STATEMENT OF FINANCIAL POSITION**

As at 30-Jun-20		As at 30-Sep-20	As at 31-Dec-20	As at 31-Mar-21	As at 30-Jun-21	As at 30-Jun-21	As at 30-Jun-22	As at 30-Jun-23
\$		\$	\$	\$	\$	\$	\$	\$
	Assets							
	Current Assets							
130,067	Bank accounts and cash	314,036	128,376	172,716	34,506	34,506	27,186	29,216
45,100	Debtors and prepayments	15,000	27,500	98,500	35,200	35,200	25,200	32,100
175,167	Total Current Assets	329,036	155,876	271,216	69,706	69,706	52,386	61,316
	Non-Current Assets							
520,940	Property, plant and equipment	491,440	486,940	507,440	442,940	442,940	372,940	257,940
520,940	Total Non-Current Assets	491,440	486,940	507,440	442,940	442,940	372,940	257,940
696,107	Total Assets	820,476	642,816	778,656	512,646	512,646	425,326	319,256
	Liabilities							
	Current Liabilities							
157,607	Creditors and accrued expenses	128,152	151,297	173,362	110,707	110,707	83,707	35,607
12,000	Income received in advance	-	-	-	12,000	12,000	12,000	12,000
169,607	Total Current Liabilities	128,152	151,297	173,362	122,707	122,707	95,707	47,607
169,607	Total Liabilities	128,152	151,297	173,362	122,707	122,707	95,707	47,607
526,500	Total Assets less Total Liabilities	692,324	491,519	605,294	389,939	389,939	329,619	271,649
	Trust Equity							
100	Contributed capital	100	100	100	100	100	100	100
577,064	Accumulated surpluses	526,400	692,224	491,419	605,194	526,400	389,839	329,519
(50,664)	Current period earnings	166,824	(200,805)	113,775	(215,355)	(136,561)	(60,320)	(67,970)
526,500	Total Trust Equity	692,324	491,519	605,294	389,939	389,939	329,619	271,649

BASIN RESERVE TRUST
STATEMENT OF CASH FLOWS FOR THE PERIODS ENDING

FYE 30-Jun-20		Qtr to 30-Sep-20	Qtr to 31-Dec-20	Qtr to 31-Mar-21	Qtr to 30-Jun-21	FYE 30-Jun-21	FYE 30-Jun-22	FYE 30-Jun-23
\$		\$	\$	\$	\$	\$	\$	\$
	Cash Flows from Operating Activities							
765,400	Receipts of council funding	345,329	-	347,330	-	692,659	697,800	706,750
875,000	Receipts of grants other	-	-	-	-	-	-	-
202,500	Receipts from sale of goods and services	51,550	40,150	37,650	18,350	147,700	191,600	193,600
360	Interest receipts	90	90	90	90	360	360	360
(1,765,000)	Payments to suppliers and employees	(223,000)	(215,900)	(255,730)	(146,650)	(841,280)	(822,080)	(803,680)
(25,000)	GST (net)	10,000	15,000	(35,000)	(10,000)	(20,000)	(25,000)	(20,000)
53,260	Net Cash Flows from Operating Activities	183,969	(160,680)	94,340	(138,210)	(20,561)	42,680	77,030
	Cash Flows from investing and Financing Activities							
(75,000)	Payments to acquire property, plant and equipment	-	(25,000)	(50,000)	-	(75,000)	(50,000)	(75,000)
(75,000)	Net Cash Flows from Financing Activities	-	(25,000)	(50,000)	-	(75,000)	(50,000)	(75,000)
(21,740)	Net Increase/(Decrease) in Cash for the Year	183,969	(185,680)	44,340	(138,210)	(95,561)	(7,320)	2,030
151,807	Add opening bank accounts and cash	130,067	314,036	128,376	172,716	130,067	34,506	27,186
130,067	Closing Bank Accounts and Cash	314,036	128,376	172,716	34,506	34,506	27,186	29,216

**Statement of Intent 2020-2021
Karori Sanctuary Trust**

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

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1. Introduction

Since this SOI was first submitted to Wellington City Council our operating environment has changed markedly due to the COVID-19 pandemic. The revised document herewith is written at a time of continued uncertainty. Whilst most quantitative measures in the SOI have been revised in this light, the vast majority of our programmes will continue in some form while we establish new baselines and operational approaches as the uncertainties diminish over coming months. It is only with this evidence that we will be able to resume accurate forecasting and targeting.

The following introductory text has not been adjusted substantively as it still reflects our firm intent to maintain a significant level of positive impact and influence for our city and the wider community.

In writing the 2020/21 Statement of Intent (SOI), we have been reflecting on the contribution ZEALANDIA continues to make to Wellington and the region. Whilst awards are only one perspective on this, it is not insignificant that we were named by Time magazine as one of the World's 100 Best Places in 2019, were a finalist in the Community Award section of the New Zealander of the Year Awards 2020, and our annual report was once again recognised for its excellence by Chartered Accountants Australia and New Zealand, winning the New Zealand Tier 2 Charity Reporting Award.

Section 2 below provides other, quantitative, indicators of our growing contribution. Our 2018/19 Annual Report has full details with trends over several years, evidencing the significant story of impact and influence through targeted growth, transformational change, leading practice, and vision.

Our partnership with Wellington City Council remains pivotal and this SOI documents our plans for how ZEALANDIA will continue to add value to Wellington and meet WCC's goals as set out in the letter of expectations. Our vision for nature-rich communities remains a central theme, with the wider Wellington region being internationally recognised as the most nature connected urban area in the world.

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

Next steps in 2020/21

The alignment between ZEALANDIA's strategic goals and operational activities continues to be very close to a significant number of the WCC's environmentally focussed strategic plans. Section 2 below provides details of this alignment.

We will continue to map our work across the UN Sustainable Development Goals (SDGs) to enable ZEALANDIA to assess our contribution in achieving a better and more sustainable future for all.

Our conservation and restoration activities in the sanctuary remain central to all our work and our significant investment in this area continues year-on-year. The further enhancement of our wetland, including the removal of perch from the lower lake, are major projects that will

continue through 2020/21. Our close relationship with Predator Free Wellington will continue, including (but not limited to) our formal agreements relating to the leadership of education and research activities.

Our Sanctuary to Sea project continues to make important gains, with the strategic partnerships involved growing in number, significance and impact.

The ZEALANDIA Centre for People and Nature will be advanced significantly in 2020/21 through the award of a post-doctoral fellowship, and the ongoing planning for the hub building, Tanglewood House. Section 4.2 has more on this. The Centre represents one of our key long-term initiatives that will inform and enable much of our impactful work, especially in outreach beyond the sanctuary itself.

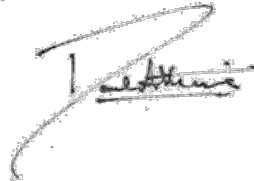
As in previous years, our work across visitor engagement, education and learning remains core to our activity and we will continue our programmes in these areas albeit at adjusted levels in 2020/21.

The Board and Management remain acutely aware of the potential for ongoing and long-term impacts of COVID-19 and this revised SOI has been developed to ensure we have appropriate flexibility in our programmes and budgets to respond as necessary.

The following sections of this SOI provide a detailed view of our plan for 2020/21, addressing the areas raised in the letter of expectations and, additionally, describing how we intend to continue building on the transformational impact we have been achieving over recent years.



Phillip Meyer
Chairman, Karori Sanctuary Trust



Paul Atkins
Chief Executive, Karori Sanctuary Trust

2. The Strategic Partnership with Wellington City Council

ZEALANDIA's relationship with Wellington City Council (WCC) remains a key, and strong strategic partnership for the Trust and, on an ongoing basis, we will continue to align our priorities with WCC's strategic direction. This section of the SOI highlights the links to key WCC strategy documents as signalled in the Letter of Expectations.

Our annual reports over the past few years have highlighted the significant contribution ZEALANDIA makes to our city, including economic and social as well as environmental. We remain a high-performing contributor to the overall liveability of our city and the wider Wellington region.

In the 2018/19 financial year, we continued to demonstrate strong financial management practices, including strengthening our financial position by delivering a record net operating surplus (before extraordinary items) of \$444,622. This was the fourth consecutive year end surplus. We also delivered our highest ever revenue of \$5.7m (before extraordinary items of an additional \$700k) underpinned by strong growth in tours and retail revenue. Overall, in 2018/19, we self-generated more than 85% of the funds required to run ZEALANDIA. At the end of 2018/19, we built a record working capital balance of close to \$2m, with \$1.2m committed to funding the building of Tanglewood House which is planned to be completed in 2021, and the remainder held in reserve to fund our future capital and operating activities.

We have in the order of 600 volunteers now engaged in a wide variety of activities, and are being recognised as exemplars at a national and international level through indicators including the Time Magazine accolade (one of the World's 100 Best Places in 2019), and being a finalist in the Community Award section of the New Zealander of the Year Awards 2020.

We are grateful for the WCC's ongoing support and continue to work closely with Council colleagues to support the delivery of its objectives.

In response to feedback from the Letter of Expectations, during the year we will continue to:

- align our work to the Council's Te Tauihu Te Reo Māori policy, by providing opportunities for staff and volunteers to grow their confidence and capability in te reo and tikanga Māori and developing and delivering public content and activities that bring a Māori world view into ZEALANDIA's work and programmes. Significant steps have already been taken through, for example, staffing - the appointment of a Kaitiaki Ranger and a Bicultural Engagement Lead Ranger – and a range of programmes and initiatives that have been running over the past year.
- contribute to the goals outlined in Te Atakura, the First to Zero plan through our continued commitment to promoting environmentally sustainable practices across ZEALANDIA and maintaining our carbon zero status.
- improve accessibility at ZEALANDIA in line with the goals outlined in *Accessible Wellington: The Accessible Journey Action Plan 2019*

We are also aware of, and recognise the importance of, the Te Mapihi Maurea Naming Policy, and the Aho-Tini Strategy.

In 2020/21 we will continue to implement the living wage policy for our employees as required by WCC and anticipate that the Council again will support funding the additional cost associated with this on an ongoing basis.

2.1 Wellington City Long Term Plan 2018-28

Under its 2018-2028 Ten Year Plan, the Council commits to part fund ZEALANDIA as a conservation visitor attraction. The rationale for this investment is that ZEALANDIA will inform and educate people on the importance of conservation and biodiversity, attract visitors, and restore and protect native flora and fauna.

Amongst Council's outcome indicators in the Ten-Year Plan, those of most relevance for ZEALANDIA are:

- residents' usage of the city's open spaces
- resident engagement in environmental protection and restoration

In terms of the Council's investment in entities which attract significant numbers of visitors, ZEALANDIA's projections are:

	2019-20 forecast	2020-21	2021-22	2022-23
ZEALANDIA visitors	120,000	70,000	70,000	91,000

2.2 Wellington Towards 2040: Smart Capital

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

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

- **Education and learning:** Our education resources and programmes such as 'Where have all the takahē gone?' and 'Can we make New Zealand Pest-Free?' are used by schools nationwide, increasing the impact of our education work far beyond the sanctuary fence. Our youth and community programmes seek to create conservation leaders of the future.

Research: An integrated programme of multi-disciplinary, long-term research has been developed with multi-organisational inputs. Having launched the ZEALANDIA Centre for People and Nature in mid-2017/18, we are continuing the establishment of the Centre at ZEALANDIA, including the development of a meeting Hub. Through cutting-edge research, educational activity and community engagement we will generate the data, information, knowledge and understanding required to transform how we live well with nature and reshape the places in which we live.

2.3 Our Natural Capital: Wellington's Biodiversity Strategy

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

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

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

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

2.4 Our Capital Spaces Framework

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

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

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

2.5 Predator Free Wellington

This joint programme between Wellington City Council, Greater Wellington Regional Council, and the NEXT Foundation aims to create the world's first predator-free capital city. The first key project was the start of the eradication of rats from Miramar peninsula, a major pioneering project and the first of its kind in an urban centre in New Zealand.

ZEALANDIA carries two roles in this project; coordination of elements of the research programme, and coordination and delivery of the school's programme. Coordination of the research programme involves linking social and ecological research to the project. Zealandia continues to support the project in this way.

ZEALANDIA is now in the completion phases of the two-year Predator Free Wellington Schools programme working with Miramar schools to build their connection and engagement with a nature-rich future, and support for the overall predator free initiative. This project is in its post-delivery evaluative stage now and is due for completion in October 2020.

2.6 The Wellington Regional Economic Growth Agenda

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

Tourism is an important contributor to economic growth in Wellington and New Zealand. Wellington has a strong domestic tourism market with 75% of visitors to the city coming from other parts of New Zealand. Domestic visitors typically cite their reasons for travel as for a specific event, business or to have an urban experience.

ZEALANDIA works closely with the relevant agencies in Wellington to position itself firmly at the centre of the tourist trail in the city. In 2018/19 ZEALANDIA:

- Added over \$28m of economic value to Wellington
- Attracted over 138,000 visitors to the sanctuary.
- Delivered 6,600 tours to cruise ship passengers
- Featured consistently in the top 10 Wellington tourist attraction by Trip Advisor and as a key destination for international visitors coming to Wellington.

WellingtonNZ remains a key strategic partner and in 2020/21 we will continue to advance this increasingly close relationship.

3. Strategic Direction for 2019/20 and beyond

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



4. The nature and scope of our activities in 2020/21

The following sections set-out our high-level objectives, scope of business and key performance indicators under our four strategic themes outlined in our Living with Nature - Tiaki Taiao, Tiaki Tangata. It is supported by the ZEALANDIA business plan for 2020/21 and a range of other operational plans that are approved by the Board from time to time.

The KPI Scorecard (section 5.1) brings together a set of Key Performance Indicators to enable ZEALANDIA management, the Trust Board and WCC to focus on the most important measures of success for 2020/21.

4.1 Objectives

The 2020/21 work programme is presented in line with our four strategic themes from our 20-year strategy, Living with Nature - Tiaki Taiao, Tiaki Tangata:

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

4.2 A place that treasures

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

We are committed to promoting environmentally sustainable practices across ZEALANDIA and reducing our carbon footprint in line with the WCC Te Atakura First to Zero Policy.

We have successfully achieved carbonZero recertification again in 2018/19. Our emissions in 2018/19 year were 89.29 tCO₂e, which is 2% lower than the years before total of 90.99 tCO₂e and 17% lower than the base year total of 107.31 tCO₂e. We expect our carbon footprint to reduce even further in 2019/20 as a result of the reduced emissions from our two new electric minibuses.

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

We will build our continuous improvement culture which has been pivotal in driving recent successes. Investing in staff development (including our volunteers and interns) and providing tools and infrastructure which allows the teams organisation-wide to evolve and optimise best practice will be key in our long-term sustainable development. As a lean organisation, the teams will also endeavour to maximise the partnerships which offer win-win opportunities for all those



A PLACE THAT TREASURES
HE WĀHI TAONGA

involved. We will be conducting our next biennial staff survey in late 2020 to gather feedback and provide insight into where we can improve engagement and organisational performance.

ZEALANDIA has been paying close attention to building its working capital over recent years as it is this that enables us to manage future financial risk and invest in our infrastructure, including the development of Tanglewood House.

Development of Tanglewood House

Resource consent has been granted and the preliminary design stage will be completed by 30 June 2020. It is currently anticipated that work towards detailed design and building consent will start in early 2020/21 and final construction contracts confirmed thereafter. It is still expected that building works will commence in 2020/21 although precise dates will only be confirmed when we have certainty around all other aspects of the project.

The Board has approved \$2.1m funding for the development of Tanglewood House and this funding has been secured and ring-fenced in our budgets.

The overall project is being managed by Cequent Projects Ltd, a professional construction project management company who have been involved since the project started. Cequent report into a project steering committee which has been established to afford an informed interface between Cequent and the ZEALANDIA Board which holds the overarching governance responsibility and approval authority for the project. The project steering committee includes the Chair of the Board, the Chair of the Audit and Risk Committee, the Chief Executive and the WCC Project and CCO Manager.

Current (ongoing) programmes

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

Strategic Initiatives

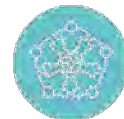
- Implement the Sanctuary to Sea strategy with partners to achieve tangible outcomes for people, the forest and the water.
- Carry out perch removal in the lower lake, and progress key wetland restoration initiatives.
- Support ongoing cultural health monitoring carried out by mana whenua.
- Develop smart initiatives to grow our people (staff, volunteers and interns), support systems and enduring financial vitality.
- Continue to identify and implement opportunities to reduce waste through initiatives to reduce, reuse and recycle and to reduce our carbon footprint in line with the WCC's Te Atakura First to Zero Policy
- Maintain our Carbon Zero accreditation and deliver good sustainability practices across the whole of the organisation
- Redevelop the ZEALANDIA website to provide a more relevant and integrated user experience across all aspects of our work including visitation, education, research, members and supporters. **(On hold)**
- Improve the facilities of the Pāteke Room conference facilities by installing sound proofing and conference lighting. **(On hold)**
- Improve the dining experience in Rata Café by converting the balcony into a year-round facility and undertaking a refresh of furniture and décor.

Key performance indicators for 2020/21

- Removal of perch from the lower reservoir on track according to project plan.
- Partnerships with at least 10 community groups are active in the Sanctuary to Sea project.
- A net surplus before depreciation and tax of \$57,320
- Non-WCC grant revenues equating to >75% of overall income
- Membership subscriptions of \$324,700
- Full cost per visitor (including WCC costs) TBC
- Average WCC subsidy per visitor of no more than \$12.85
- Average revenue per visitor of no less than \$27.01
- Non-Council Donations/Funding of \$200,000

4.3 A place that engages

Our unique opportunity is to connect our audiences with the value and benefits of a healthy, robust native environment, and to encourage conservation action within Wellington and beyond. We want all our audiences, whether they are internal or external, visitors or volunteers, to



A PLACE THAT ENGAGES
HE WĀHI HUIHUINGA

build strong and enduring connections with nature and translate that connection into conservation advocacy and action. We will continue to develop the range of experiences that we can offer to meet the needs of all our audiences. Our goal is that all visitors have opportunities to experience ZEALANDIA regardless of accessibility needs.

In 2020/21, day and night tours will continue to be a key focus for enriching visitor experience. ZEALANDIA's tours provide visitors with a deeper understanding of our native flora and fauna and our cultural history. This year we will continue the development of our products by introducing an enhanced te ao Maori perspective into our tours.

ZEALANDIA works increasingly closely to mutual benefit with a wide range of partners, with WCC being a key strategic partner alongside close partnerships with other organisations such as Greater Wellington Regional Council and the Department of Conservation. We also have strong and enduring relationships with Victoria University of Wellington, Taranaki Whānui, University of Waikato, Wellington Water, Wellington Zoo, Otari Wilton's Bush, other Wellington CCO's, the Tenth's Trust, other mainland sanctuaries, and many others.

Alignments between our plans and the vision and plans of others is essential to the achievement of our vision.

Current programmes

- Provide formal and informal education and visitor experiences that increase people's understanding and connection with nature
- Continue to reshape and expand our communications channels so that we are actively promoting our conservation and research programmes, visitor experiences and activities, our programmes, partnerships and positive conservation impacts
- Provide a diverse range of experiences for members and volunteers; researchers and academics; community and corporate groups; local Wellingtonians; and visitors from across New Zealand and other countries (both independent travellers, and those on tours and cruise ships).
- Continue to offer visitor programmes and experiences for those with accessibility needs.
- We will continue to provide high quality opportunities and services that connect visitors with nature through:
 - Highly attractive visitor experiences
 - Premium and custom tours
 - Annual membership
 - Exhibitions and events
- We will continue to recognise the strategic priorities of WCC as an important part of the strategic context for ZEALANDIA, and to align our strategies and priorities closely with those of the Council (see Section 2: The Strategic Partnership with Wellington City Council).
- We will continue to work with key partners and grow the community involvement for the delivery of our Sanctuary to Sea project.
- We will continue to engage with our neighbours in the local community, and the wider Wellington community, to seek and foster community support for ZEALANDIA, and encourage participation in our activities.

- We will continue to work closely with our many research partners to develop evidence-based practice across our organisation and further afield.
- We will identify keyways through which our partnership with Wellington City Council can deliver greater gains for biodiversity across the region

Strategic Initiatives

- Continue development and delivery of signage and interpretation upgrades alongside overall visitor experience planning.
- Continue to provide activities and experiences for young people and families
- Continue to grow our range of programmes and offerings to reach a wider cross-section of Wellington's diverse communities
- Increase engagement opportunities for those with differing accessibility needs in line with the WCC Accessible Wellington Action Plan 2019.
- We will participate in international research gatherings (e.g. workshops) to share our knowledge and solidify partnerships. **(On hold)**
- We will grow our corporate and philanthropic partnerships through key initiatives such as the Centre for People and Nature.

Key performance indicators for 2020/21

- Visitor numbers – 70,000 separate visitations with breakdown of visitor demographics.
- ZEALANDIA achieves a visitor satisfaction rating of 95% or greater.
- 9,000 education engagements.
- 11,200 members
- Maintain > 490 volunteers and the range of avenues for people to volunteer
- > 80% of volunteers are satisfied with their relationship with ZEALANDIA

4.4 A place for learning

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



A PLACE FOR LEARNING
HE WĀHI MĀTAURANGA

and deliver public content and activities that bring a Māori world view into ZEALANDIA's work and programmes.

The establishment of the Centre for People and Nature provides an overarching structure for the further enhancement of all aspects of our work relating to knowledge creation.

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

We continue to deliver against our Learning Experiences Outside of the Classroom (LEOTC) contract and other education programmes enabling schools to experience ZEALANDIA's variety of ecosystems and species, empower them to explore the wildlife in their own environments and start their own environmental and conservation activities. We will continue to test, evaluate and grow our programmes and initiatives to connect with young people, families and other community groups and inspire them towards a nature-rich future.

Current programmes

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

Strategic Initiatives

- Continue to grow and integrate Mātauranga Māori perspectives into all elements of ZEALANDIA project and programme development processes.
- Develop and grow relationships that enable closer partnerships with iwi and integration of Mātauranga Māori.
- Continue research focussed on understanding how changes to Wellington's biodiversity is affecting people, and how community-led conservation can gain environmental outcomes.
- Raise funds to support and expand our formal and informal education programmes, with a focus on opportunities for those less able to access conservation experiences and learning.

Key performance indicators for 2020/21

- Deliver visitor, staff and volunteer programmes and activities for Matariki and Māori Language Week
- Deliver activities and opportunities for staff and volunteers to increase their knowledge and confidence in te reo and te ao Māori.
- Incorporate bicultural and bilingual content in all new permanent signage and interpretation materials.
- Research programme on the relationship between people and nature in Wellington continues, with significant outputs in support of Predator Free Wellington and Wellington City Council.
- Continue to deliver valley-based and outreach learning programmes under our Ministry of Education LEOTC contract

4.5 A place that empowers.

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



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

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

Current programmes

- Provide education experiences, tour products, and visitor experiences that help people understand and value New Zealand's natural heritage, and conservation challenges and successes.
- Provide high quality volunteering experiences that increase our connections and engagement with the community.
- Provide activities, information and materials that enable schools and communities to learn about and actively contribute towards nature-rich communities.

Strategic initiatives

- Extend the reach of ZEALANDIA'S work and impact through partnerships and participation in community awareness and engagement programmes and projects beyond the fence
- Provide learning and development opportunities for volunteers that are applicable both inside and outside the sanctuary.
- Increase the diversity of ZEALANDIA's partners and volunteers by working with and through a wider variety of community organisations.

Key performance indicators for 2020/21

- Continue to expand the range of programmes and activities offered to schools and young people

5. Performance Measurements

5.1 KPI Scorecard 2020/21

A place that treasures (4.2)	A place that engages (4.3)
<ul style="list-style-type: none"> ▪ Removal of perch from the lower reservoir on track. ▪ Partnerships with at least 10 community groups are active in the Sanctuary to Sea project. ▪ A net surplus before depreciation and tax of \$57,320 ▪ Non-WCC grant revenues equating to >75% of overall income ▪ Membership subscriptions of \$324,700 ▪ Full cost per visitor (including WCC costs) TBC ▪ Average WCC subsidy per visitor of no more than \$12.85 ▪ Average revenue per visitor of no less than \$27.01 ▪ Non-Council Donations/Funding of \$200,000 	<ul style="list-style-type: none"> ▪ Visitor numbers – 70,000 separate visitations with breakdown of visitor demographics ▪ ZEALANDIA achieves a visitor satisfaction rating of 95% or greater ▪ 9,000 education engagements ▪ 11,200 members ▪ Maintain > 490 volunteers, with the establishment of new avenues for people to volunteer ▪ >80% of volunteers are satisfied with their relationship with ZEALANDIA
A place for learning (4.4)	A place that empowers (4.5)
<ul style="list-style-type: none"> ▪ Deliver visitor, staff and volunteer programmes and activities for Matariki and Māori Language Week ▪ Deliver activities and opportunities for staff and volunteers to increase their knowledge and confidence in te reo and te ao Māori. ▪ Incorporate bicultural and bilingual content in all new permanent signage and interpretation materials. ▪ Research programme on the relationship between people and nature in Wellington continues, with significant outputs in support of Predator Free Wellington and Wellington City Council. ▪ Continue to deliver valley-based and outreach learning programmes under our Ministry of Education LEOTC contract 	<ul style="list-style-type: none"> ▪ Continue to expand the range of programmes and activities offered to schools, young people and families

5.1 Non-financial Performance Measures

Measure	2019-20 forecast	2020-21	2021-22	2022-23
Visitation	120,000	70,000	70,000	91,000
Members (Individuals)	11,839	11,200	11,400	11,600
Volunteers	>470	>490	>510	>530
Percentage of Satisfied Visitors	>95%	>95%	>95%	>95%

Measure	2019-20 forecast	Q1	Q2	Q3	Q4	2020-21	2021-22	2022-23
Visitation	120,000	10,093	22,701	23,068	14,138	70,000	70,000	91,000
Education visits ¹	8,800	1,925	3,547	1,244	2,284	9,000	9,000	9,000

¹ (LEOTC, tertiary, early childhood, school holiday programme, and outreach)

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

5.2 Financial Performance Measures

Measure	2019-20 forecast	2020-21	2021-22	2022-23
Full cost per visitor (including WCC costs)	TBC by WCC	\$15.29	\$15.63	TBC by WCC
Average subsidy per visit (total WCC operating grant/all visitors)	\$7.33	\$12.85	\$13.15	\$10.36
Average revenue per visit (excludes Council & Government grants)	\$26.74	\$27.01	\$27.28	\$27.55
Non-Council Donations/Funding	\$465,535	\$200,000	\$200,000	\$200,000

5.3 Conservation Measures

Note, the new measures provided in this SOI reflect the recently completed Zealandia Te Māra a Tāne Conservation and Restoration Strategy. These build on and extend previous work to further conservation outcomes within ZEALANDIA and beyond.

Measure	2019-20 forecast	2020-21	2021-22	2022-23	Explanation
Manawaroa. We actively restore ecosystem function to foster resilience					
Number of fauna or flora species transferred into or out of the sanctuary, or 'topped up'	0	1	1	1	This indicates active effort to enhance biodiversity outcomes inside ZEALANDIA and beyond. Transfers over the coming years are likely to include the release of Wellington barking gecko, a top up of tīeke, and propagation of Dactylanthus plant.
Percentage of the bird community that is native	80%	80%	80%	80%	This is an indicator of the proportion of our bird community that is indigenous and is measured through annual 5 minute bird counts. The target is to maintain the level at or above 80%.
Kaitiakitanga. We look after what we have alongside our many partners.					
% of incursions into the mouse-free area eradicated, or under active response	100%	100%	100%	100%	The mouse free area is critical for lizard reintroductions, and for research into the effect of mice on species. This target will ensure we maintain those values.
Mice maintained to target level	<10	<10	<10	<10	The figure gives an abundance index based on the average abundance/100 corrected trap nights
% pest animal incursions successfully eradicated, or under active response	100%	100%	100%	100%	The goal is to actively and responsively control incursions if they occur. The target reflects the uncertainty involved in the outcomes of these responses, and the commitment to continue the response until eradication has occurred.

5.4 Conservation Activities

Activities [note, some activities are dependent on successful permits and translocation operations]	2020-21	2021-22	2022-23
Continue restoration of the lower valley streams, wetland and lake			
- implement an overarching multifaceted strategic plan	Ongoing	Ongoing	Ongoing
- Research underway according to a research plan	Ongoing	Ongoing	Ongoing
-Obtain necessary permits	Complete		
- Implementation of plans	Ongoing	Ongoing	Ongoing
Translocations			
Dactylanthus	Implement		
Common bullies	Plan	Implement	
Tieke/saddleback		Plan	Implement
Activities	2020-21	2021-22	2022-23
Post-release monitoring for translocated species			
Spotted skink monitoring	Ongoing	Complete	
Kākahi (freshwater mussel, depending on completion of 2018 translocation)	Ongoing	Ongoing	
<i>Bracyglottis kirkii var. kirkii</i>	Ongoing	Ongoing	
Green mistletoe	Ongoing	Ongoing	Ongoing
Titipounamu (rifleman)	Ongoing	Ongoing	Ongoing

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

6.1 The Trust Deed

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

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

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

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

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

6.2 Relationship with Wellington City Council

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

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

The Funding Deed between Council and the Trust sets out Council's reporting and monitoring regime and the conditions for major transactions requiring Council approval. The Trust will report quarterly to the Council through the Council Controlled Organisations Subcommittee on the agreed measures, which will include a Statement of Financial Performance, Statement of Financial Position and Cash Flow Statement.

The Trust's audited accounts will be presented to the Council by due date. The Trust will continue to recognise Council as a principal funder.

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

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

6.3 Board Membership

The members of the Karori Sanctuary Trust are:

Trustee	Term Expires
Phillip Meyer (Chairman), appointed by the Council	December 2020
Pete Monk, appointed by the Council	June 2020
David Bibby, appointed by the Council	December 2021
Russell Spratt, co-opted by the Board	June 2021
Jo Breese, appointed by the Council	June 2021
Dr Libby Harrison, appointed by the Council	December 2021

- The Deed of Variation of Trust signed in October 2016 outlines the roles of the Trust and the Guardians. All trustees may receive an honorarium set by the Council.
- The Trust Board shall meet no less frequently than eight times a year.
- The Chief Executive attends all meetings accompanied by their management team as required.
- Under the terms of the Trust Deed, the Board is required to have an Audit and Risk Committee that includes a person who is not a member of the Trust Board who has the knowledge that will assist the work of the committee. The Committee’s Charter is reviewed annually and requires the committee to meet at least four times a year. Members of the Audit and Risk Committee for the 2020 calendar year are Pete Monk (Chair), Libby Harrison, Iain Craig (independent member) and Phillip Meyer (ex-officio).
- The Board may choose to set-up any new committees as deemed necessary in order to maintain an appropriate level of oversight.
- Trustees will contribute knowledge and skills across a range of work areas during the 2020/21 year and may from time to time contribute to working groups established by the Chief Executive, such as the Tanglewood House steering group.

6.4 Board Performance

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

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

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

An external review of the Board will be scheduled in 2020/21.

The Board will undertake a review of the Chief Executive's performance in July 2020.

6.5 Annual General Meeting

By established practice the Trust holds each year an Annual General Meeting (AGM) of members to discuss the Annual Report and current strategies. The Board establishes a date for the AGM in consultation with the Guardians.

The 2019 AGM was held on Sunday 13 October and was well attended. The next AGM will be held on Thursday 22 October 2020.

7. Organisational Health, Capability and Risk Assessment

7.1 Organisational Health and Capability

Our aim is to deliver our work by attracting and retaining talented and capable staff and through strategic partnerships. Critical to our success is having experienced and motivated staff. Training and professional development for staff will continue to be a priority for 2020/21.

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

7.2 Executive Team

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

7.3 Environmental Practices

The Trust is committed to and incorporates sustainable practices.

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

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

8. Health and Safety

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

Key actions taken or underway

- As part of their due diligence obligations, the organisation's officers regularly dedicate time to focusing on a particular area of the operation and through consultation get a more comprehensive understanding of the risks in that area and where improvements might be made.
- Incidents and hazards are recorded on-line and this new reporting allows mitigations to be applied in a timely manner.
- Incident reports are reviewed on a regular basis and our updated procedures of sign-off that ensures the officers are satisfied with the investigations and outcomes has been implemented and is working well.
- The Chief Executive continues to be a member of the "Business Leaders Health and Safety Forum" and uses this to inform and keep abreast of best practice models.
- We continue to ensure employees and volunteers have an inclusive role in the identification and management of health and safety matters, including using the Health and Safety Committee to give a direct line of communication and ownership around health and safety matter across all areas of the organisation
- We maintain a training regime that ensures there is a good level of coverage of personnel who can confidently deal with first responder medical and emergency situations throughout the site at all times.
- We continue to maintain an Employee Support Programme through EAP Services which provides free and confidential support to all employees.
- Our Health and Safety dashboard provides our Board an important view of key data trends year-on-year.

Initiatives planned

We will continue to:

- evolve our policies and processes as WorkSafe publishes new guidelines and requirements become clearer.
- foster a collaborative and proactive approach within the organisation and with our partners.
- engage with the PCBUs of other organisations with which the Trust works, partners, or otherwise deals, or is considering dealing with, to require more robust evidence of their suitability and pertinent qualifications before working with them.
- work with agencies such as the Wellington Regional Emergency Management office, the Rural Fire Authority, Search and Rescue New Zealand, and other Wellington City Council Controlled Organisations, to develop relationships and review joint working relationships.

- engage with WorkSafe with a view to reducing our ACC levy payments by undertaking recommended programmes and assessments.
- identify and organise ongoing training to reach or exceed best practice levels in all areas.

8.1 Asset Management Plan

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

A full audit of the fence will be completed in 2019/20 and the results will enable a section of the Asset Management Plan to be updated by 2020.

Pukeahu House has been added to our Asset Management Plan to ensure that this is maintained well. Tanglewood House will also be added to the Asset Management Plan when the details of the building are confirmed.

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

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

8.2 Risk Management

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

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

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

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

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

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

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

9. Additional Information**9.1 Response to other specific Letter of Expectation matters (if applicable)**

None

9.2 Ratio of Shareholders' Funds to Total Assets

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

9.3 Estimate of Amount Intended for Distribution

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

9.4 Acquisition Procedures

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

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

Total funding from Wellington City Council in 2018/19 is \$1,006,950 (including living wage). The development of the Trust's three year rolling business plan anticipates as a baseline the continuation of the current level of funding.

9.6 Estimate of Commercial Value of Shareholders' Investment

Not applicable.

Appendices

Appendix A: Accounting Policies

i. Statement of compliance and basis of preparation

Statement of compliance

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

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

These financial statements were authorised for issue by the Board of Trustees on 3 September 2019.

Basis of preparation

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

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

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

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

Measurement base

The financial statements have been prepared on a historical cost basis. The financial report is measured in New Zealand dollars and all values are rounded to the nearest dollar (\$) unless otherwise stated.

ii. Recognition of revenue

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

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

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

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

Interest income is accounted for as earned.

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

iii. Cost of goods sold

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

iv. Property, plant and equipment and intangible assets

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

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

Measurement subsequent to initial recognition:

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

v. Depreciation and amortisation

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

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

Other Assets	3-25 years
Computer Software	3 years

vi. Accounts and Sundry Receivables

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

vii. Stock on Hand

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

viii. Leased Assets

As Lessee:

Operating leases

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

Finance leases

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

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

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

ix. Impairment

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

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

x. Employee Entitlements

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

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

xi. Goods and Services Tax (GST)

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

xii. Income Tax

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

xiii. Statement of Cash Flows

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

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

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

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

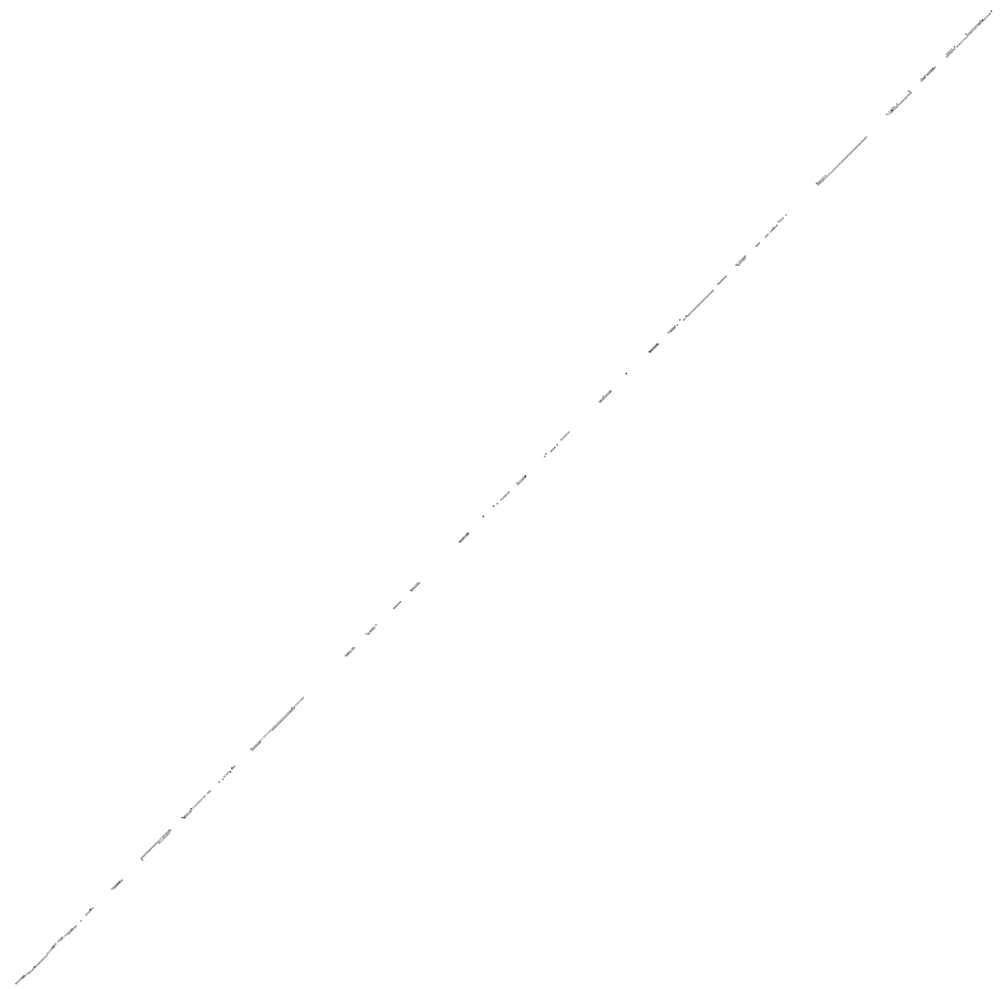
(d) Cash is considered to be cash on hand and current accounts in banks, net of bank overdrafts.

xiv. Changes in accounting policies

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

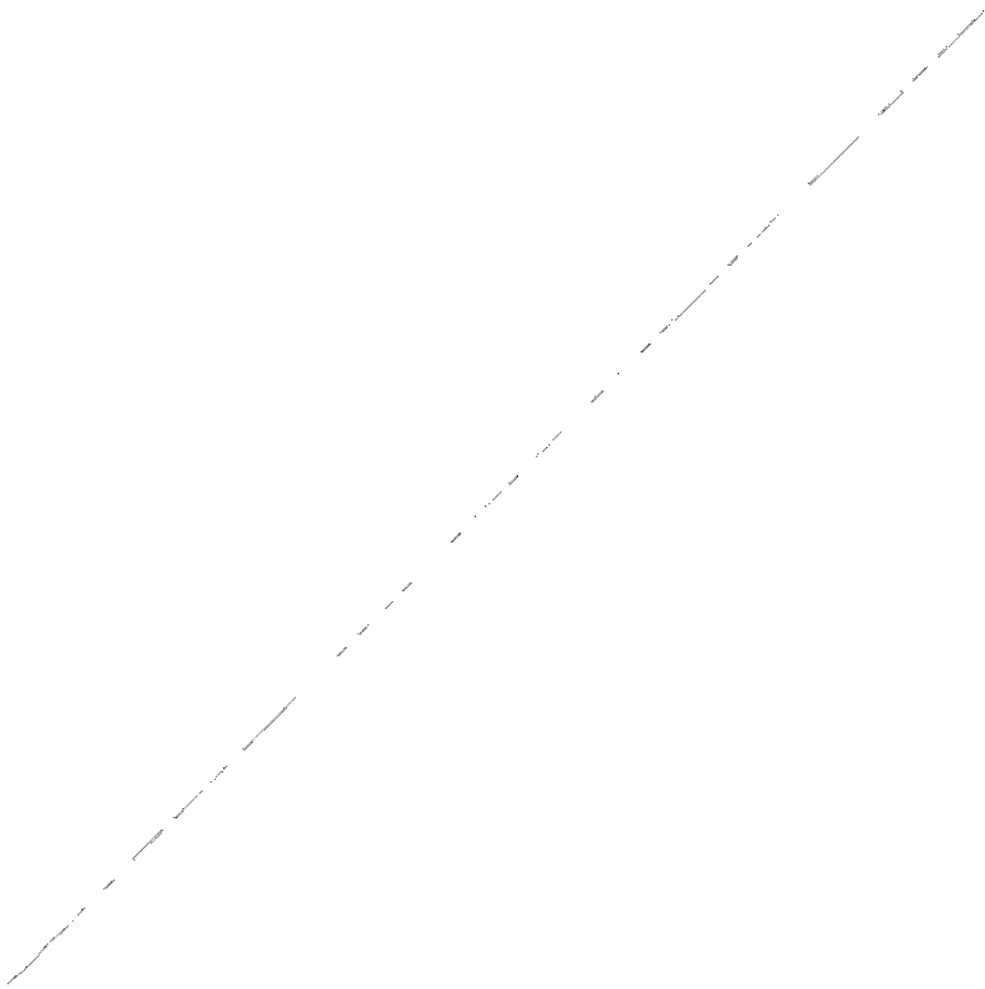
Appendix B: ZEALANDIA Budget for 2020/21

As in past years, ZEALANDIA will continue to drive revenue and contain costs in 2020/21 and will aim to complete the year with an operating surplus.



Appendix C: ZEALANDIA Risk Register

The attached Risk Register has been updated with specific attention applied to the current environment and the government COVID-19 alert level measures.



Addendum

In response to the WCC letter of the 13 May 2020 setting out the revised SOI reporting requirements and key outputs in light of COVID-19, we note the following.

Full set of financial statements

Appendix B details our revised financial statements

Summary of key activities underpinning the financial plan

The key activities, measures and financials included in our SOI have been revised based on a 2020/21 scenario that we move quickly from Alert Level 2 to Alert Level 1 and with Trans -Tasman travel recommencing in quarter 4.

Summary of key assumptions and operational responses made in preparing the forecast financial position

We assume our visitor numbers will reduce to 70,000 in 2020/21 due to the expected decline in international travel along with the impact of a possible domestic economic downturn. The attached 2020/21 budget has been revised to reflect these assumptions. In 2022/23 we have increased our visitor number projections to 91,000 but like many businesses in New Zealand we face a high degree of uncertainty when forecasting future trends.

An updated risk assessment identifying key issues and risks

Appendix C details our current Risk Register that has been updated with specific attention applied to the current environment and the government COVID-19 alert level measures.

As assessment of the financial impact of COVID-19 on your 2019/20 financial position, both in terms of the financial operating results, and the impact on cash reserves and capex programmes measured against baseline of the 2019/20 SOI.

The impact of COVID-19 led to the sanctuary being closed from 23 March to the 13 May 2020 which subsequently reduced our revenue streams from having no visitors. However, we have partly mitigated this loss of income by running a recent Givealittle appeal, receiving support through the wage subsidy scheme and WCC funding of free visitation to ZEALANDIA to the 30 June. We have new robust monitoring processes in place to reforecast our financial position on a more regular basis so key risks can be identified and mitigated where possible. In 2019/20 we now forecast to deliver an operating surplus before depreciation of \$758,824 against an SOI baseline budget of \$331,100.

At 30 June 2020 we expect our cash balance (less committed capital/scholarship trust reserves) to be approximately \$1.3m against a SOI baseline budget of \$1.4m.

We have earmarked \$1.3m of our capital reserves to add to the WCC committed funding of \$786,000 to finance the Tanglewood House build.

KST Risk Register –May 2020

#	Risks	Probability rating	Impact rating	Overall rating	Control System/Mitigation Strategies	Comments	Residual Risk	Status
1	Inadequate responses by ZEALANDIA to COVID-19 alert level measures	Possible	Severe	Very High	Detailed review of government alert level measures and ensuring all our operations fully comply with these.	Ongoing monitoring of compliance of our operations against alert level requirements	Medium	Stable
2	An unbudgeted net operating deficit of \$200,000 is delivered in 2019/20.	Rare	Significant	Low	Budget control; regular reviews; quarterly reforecasting of end of year result. Expenditure controlled in response to any income reduction Financial delegation rules monitored closely		Low	Improving
3	Reputational damage to the Trust	Possible	Severe	Very High	Implement sound key policies/procedures, culture, values and processes.	Our reopening plan incorporates COVID-19 compliance requirements.	Medium	Stable
4	Businesses and all organisations are exposed to a range of cyber risks that can financially impact their business, affect customers and also damage reputations	Possible	Major	High	Improvement in IT security and controls.		High	Stable
5	Staff fraud.	Possible	Severe	Very High	Policy and procedures in place that cover delegations, signatures, cash handling etc. Code of Conduct in place. Audit- review. All operating transactions are reviewed by		Medium	Stable

#	Risks	Probability rating	Impact rating	Overall rating	Control System/Mitigation Strategies	Comments	Residual Risk	Status
					budget managers. Monthly balance sheet reconciliations Effective procedures and systems of control in place (including separation of duties in high risk areas)			
6	Failure to manage multiple capital projects within budget	Possible	Severe	Very High	Effective project governance in place Regular monitoring and reforecasting of costs	The Finance Team will prioritise the monitoring of these capital projects in 2019/20 and 2020/21	Medium	Stable
7	Significant site incident causing harm or death to staff or visitors.	Unlikely	Severe	High	A comprehensive health and safety plan is in place and regularly reviewed. H&S KPIs established to encourage early reporting of potential hazards. Hazard Register is in place and regularly reviewed. Clear communication to visitors of safety rules. Clear communication to staff and volunteers. Event management process. Staff training programmes in place for Quad bikes and Chain saw usage Develop effective relationship management procedures. Ensure conservation work is not compromised. Proactively maintaining a wide network of experts and partners. Manage communications with sensitive projects (e.g. the perch eradication) early and in anticipation of possible issues. Comply with all COVID-19 measures set by the Government.	New online reporting of Health and Safety incidents introduced in August 2017. Our policies and procedures were reviewed in 2018 and will be again in 2020.	Medium	Stable and Improving
8	Staff experience health and safety issues.	Possible	Major	High	SMT discuss Health and Safety weekly always address any urgent issues	We continue to focus on improving workplace	Medium	Improving

#	Risks	Probability rating	Impact rating	Overall rating	Control System/Mitigation Strategies	Comments	Residual Risk	Status
					<p>immediately</p> <p>Implement policies to improve overall staff wellbeing.</p> <p>We continue to provide an Employee Assistance Programme free to our staff.</p> <p>We continue to assess our staff and volunteer accommodation facilities regularly to ensure they provide a healthy and safe environment for our people.</p>	<p>mental health for all our staff and will be holding a Mental Health Awareness course for our managers and lead rangers post lockdown.</p> <p>The Centre for People and Nature building project is now underway and will provide further staff accommodation.</p>		
9	Failure to develop self-sustaining populations of wildlife resulting in reduced fauna visibility and/or reduced visitor numbers.	Possible	Major	High	<p>Ensure competent oversight of projects.</p> <p>Ensure conservation work is not compromised.</p> <p>Proactively maintain a wide network of experts and partners to assist if needed.</p> <p>Ensuring there are processes in place to act on internal controls and foresee possible external challenges.</p>	Ongoing	<p>Low for some species.</p> <p>high for others</p>	Stable
10	Biosecurity breach, eco terrorism resulting in significant loss of wildlife, unexpected costs and loss of credibility if fail to detect in a timely manner. Lower lake perch eradication project fails	Possible	Severe	Very High	<p>Ensure robust biosecurity strategy and programme.</p> <p>Proactively maintain a wide network of experts and partners to assist when needed.</p> <p>Maintain processes to respond in a timely manner.</p> <p>Annual pest and weed control programs are in place.</p> <p>Consider remote monitoring approaches for emergency gates.</p> <p>Consider a timeframe for a response</p> <p>Develop plans for any eradications with</p>	<p>Biosecurity monitoring is ongoing.</p> <p>Contract for perch eradication established with recognised expert in the field. Lower lake project has been delayed due to COVID-19</p>	Medium	Stable

#	Risks	Probability rating	Impact rating	Overall rating	Control System/Mitigation Strategies	Comments	Residual Risk	Status
11	Fire, earthquake, illnesses, resulting in significant loss of wildlife, unexpected costs, closure for long period.	Possible	Severe	Very High	appropriately skilled experts Emergency plan in place to deal with natural disaster. Business continuity plan has been developed. Proactively maintaining a wide network of experts and partners to assist. Ensure adequate insurance cover. Staff are aware of potential cyber risks and report suspicious items to Management. Cyber insurance now in place to provide compensation against these potential risks	A Fire Protection Plan will be developed in 2020	Medium	Improving

Risk Matrix

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

Appendix B - SOI Budget

ZEALANDIA - KARORI SANCTUARY TRUST

Accurate forecasting in Y2 and 3 is not possible under the current levels of uncertainty, but we will manage the business to at least a break even position.

Forecast 30-Jun-20	STATEMENT OF COMPREHENSIVE INCOME	Qtr to 30-Sep-20	Qtr to 31-Dec-20	Qtr to 31-Mar-21	Qtr to 30-Jun-21	FYE 30-Jun-21	FYE 30-Jun-22	FYE 30-Jun-23
	Trading Revenue							
795,493	Admissions	71,000	156,000	152,000	132,000	511,000	521,000	667,000
385,604	Membership Subscriptions	76,000	120,000	121,000	88,000	405,000	413,000	421,000
	Other Operating Revenue							
	Sales of Goods							
2,354,735	Other trading revenue	258,663	434,104	567,044	433,010	1,692,821	1,727,000	2,211,000
	Other Operating Revenue							
879,406	Shareholder grants	224,797	224,797	224,797	224,797	899,187	920,464	942,612
152,718	Living wage fund from WCC	39,040	39,040	39,040	39,040	156,160	160,000	164,000
	WCC Funding for Tanglewood House					393,216	393,216	
844,177	Sponsorships, grants and donations	280,062	168,965	174,315	230,465	853,807	871,000	888,000
331,673	Other operating income							
	Non-operating Revenue							
	Sub-lease and other non-operating income							
50,313	Interest income	5,000	5,000	5,000	5,000	20,000		
5,794,119	Total Revenue	954,562	1,147,906	1,283,196	1,545,528	4,931,191	5,005,680	5,293,612
	Operating Expenses (overheads)							
3,585,912	Salaries and wages	811,744	876,721	881,647	865,819	3,435,931	3,505,000	3,682,612
579,792	Cost of goods sold	74,100	109,200	123,600	125,300	432,200	441,000	564,000
454,777	Other operating expenses	153,169	106,076	177,642	147,733	584,621	596,000	608,000
112,327	Trustee expenses	32,750	32,750	32,750	32,750	131,000	134,000	137,000
302,487	Administration costs	76,811	88,548	73,005	51,754	290,118	296,000	302,000
5,035,295	Total Operating Expenditure	1,148,574	1,213,295	1,288,645	1,223,356	4,873,870	4,972,000	5,293,612
758,824	Net Surplus/(Deficit) before Depreciation and Tax	(194,012)	(65,389)	(5,449)	322,172	57,321	33,680	-
	Other Revenue							
	Exceptional Items							
	Other Expenses							
	Interest expense							
	Loss on Visitor Centre transfer to WCC							
359,273	Depreciation	89,949	89,949	89,949	89,949	359,796	339,410	368,696
399,551	Net Surplus/(Deficit)	(283,961)	(155,338)	(95,398)	232,223	(302,475)	(305,730)	(368,696)

ZEALANDIA - KARORI SANCTUARY TRUST

Forecast 30-Jun-20	STATEMENT OF FINANCIAL POSITION	As at 30-Sep-20	As at 31-Dec-20	As at 31-Mar-21	As at 30-Jun-21	As at 30-Jun-21	As at 30-Jun-22	As at 30-Jun-23
	Equity							
5,171,429	Trust Funds	5,570,980	5,287,019	5,131,681	5,036,283	5,570,980	5,268,506	4,962,776
399,551	Current year earnings	(283,961)	(155,338)	(95,398)	232,223	(302,475)	(305,730)	(368,696)
5,570,980	Total Shareholder/Trust Funds	5,287,019	5,131,681	5,036,283	5,268,506	5,268,506	4,962,776	4,594,080
	Current Assets							
1,634,562	Cash and cash equivalents	1,306,350	1,313,461	1,050,512	1,074,286	1,074,286	853,864	843,864
45,000	Accounts receivable	45,000	45,000	45,000	45,000	45,000	45,000	45,000
15,000	Prepayments	15,000	15,000	15,000	15,000	15,000	15,000	15,000
60,000	Inventory	60,000	60,000	60,000	60,000	60,000	60,000	60,000
	Other current assets							
1,754,562	Total Current Assets	1,426,350	1,433,461	1,170,512	1,194,286	1,194,286	973,864	963,864
	Investments							
1,400,000	Term deposits	1,400,000	1,000,000	1,000,000	800,000	800,000		
	Other investments							
1,400,000	Total Investments	1,400,000	1,000,000	1,000,000	800,000	800,000		
	Non-current Assets							
3,148,118	Fixed assets	3,325,669	3,503,220	3,680,771	3,858,322	3,858,322	4,588,912	4,240,216
	Intangible assets							
	Other non-current assets							
3,148,118	Total Non-current Assets	3,325,669	3,503,220	3,680,771	3,858,322	3,858,322	4,588,912	4,240,216
6,302,680	Total Assets	6,152,019	5,936,681	5,851,283	5,852,608	5,852,608	5,562,776	5,204,080
	Current Liabilities							
180,000	Accounts payable	120,000	200,000	150,000	120,000	120,000	125,000	125,000
350,700	Income in advance	500,000	280,000	410,000	219,102	219,102	230,000	240,000
125,000	Employee entitlements	125,000	125,000	125,000	125,000	125,000	120,000	120,000
76,000	Provisions and accruals	120,000	200,000	130,000	120,000	120,000	125,000	125,000
	Other current liabilities							
731,700	Total Current Liabilities	865,000	805,000	815,000	584,102	584,102	600,000	610,000
	Non-current Liabilities							
	Shareholder advances							
	Other non-current liabilities							
	Total Non-current Liabilities							
731,700	Total Liabilities	865,000	805,000	815,000	584,102	584,102	600,000	610,000
5,570,980	Net Assets	5,287,019	5,131,681	5,036,283	5,268,506	5,268,506	4,962,776	4,594,080
check this (0)	Check Net Assets = Shareholders Funds	check this (0)	check this (0)	check this (0)	check this 0	check this 0	check this 0	check this 0

ZEALANDIA - KARORI SANCTUARY TRUST

Forecast 30-Jun-20	STATEMENT OF CASH FLOWS	Qtr to 30-Sep-20	Qtr to 31-Dec-20	Qtr to 31-Mar-21	Qtr to 30-Jun-21	Total YE 30-Jun-21	Total YE 30-Jun-22	Total YE 30-Jun-23
	Cash Flows From Operating Activities							
	<i>Inflows</i>							
3,536,665	Trading Receipts	291,126	753,941	706,207	725,949	2,477,223	2,671,898	3,309,000
879,406	Shareholder grants	449,594		449,594		899,187	920,464	942,612
152,718	Living wage fund	78,080		78,080		156,160	160,000	164,000
	WCC Funding for Centre for Tanglewood House				393,216	393,216	393,216	
844,177	Sponsorships and donations	280,062	168,965	174,315	230,465	853,807	871,000	888,000
331,673	Other Income							
	<i>Outflows</i>							
3,586,358	Payments to Employees	811,744	876,721	881,647	865,819	3,435,931	3,510,000	3,682,612
1,535,994	Payments to Suppliers	352,830	176,574	526,997	397,538	1,453,939	1,457,000	1,611,000
	Net GST Cashflow							
	Other Operating Costs							
622,287	Net Cash Flows From (Used In) Operating Activities	(65,712)	(130,389)	(449)	86,274	(110,277)	49,578	10,000
	Cash Flows From (Used In) Investing Activities							
	<i>Inflows</i>							
	Sale of fixed assets							
	Sale of investment assets							
	Exceptional Items							
	Other - Term Deposit cash-out		400,000		200,000	600,000		
	<i>Outflows</i>							
307,981	Purchase of fixed assets	267,500	267,500	267,500	267,500	1,070,000	1,070,000	20,000
	Purchase of investments							
150,000	Other - Term Deposit cash-in						(800,000)	
(457,981)	Total Investing Cash Flow	(267,500)	132,500	(267,500)	(67,500)	(470,000)	(270,000)	(20,000)
	Cash Flows From (Used In) Financing Activities							
	<i>Inflows</i>							
	Drawdown of loans							
50,313	Investment income	5,000	5,000	5,000	5,000	20,000		
	Other							
	<i>Outflows</i>							
	Repayment of loans							
	Interest paid							
	Other							
50,313	Total Financing Cash Flow	5,000	5,000	5,000	5,000	20,000		
214,619	Net Increase/(Decrease) in Cash Held	(328,212)	7,111	(262,949)	23,774	(560,277)	(220,422)	(10,000)
1,419,943	Opening Cash Equivalents	1,634,562	1,306,350	1,313,461	1,050,512	1,634,562	1,074,286	853,864
	Adjustments (rounding)							
1,634,562	Closing Cash Equivalents	1,306,350	1,313,461	1,050,512	1,074,286	1,074,286	853,864	843,864
check this 0	Check closing cash = Cash and cash equivalents	check this 0	check this 0	check this 0	check this (0)	check this (0)	check this (0)	check this (0)



Wellington Cable Car Limited
Responding to COVID 19
Revised Statement of Intent 2020/21

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

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IMPACTS OF COVID-19 on FY2019-20

COVID-19 forced NZ into lockdown at midnight on Wednesday 25th March 2020. The Cable Car was closed at 7pm on Monday 23rd March 2020 and remained closed until Thursday 14th May 2020. Since reopening visitation has reduced significantly and operational plans have had to change and evolve to cater to demand.

This document should be read in conjunction with the DRAFT 2020/21 SOI which was submitted to WCC.

Operational responses

Like many businesses, the Cable Car was not an essential service and was closed during Alert Levels 4 and 3. During Alert Level 3, essential maintenance on assets was carried out to ensure the safe operation & running of the Cable Car upon reopening.

The Cable Car opened its doors to the public on Thursday 14th May 2020, when NZ moved into Alert Level 2 and established the following protocols.

Operational Teams

The company is operating a two-team system to allow us to react to any potential staff infection without compromising service.

This is constantly evaluated and updated to align with the latest MOH recommendations.

Contact Tracing

We have adopted the RIPPL app with QR codes displayed at both the Lambton Quay and Kelburn Terminals.

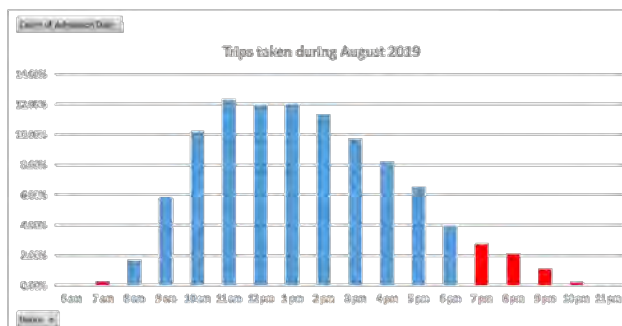
The company has also ensured that pre-purchased tickets (e.g. 10 or 25 multitrip), Snapper cards and Super Gold cards (by an exchange program) all now provide contact details for tracing purposes.

Opening Hours

Operating hours have been reduced to meet customer demand and financial viability.

To determine how to reduce hours without significantly impacting service, we compared scan data from a similar time period in 2019.

Our decision was also balanced to continue to provide a public transport service to Wellington and continue to be an alternative for people to access the Kelburn precinct, the Botanic Gardens and Zealandia.



In response to the analysis, operational hours have reduced from,

- Mon to Fri – 7.00am – 10.00pm
- Sat – 8.30am – 10.00pm
- Sun & Public holidays – 8.30am – 9.00pm

to;

- Mon to Fri – 7.30am – 7.00pm
- Sat & Sun – 8.30am – 7.00pm

It is expected that 94% of the business can be serviced during these times, with operational savings. It is our current assumption that these operating times will remain for FY 2020-21 with minor variations should we see demand improved or increased patronage

Revenue Impact

Losing our international visitors due to border closures represents the greatest reason for revenue reduction. Whether they drove, flew or cruised into Wellington, this is our highest yielding segment and will leave a large hole.

Seating Capacity

Further to the loss of international visitors, the loss in capacity due to social distancing requirements significantly impacted passenger numbers and in turn revenue.

To meet standards set out by MOH, we can safely carry 12 passengers per trip. In comparison to pre-COVID-19 operations, that is a reduction of 60% if counting only seated passengers and 80% reduction if counting a full car.

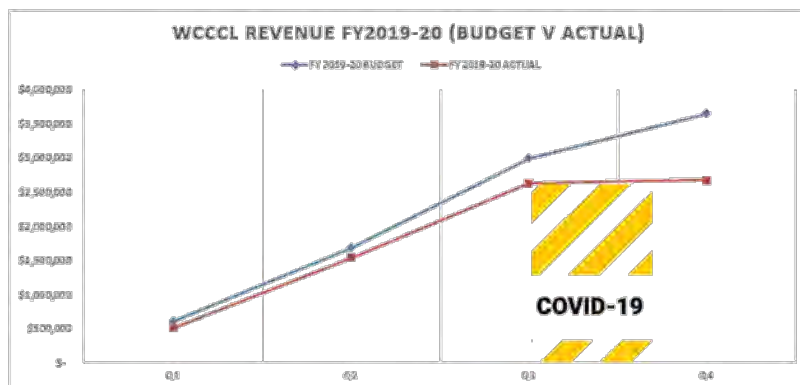
	Pre COVID-19	Alert Level 2	% Change
Seating Capacity	30	12	-60%
Carrying Capacity	60	12	-80%

Contributing Factors

Other contributing factors for low patronage include.

- VIC Uni students have not returned to campus learning
- Many businesses allowing staff to work from home where possible.
- Public transport (Train & bus network) operating free of charge till June 30th 2020

Once these items are taken into consideration, it is expected the Cable Car will have a \$900k revenue shortfall during FY 2019-20



KEY ASSUMPTIONS FY 2020-21

This plan has been prepared using the following parameters provided by Council's Letter of Engagement received on 13 May 2020.

- No further financial assistance from the NZ Government (wage subsidies)
- Alert Level 2 for all of Q1
- Alert Level 1 for Q2, Q3 and Q4
- Trans-Tasman travel recommences for Q4

WCCL has made some further business-specific assumptions.

- Given social distancing in Alert Level 2 (Q1), limited capacity of passengers on all cars
- We expect to return to pre-COVID-19 business levels in 3 years, therefore forecasting for FY2021-23 was done as follows
 - FY 2021-22 at 75% of FY 2019-20
 - FY 2022-23 at 90% of FY 2019-20

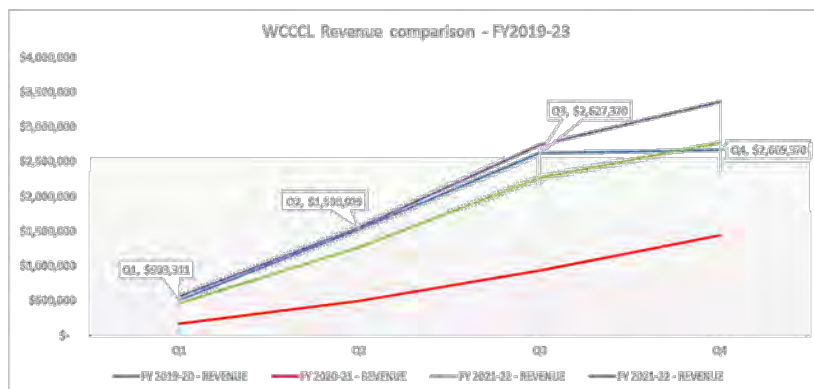
WCCL Passenger Trips and Revenue

		Q1	Q2	Q3	Q4	TOTAL
FY 2019-20	Trips	179,669	320,508	406,680	13,800	920,657
	Revenue	\$ 503,311	\$ 1,030,618	\$ 1,093,441	\$ 42,000	\$ 2,669,370
FY 2020-21	Trips	62,887	126,961	163,614	163,495	516,957
	Revenue	\$ 167,505	\$ 334,919	\$ 435,996	\$ 499,567	\$ 1,437,988
FY 2021-22	Trips	157,873	246,720	295,409	167,885	867,887
	Revenue	\$ 462,379	\$ 809,151	\$ 998,542	\$ 508,494	\$ 2,778,566
FY 2022-23	Trips	192,317	301,186	345,164	204,646	1,043,314
	Revenue	\$ 563,809	\$ 988,485	\$ 1,186,704	\$ 620,438	\$ 3,359,436

NOTES:

1. FY 2019-20 Q1, Q2 & Q3 are Actuals.
2. FY 2019-20 Q4 is an estimated forecast to June 30 based on what has been observed since opening at Alert Level 2 (2,300 pax/week and \$7,000 / week)
3. FY 2020-21 Q1 includes a 15-day scheduled shutdown to carry out critical safety upgrade.

It is expected that we should return to pre COVID business levels within 3 years. The extended forecast is illustrated below.



Maintenance & CAPEX Review

We have looked critically at our expenditure and deferred a significant amount of works for future years.

The process undertaken was to retain works that fell into 3 broad categories.

- Maintaining critical assets
- H&S Critical
- Revenue Generating initiatives

If items were not identified to fit into these categories, they have been deferred to future years.

We have reduced planned spending (spending identified in the original SOI) in R&M and CAPEX by ca. \$400k for FY 20-21 without sacrificing critical works

It is noted that there is ca. \$2M of capital works currently planned in FY 2021-22 for Tunnel strengthening. This is the culmination of years of works, and critical works planned to protect key infrastructure for the Cable Car. This body of work will be reviewed during the next planning and budgeting process to ascertain its progress.

WCCL RE FORECAST FINANCIALS

Wellington Cable Car Limited - Business Plan
Statement of Comprehensive Income for the years ending 30 June 2021, 2022 and 2023

	2020 Forecast	2021 - Qtr 1 \$000	2021 - Qtr 2 \$000	2021 - Qtr 3 \$000	2021 - Qtr 4 \$000	2021 - Total \$000	2022 \$000	2023 \$000
COMPANY ACTIVITIES DIVISION								
Cable Car Income	2,783	168	335	436	500	1,438	2,779	3,359
Cable Car Operations	986	256	256	256	256	1,031	1,059	1,081
Cable Car Maintenance	1,397	444	261	247	247	1,205	1,043	1,382
Depreciation	300	75	75	75	75	300	310	295
Cable Car Expenses Subtotal	2,682	776	592	578	578	2,536	2,412	2,758
Cable Car Operating Surplus/ (Loss)	100	(608)	(257)	(142)	(78)	(1,098)	367	602
EXTERNAL ACTIVITIES								
Sundry External Income	257	27	27	27	27	247	254	262
External Activities Operating Surplus / (Loss)	257	27	27	27	27	247	254	262
Administration Expenses	942	191	191	191	191	834	818	837
External Activities Division Surplus/ (Loss)	(584)	(772)	(421)	(306)	(242)	(1,685)	(197)	27
WELLINGTON CABLE CAR - TOTAL SURPLUS/ (LOSS) BEFORE TAX	(584)	(772)	(421)	(306)	(242)	(1,685)	(197)	27
Income Tax Expense	(98)	(214)	(116)	(84)	(66)	0	0	15
WELLINGTON CABLE CAR - TOTAL SURPLUS/ (LOSS) AFTER TAX	(487)	(557)	(305)	(222)	(176)	(1,685)	(197)	12
The Total Surplus / (Loss) After Tax Consists of:								
Total Income	3,040	195	362	463	527	1,685	3,033	3,621
Total Expenditure	(3,526)	(752)	(666)	(685)	(702)	(3,370)	(3,230)	(3,609)
	(487)	(557)	(305)	(222)	(176)	(1,685)	(197)	12

**Wellington Cable Car Limited - Business Plan
Statement of Movements In Equity for the years ending 30 June 2021, 2022 and 2023**

	Notes	Forecast			
		2020 \$000	2021 \$000	2022 \$000	2023 \$000
Opening Equity - 1 July		10,876	10,389	8,704	8,507
Net Surplus/(loss) for the period		(487)	(1,685)	(197)	12
Total Recognised Revenues and Expenses		<u>(487)</u>	<u>(1,685)</u>	<u>(197)</u>	<u>12</u>
Distribution to Owners		-	-	-	-
Closing Balance 30 June		<u>10,389</u>	<u>8,704</u>	<u>8,507</u>	<u>8,519</u>

Represented by:

		2020 \$000	2021 \$000	2022 \$000	2023 \$000
CURRENT ASSETS					
Bank	1	3,786	2,490	174	(70)
Inventory		331	-	-	-
Accounts Receivable		167	86	166	201
		<u>4,283</u>	<u>2,576</u>	<u>340</u>	<u>131</u>
FIXED ASSETS	2	<u>7,544</u>	<u>7,367</u>	<u>9,487</u>	<u>9,703</u>
TOTAL ASSETS		<u>11,828</u>	<u>9,944</u>	<u>9,827</u>	<u>9,834</u>
CURRENT LIABILITIES					
Accounts Payable/Accruals		414	490	570	565
Current Portion of Term Loan		-	-	-	-
		<u>414</u>	<u>490</u>	<u>570</u>	<u>565</u>

**Wellington Cable Car Limited - Business Plan
Statement of Financial Position for the years ending 30 June 2021, 2022 and 2023**

	Notes				
NON CURRENT LIABILITIES					
ANZ Bank Loan		-	-	-	-
Deferred Tax Liability		1,024	750	750	750
Employee Retirement Gratuity		-	-	-	-
		<u>1,024</u>	<u>750</u>	<u>750</u>	<u>750</u>
NET ASSETS		<u>10,389</u>	<u>8,704</u>	<u>8,507</u>	<u>8,519</u>
SHAREHOLDERS' FUNDS					
Represented by:					
Authorised Capital					
Ordinary Shares at \$1 fully paid		7,435	7,435	7,435	7,435
Retained Earnings		2,954	1,269	1,072	1,084
		<u>10,389</u>	<u>8,704</u>	<u>8,507</u>	<u>8,519</u>

Notes and Assumptions:

- Bank balance has been taken as the balancing figure and includes any short term deposits and the Cable Car self insurance fund.
- The 2020 balance sheet is the forecast position as at the time of completing this Statement of Intent.
- No distribution to owners based on the Company accumulating funds for further capital replacements required however will be assessed on an annual basis.

Wellington Cable Car Limited
Statement of Cash Flows
For the Years Ended 30 June 2021,2022,2023

	Year Ended 30 June 2020 - Forecast	Year Ended 30 June 2021	Year Ended 30 June 2022	Year Ended 30 June 2023
Cash flows from operating activities				
<u>Cash was received from:</u>				
Operating receipts	2,941	1,715	2,903	3,537
Interest received	50	50	50	50
<u>Cash was disbursed to:</u>				
Payments to suppliers and employees	(4,167)	(2,664)	(2,840)	(3,305)
Net cash inflow / (outflow) from operating activities	<u>(1,176)</u>	<u>(899)</u>	<u>113</u>	<u>281</u>
Cash flows from investing activities				
<u>Cash was received from:</u>				
Investments	-	-	-	-
Sale of Fixed Assets	-	-	-	-
<u>Cash was applied to:</u>				
Purchase of fixed assets	(143)	(123)	(2,430)	(510)
Net cash inflow / (outflow) from investing activities	<u>(143)</u>	<u>(123)</u>	<u>(2,430)</u>	<u>(510)</u>
Cash flows from financing activities				
<u>Cash was received from:</u>				
Term Loan	-	-	-	-
<u>Cash was applied to:</u>				
Payment of Dividend	-	-	-	-
Term Loan	-	-	-	-
Payment of Tax	98	(274)	-	(15)
Subvention Payment	-	-	-	-
Net cash inflow/(outflow) from financing activities	<u>98</u>	<u>(274)</u>	<u>-</u>	<u>(15)</u>
Net Increase/(decrease) in Cash held	<u>(1,221)</u>	<u>(1,296)</u>	<u>(2,317)</u>	<u>(243)</u>
Opening Cash Balance	5,007	3,786	2,490	174
Closing Cash Balance	<u>3,786</u>	<u>2,490</u>	<u>174</u>	<u>(70)</u>
Closing cash balance per GL	3,786	2,490	174	(70)



Wellington Cable Car Limited Statement of Intent 2020/21



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

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1. Introduction

This Statement of Intent (SOI) is presented to the Wellington City Council (Council) in line with the Local Government Act 2002. It reflects the special interest that the Council has in Wellington Cable Car Limited as a Council Controlled Organisation (CCO) and the Cable Car as an iconic city attraction. This Statement of Intent includes the objectives, governance structure, activities and performance targets of Wellington Cable Car. It responds to the Letter of Expectation and aims to ensure on-going alignment with the Council's plans, policies and strategies. It is also influenced by the:

- operating environment (including market conditions, evolving legislative requirements and customer expectations)
- age and condition of our infrastructure and
- users and community expectations

The performance targets are included for the next three years with a detailed focus on the period from 1 July 2020 to 30 June 2021. The Wellington Cable Car has been operating since 1902; so, we have also included comments on some longer-term and evolving issues and challenges to meet the Council's and enduring expectations.

1.1 Background

The Wellington Cable Car is one of the city's best-known tourist attractions. It is a funicular railway with a track length of 602 meters which climbs 120 metres from the Lambton Terminal at the end of Cable Car Lane through to the Kelburn Terminal on Upland Road. The route includes three tunnels and three bridges. The Wellington Cable Car opened in February 1902, and the Cable Car Route is now a Heritage Area.

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

The Cable Car was originally developed to provide convenient public transport between the village suburb of Kelburn and the city centre. The Cable Car continues to provide a public transport function but has become the second most visited tourist attraction in the city. It has evolved into an iconic symbol of Wellington as a result of its history and novelty. Now visitors and tourist make up most of the passengers. The continuous increase in the number of cruise ship passengers visiting Wellington means that we expect to see the tourist market continue to grow at a faster rate than the commuter market.

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

The Cable Car is funded solely by passenger revenue and does not receive any other central or local government funding to subsidise it. With the upturn in the local economy and international tourist visitors to New Zealand, the Cable Car carries more than 1.1 million passengers per year.

2. Objectives and Alignment with WCC

2.1 Our Purpose

WCCL operates, maintains, promotes and improves the iconic Wellington Cable Car so that it can continue to provide a unique heritage travel experience to tourists and commuters.

We achieve this by:

- providing excellent customer service;
- maintaining the Cable Car infrastructure to a high standard to achieve or exceed industry standards and visitor expectations;
- actively marketing and promoting the Cable Car as a Wellington tourist attraction and a fast, reliable and efficient transport option between Kelburn and the city;
- prudent financial management to maintain the company's financial sustainability; and
- steadily investing in our infrastructure to ensure that it will continue to comply with industry standards, legal requirements and customer expectations in the future.

2.2 Our Performance

We monitor our performance over the following six categories

- Safety
- Quality
- Quantity
- Efficiency
- Timeliness
- Financial independence

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

2.3 Council's Expectations

At Wellington Cable Car, we are aware of the challenges that the Council faces and the key focus on transformational transport initiatives and responding to the impacts of the Kaikoura earthquake and more recently water infrastructure issues. Wellington Cable Car's response to this is to plan and budget to be financially autonomous in the short and medium-term. Wellington Cable Car has sufficient financial reserves to achieve this while steadily investing in maintenance and capital projects, as long as we do not experience any unforeseen events that have a significant impact on the Cable Car operation.

Wellington Cable Car will continue to remain aligned with the Council's plans, policies and strategies.

Below is a list of specific items raised in the letter of expectation and Wellington Cable Car's response to each of these:

Council's Expectations	Wellington Cable Car's Response
Support Council's Te Tauihu Te Reo Maori Policy	Wellington Cable Car publishes an information brochure in Te Reo Maori and has a Maori language option on the Cable Car website. In 2020-21 we will continue to build the Te Reo Maori capabilities of our staff, by seeking out information about training opportunities and encouraging staff to participate.
Support Te Mapihi Maurea Naming Policy	As Wellington Cable Car facilities are progressively upgraded, we will seek ways to incorporate Te Reo into wayfinding and other signage.
Te Atakura First to Zero Policy	We have commissioned a sustainability audit to get a sustainability rating and recommendations for improvement in electricity use and CO ₂ emissions. We expect to have this initial review/assessment completed in Q1 of 2020. The company will consider the report and opportunities to respond in support of Council's policy.
Accessible Wellington, The Accessible Journey Action Plan 2019	Wellington Cable Car achieved the first Platinum Accessibility Rating of any organisation in Wellington City, in 2018. We remain focussed on improving accessibility for everyone and complete annual assessments and follow-up on recommendation wherever possible.
The vision for Wellington as a creative city (Aho-Tini Strategy)	The company supports local artists wherever possible and will continue to look for ways to use local artwork to enhance the Cable Car visitor experience.
Provide an update on significant upgrade and renewal projects over the next three years	Details on the age and condition of assets are included in section 3.3. Next year we plan to complete track maintenance work, detailed bridge inspections and planning for seismic improvements of the tunnels. Further information is included in section 4.1.

Provide an update on the proposed Car replacement	Work began last year and will continue to systematically inspect and evaluate the condition of the Cars. When this has been completed, we will be able to make an informed decision about the condition and the remaining life.
	In the interim we are working with the Doppelmayr/Garaventa on geometrical options for replacement Cars, taking into account our physical constraints of the stations, track and tunnels.
Provide an update on Asset Management Planning.	Objective information is being collected on the condition and performance of all our assets, and this evidence base is steadily growing. We now have comprehensive and detailed seismic performance information on our tunnels. We are testing and assessing the condition of the rolling stock every year. We have also recently completed a detailed assessment of the track and sleepers. All this information will be used update our Asset Management Plan in 2020/21.
Kelburn precinct	We will continue to work with Experience Wellington and Zealandia on opportunities to improve the overall visitor experience in the Kelburn precinct at the top of the Cable Car.
Living Wage	Wellington Cable Car supports the Council's commitment to the Living Wage. All Wellington Cable Car employees are paid at or above the Living Wage.
Health and Safety at Work Act 2015.	Wellington Cable Car is acutely aware of its obligations under the Health and Safety at Work Act 2015. We are always looking for opportunities to improve worker safety and have recently finalised a new Safety Management System. We have regular health and safety meetings to discuss opportunities to assess, eliminate and reduce risks.

3. Context (History and the Operating Environment)

3.1 History

The Wellington Cable Car opened in 1902 but was almost completely replaced in 1979, with the introduction of steel-framed Cars, changing to a pure funicular operation and the track changing from a double track to a single line, with a passing loop. The drive and control system were replaced again in 2016 because key components of the control system were no longer able to be supported.

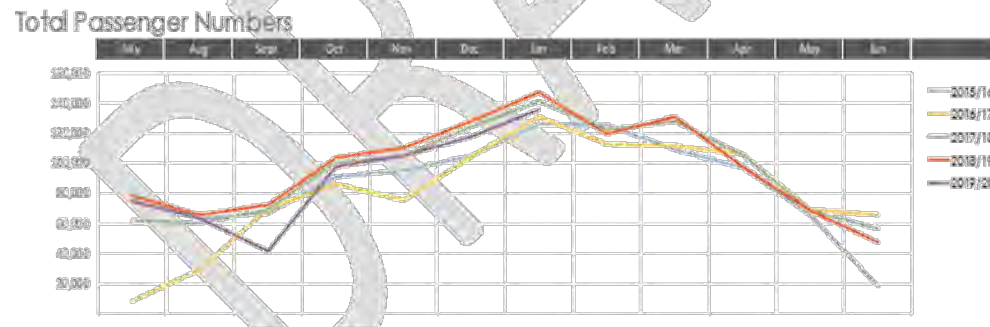
The tunnels date back to 1902, the bridges to the 1930s and the track and Cars to 1979.

3.2 Market Conditions

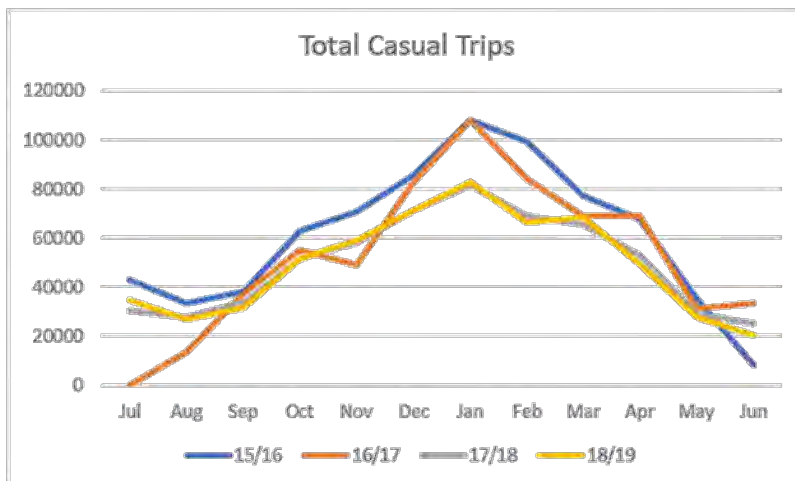
The Cable Car is the second most visited tourist attraction in Wellington after the Museum of New Zealand Te Papa Tongarewa and is an iconic attraction for visitors and locals. The three main customer groups are:

- Tourists (approximately 650,000 trips per year, largely concentrated between September and April, being cruise ship season in New Zealand).
- Local commuters (approximately 200,000 trips spread evenly throughout the year)
- Students (approximately 180,000 trips per year, with noticeable drops during university and school holidays)

The tourist market has been growing steadily. One key marker of this is cruise ship passengers. Large cultural and sporting events also boost tourist passenger numbers.



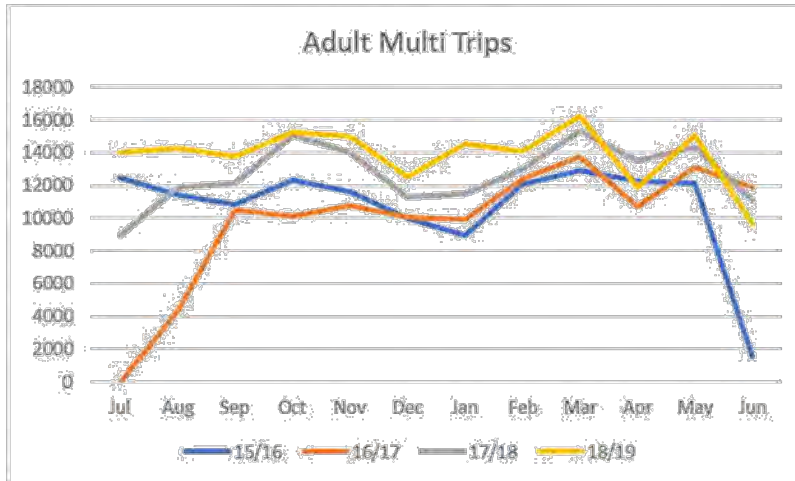
The graph below shows the variable demand throughout the year from tourists.



The tourist market has been growing steadily in Wellington for several years, and for 2019/20 there is a notable increase in cruise ship visits to Wellington, up from 110 ships in 2018/19 to 126 in 2019/20. However, the overall tourist market in Wellington for the first half of 2019/20 is quieter, with the Cable Car experiencing a drop off in passenger numbers of 5% for the first six months over the same period in 2018/19. The Cable Car was previously fortunate in having the cruise shuttle stop positioned 2 minutes away in Brandon Street making us the first point of call for many cruise ship visitors. For the 18/19 & 19/20 seasons the stops have been relocated to Parliament and Wakefield Street which affects our passenger numbers. The Cable Car also relies on big events in Wellington to attract customers, especially domestic tourists. The Great War Exhibition and Terracotta Warriors were two exhibitions that helped boost our passenger numbers. A big draw card for the Cable Car is the Botanic Gardens; however, this is weather dependant and daylight hours only. Continued growth relies on suitable all-weather attractions that can be accessed from the Cable Car.

Our future predictions on passenger numbers in 2020/21 reflect the softening in the market, that we have recently seen, but are consistent with MBIE predictions for growth in 2021/22 and 2022/23. They do not take into account the impact of the Coronavirus. The World Tourism & Travel Council have analysed previous viral epidemics and found that the average time for visitor numbers to recover is 19 months. The issue on the Diamond Princess in Japan may also have a long-term negative effect on the number of people that choose to travel by cruise ship. However, it is still difficult to predict what impact the Coronavirus will have.

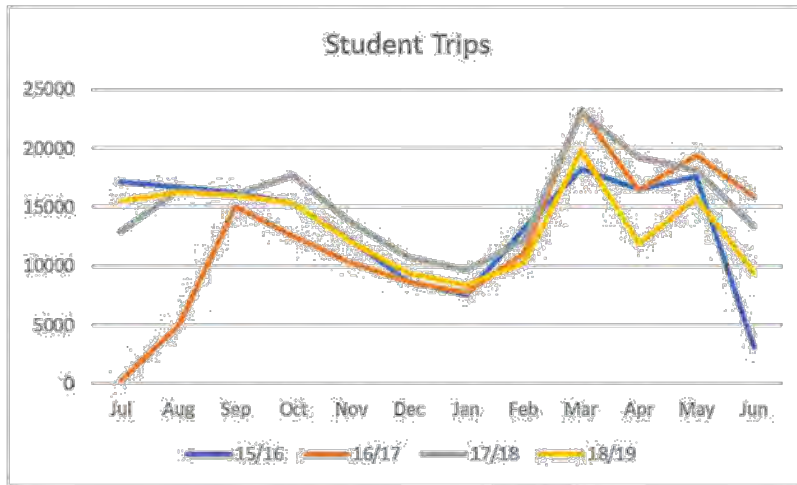
The graph below shows the steady demand from regular commuters. Please note that the dips in 2016 are because we were out of service for 10 weeks for our most recent major upgrade.



Adult commuter trips have grown steadily and are reasonably consistent across the whole year, with a slight drop in numbers in December and January. This group maintains a respectable 58 net promoter score but is the lowest score of our customer segments. The challenge for the Cable Car is to accommodate this regular commuter group throughout the year, even when we have congestion on busy cruise ship days.

The number of students that use the Cable Car continues to reduce. This is a result of the University developing more teaching facilities in the city, such as the Business school, Law School, School of Architecture and Design. Also, student accommodation continues to be developed in the City. In addition to this, the reliability and frequency of bus services between the Railway station and the Kelburn campus has significantly improved since 2010. The Cable Cars appeal is now limited to students staying in the halls of residents near the Cable Car route and those that enjoy the ride enough to endure the walk at each end. The number of student passengers recovered slightly in 2017/18, but declined again after the Met link bus network reorganisation in July 2018.

We will continue to promote the Cable Car to students at Orientation week, but do not expect this market sector to grow.



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3.3 Legislative Requirements

Legal requirements continue to evolve and become more robust. Examples of this are the Health and Safety in Employment Act, 2005, the Local Government Act, Building Act, Railways Act, Passenger Ropeways Regulations and others. We will continue to improve our infrastructure, systems and processes to meet these evolving legislative requirements.

3.5 Age and Condition of Assets

We have a range of infrastructure assets, with a broad range of age, condition and complexity. Some are relatively simple, and others are more complex and require specialist skills to inspect, test, access and maintain. We aim to complete work in-house where this is practical, but also partner with a range of technical specialists where either specialised skills and/or tools/instruments are required.

Our oldest assets are our three tunnels. Construction of these began in 1898. The seismic performance of the tunnels has been investigated in detail over the past few years. We now have an excellent understanding of the condition and the risks. While there are no immediate safety concerns, several options to improve seismic resilience have been identified. Work is continuing to develop rough order costings of these options and complete more detailed design work. These improvements will be undertaken over time to steadily improve the seismic resilience of the tunnels.

The three steel bridges were constructed in the 1930s, to replace the original wooden bridges. In 2019/20 we responded to a recommendation to treat areas of rust on the longest bridge at Salamanca station. This work evolved into a complete repaint. The work also prompted investigation into the condition of the roller bearings and the fixing of these to the concrete piers. Approximately one third of the fixings were replaced and the roller bearings were refilled with oil. Looking forward, an annual washdown will be added to the maintenance programme and more detailed inspections will be completed on each of the bridges. We also plan to begin work to update the seismic assessment of the bridges in 2020/21.

The existing track was installed in 1979. Pre-used rail was used, with a mix of new treated pine and hardwood sleepers. The rail is generally in good condition and is expected to be serviceable for another 40-50 years. However, some short sections will need repair or replacement. Some of the sleepers need replacement. We will begin this and other track work in July 2020. Work on the track will be ongoing and will be scheduled to take place during our annual shutdowns.

The steel-framed Cars date back to 1979. They are in very good condition but are showing signs of their age. All the roof panels were replaced in 2016; however, other areas of the Cars panels are showing signs of corrosion. These areas will need repair in time. The bogies (chassis under the Cars) are progressively being reconditioned by specialist engineers at ACME engineering, based on technical advice from Garaventa in Switzerland. When this work is completed, we will have a better understanding of the condition and remaining service life of all the bogies. During this process, all safety systems are tested to the appropriate standards, to ensure that they continue to meet their original performance requirements.

The motor, drive and control system were replaced in 2016 and remains compliant with current European Standards. This equipment and these systems are regularly maintained following the manufacturer's recommendations.

The intermediate stations are serviceable, but the stations at Talavera and Salamanca can be improved to meet current safety standards and visitors' expectations. We plan to replace the pedestrian over bridge at Talavera station in 2020/21. We are also working on options to replace the Salamanca station.

Newer Cable Cars have auto doors at all stations. We are investigating options to install these to further improve passenger safety.

We have recently completed a high-level seismic assessment of our Lambton Terminal and will continue to plan for more detailed assessments and improvements (where necessary) to all our infrastructure.

We are continuously investigating options to enhance the visitor experience. Options actively being considered include the upgrade of the Lambton Terminal and the replacement and upgrade of the display lights in the upper two tunnels.

Other work will also be required over time to upgrade, replace and improve retaining walls near the track, fencing and security.

4 Nature and Scope of Activities

All our activities are in support of our core purpose to operate, maintain, promote and improve the iconic Wellington Cable Car.

4.1 Assets and Maintenance

Some of the information from section 3.5 is repeated here, for clarity. Please refer to section 3.5 for more detailed information on the age and condition of current assets.

Cars

We completed more comprehensive maintenance and inspection on the Cars in 2019, following advice from the original equipment manufacturer. This work was done in partnership with Doppelmayr/Garaventa Group and local engineers from ACME Engineering. Similar work will also be completed in 2020 on the two lower bogies.

We have four bogies in use and one spare. All five bogies will be cycled through to complete more thorough inspection and maintenance than was the case before 2019. Therefore, by 2023 we will have a better understanding of the condition of the running equipment under the Cars than we had before. This will allow us to make an evidence-based decision about the condition and the expected remaining operating life of the Cars.

Track

The track was installed in 1979, using secondhand rail supported by a mix of treated pine and hardwood sleepers. The sleepers are now over 40 years old, and the ones in exposed areas are due for replacement. This work will be prioritised and scheduled to be completed during our usual annual shutdown. However, the shutdown may need to be extended to allow for this work to be completed. In 2020 we plan to replace at least ten sleepers, near the passing loop.

Bridges

Our longest bridge over Salamanca Road was painted in 2019/20. This project started as simple maintenance tasks but evolved into a complete repaint, inspection of fixings (and replacement of some of these) and inspection and maintenance of bearings. This work was in response to annual visual inspection; however, the scope of the work was unplanned. We will washdown and inspect the other two bridges (at Rawhiti and Everton Terrace) in 2020. This will allow us to assess the condition and plan any painting and repair work that may be needed in future years.

Tunnels

We have been working with WSP (previously Opus Consulting) to assess the Seismic performance of the Cable Car tunnels. The tunnels were constructed back in 1902 and are an important heritage feature of the Cable Car. In 2020/21, we will investigate the costs of several strengthening options, complete detailed designs and tender for this work to begin in the 2021/22 year. If possible, this work will be completed during our annual mid-year shutdown.

4.2 Cable Car Passenger Service

Pricing

Our aim with pricing is to maximise profit and passenger numbers. It is always a balance to set prices that represent value for all customers, typically tourists have different expectations than local commuters. We manage this by having a range of price offerings including cash prices for tourists and multi-trip prices for commuters. We will continue to fine tune the pricing while closely monitoring the passenger numbers. We will soon also receive results from market research that will enable us to continue to make sound decisions about pricing.

Marketing & Events

We are working on ideas and events to encourage increased use outside of the cruise ship season; however, this will continue to be a challenge. We may consider promotions and community events to increase use in the off-season.

Our staff will promote using the Wellington Cable Car to students during Orientation week.

Increased Reliance on Cruise Ship Passengers

Wellington Cable Car continues to benefit from the increased number of tourists and cruise ship passengers visiting Wellington. During the season we have more passengers and they typically pay higher prices. In the off-season we have fewer passengers and they pay lower (multi-trip) prices. This is a challenge for the financial results of the Cable Car.

In response to this we are looking at options to increase the use of the Cable Car by commuters, as well as events and initiatives that maximise low season usage. We are in discussions with Greater Wellington Regional Council about several options to increase use of the Cable Car by commuters. These discussions are on-going; however, any changes are expected to take time to implement.

We are also considering options to reduce the operating hours. At present the Cable Car operates until 10pm (except Sunday when it closes at 9pm). After 8pm the number of passenger numbers are very low. We are looking at this in more detail and may be considering options to reduce operating hours.

SuperGold

When the SuperGold scheme began, Wellington Cable Car received 75% of the adult passenger fare for passengers using a SuperGold card which quickly reduced to 65%. Since 2016 the funding has been capped. The current reimbursement rate (2019/20) is \$2.26 per trip capped at \$90,206 and this funding cap was reached in February 2020. Therefore, from February 2020, through to 30 June 2020, Wellington Cable Car is providing the SuperGold card subsidy, for passengers using SuperGold cards. The true reimbursement amount per trip was \$1.42 in 2018/19 (28% of the adult cash fare). The funding remains capped with an annual adjustment for CPI, but there is no adjustment to take account of the aging population and the resulting increase in the number of SuperGold card holders.

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5 Performance Measurements

5.1 WCCL Passenger Services Performance Measures

Performance Indicator	How will it be measured	Target/Result
Cable Cars, track, tunnels, bridges, buildings and equipment are maintained to the required standard.	Required inspections and tests will be satisfactorily completed. Recommendations will be actioned.	Rail safety licence will be maintained.
Cable Car Service Reliability	Percentage Reliability	Greater than 99.0%
Cable Car User Satisfaction	Market research survey by independent research specialist (Angus & Associates). <ul style="list-style-type: none"> • Trip advisor ratings • Google ranking 	Maintain Net promoter score equal to CXI Benchmark and ideally 5% above benchmark Maintain a rating of 4.2 or higher
The service level meets established tourism standards.	The annual Qualmark assessment will check the service level and compare this to tourism industry standards.	Qualmark endorsement will be maintained.
Wellington Cable Car has a robust Asset Management Plan (AMP).	The Asset Management Plan will be updated in 2020/21 and approved by the Board.	Asset Management Plan will be approved and implemented.
Cable Car Passenger Trips	Passenger trips as per the estimates below	Passenger trip estimates achieved, or variances explained

5.2 WCCL Passenger Trips and Revenue

Estimated Cable Car Passenger Trips and Revenue					
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total
2019/20 Passenger Trips	179,669 ¹	320,508 ¹	406,680 ²	241,398 ²	1,148,255 ²
2019/20 Revenue	\$503,311 ¹	\$1,030,618 ¹	\$1,336,324 ²	\$695,185 ²	\$3,565,438 ²
2020/21 Passenger Trips	171,789	323,373	387,132	220,369	1,102,663
2020/21 Revenue	\$513,704	\$1,059,779	\$1,307,582	\$666,810	\$3,547,875
2021/22 Passenger Trips	210,498	328,960	393,878	223,847	1,157,183
2021/22 Revenue	\$616,506	\$1,078,867	\$1,331,389	\$677,992	\$3,704,754
2022/23 Passenger Trips	213,686	334,651	400,753	227,385	1,176,475
2022/23 Revenue	\$626,455	\$1,098,317	\$1,355,649	\$689,376	\$3,769,797

1. Actual current figures from current financial year.
2. Estimated figures for the remainder of the 2019/20 financial year.
3. Assumes 3-week maintenance shutdown in the 1st Qtr of 2020/21

5.3 WCCL Corporate Activities Performance Measures

Performance Indicator	Measure	Target/Result
Health and Safety is actively managed and systematically improved.	Safety improvements are identified and implemented. Health and Safety meetings are well attended. Workers report incidents and hazards.	Improved infrastructure, equipment, tools, processes and training. SafePlus self-assessment completed.

5.4 Financial Performance Measures

Performance Indicator	Measure	Target/Result
Budgetary requirements approved by the WCCL Board are met	Degree of variance from budget	Within 10% of Board approved budget.
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 the delegations' policy
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 as included in the Asset Management Plan, through a combination of cash, external borrowing, and grants / external funding

6 Approach to Governance

WCCL is a Council Controlled Organisation incorporated in 1991 to manage the Wellington Cable Car and the Overhead Trolley Bus network. The company's constitution requires that the Board has a minimum of two Directors. The Directors are currently members of the WCC executive appointed by Wellington City Council delegated to its Chief Executive.

The Board meets regularly, and formal Board meetings are held at least every quarter. Additional board meetings are scheduled as required.

The Board are responsible for guiding the strategic direction and approving the Statement of Intent. The Board monitors the organisations performance and the performance of the Chief Executive. They also monitor the policies and practices of Wellington Cable Car to ensure that they are aligned with the Council and other stakeholders' expectations.

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7 Organisational Health, Capability and Risk Assessment

WCCL is committed to developing and maintaining an enduring and resilient approach to health and safety that embeds a culture of zero harm within the company, adheres to legislative requirements and ensures that staff, contractors, and the general public are not exposed to unnecessary risk or harm in their dealings with WCCL. The following approaches and organisational procedures are in place or are being developed to ensure that WCCL meets its obligations to the Council and the Wellington public as required by the Health and Safety at Work Act 2015, the Railways Act 2005, Local Government Act 2002 and other pertinent legislation:

7.1 Organisational Approach to Health and Safety

At a governance level, Health and Safety reporting is a mandatory item at all Board meetings, ensuring that Directors remain apprised of current statistics and any developments arising.

As a result, WCCL has in place appropriate Health and Safety policies, practices and procedures to meet its responsibilities covering hazard identification and management, emergency planning, accident reporting, investigation management, contractor management and safe work procedures (incorporating appropriate Safe Systems of Work).

7.4 Risk Management:

The company's Risk Management Policy is to actively manage risk by assessing risks on at least an annual basis, using the methodologies and practices laid down in AS/NZS ISO 31000:2009 (Risk Management). These risks are identified and actively managed under the following categories:

- a) Health and Safety
- b) Environment
- c) Asset Management
- d) Financial and Commercial
- e) Statutory and Legislation
- f) Corporate
- g) Project
- h) Operational
- i) HR
- j) IT

In each category, the effect of a risk on the business has been considered, and the level of risk assessed, considering any controls that have been put in place. Risk mitigation actions and controls are determined such that the level of risk is As Low as Reasonably Practicable (ALARP) using the principles of eliminate, substitute, isolate or engineering controls.

WCCL has no risks that have an Extreme assessment.

The Risk Register currently contains two risks that have a high-risk rating.

WCCL regularly reviews and updates its WCCL Risk Register, and the latest version containing all the high risks is included in Appendix One.

8. Additional Information

8.1 Ratio of Shareholders Funds to Total Assets

Definition of Terms

Shareholders' funds: Represents the net equity the shareholder has contributed to the Company since its incorporation. This amount includes issued share capital, revaluation reserves, and retained earnings. For completeness, this amount would also include any balances in the shareholder current account that exist, noting that this is not applicable in the case of WCCL as the Company is self-sufficient financially and pays all amounts in respect of dividends when they are declared. As at 30 June 2019, the shareholders' funds equated to \$10.875m.

Total Assets: Represent the total assets, both intangible and tangible of the Company, disclosed in accordance with applicable financial reporting standards. As at 30 June 2019, the Total Assets of the Company equated to \$12.878m.

Ratio of Shareholders Funds to Total Assets as at 30 June 2019 – 84%

8.2 Estimate of Amount Intended for Distribution

The Board and Management of the Company are continuously investigating additional revenue-earning streams and enhance existing revenue sources through marketing activities; the result of these activities may require initial capital investment to provide increased revenue (and therefore dividend) streams in future years subject to any agreement reached in relation to the future funding of the Cable Car asset management plan. The Company also undertakes a full review of future fare increases at least annually.

Cable Car passenger numbers and revenue have continued to increase over recent years due to continued marketing initiatives put in place by the Company but also as a result of a vibrant and growing Wellington economy, including increased cruise ship passenger numbers. The Directors anticipate revenue will continue to increase in the coming years given fare changes, increased tourists and continued enhancement of the Cable Car assets and service offerings.

The Company has a continued aim to be financially self-sufficient. To achieve this while also meeting planned maintenance (both routine and reactive) and the capital investment programme in respect of the Cable Car, the Company will not declare any dividends in respect of the 2020/21 year and the subsequent two financial years.

8.3 Acquisition Procedures

The Company will only issue shares or acquire shares in other companies or become a partner with any other business with the express prior permission of WCC.

The Company will fully investigate and report to WCC any proposal to enter partnerships or to sell any buildings or other significant assets before binding commitments are entered into.

8.5 Estimate of commercial value of shareholders investment

The estimate of commercial value is equal to the equity value of the company as at 30 June 2019, is \$10.875m.

The commercial value is reassessed annually, following completion of the audited annual report of the Company.

8.6 Other matters (if applicable), e.g. Water supply services, LGA requirements

Nil

8.7 Supplementary information the entity wishes to include - Insurance Programme

The insurance programme for the respective operating divisions is as follows:

1. Cable Car Assets

The majority of assets related to the cable car service are covered by a policy with Lloyds of London, with the remaining assets secured by New Zealand insurance providers.

The amount of cover necessary has been calculated on the basis of Probable Maximum Loss, as advised by the structure and earthquake engineering consultant who surveyed the assets and reported to WCCL. The Company maintains an investment fund which exceeds any excess payable under this insurance policy to ensure sufficient business operations funds exist at any point in time.

2. Insurance Programme Policy

Following the Canterbury earthquakes, and as a result of the changing New Zealand insurance market, it was not possible to get continued cover from the then insurer, or from any other NZ-based insurer. The placement was made with Lloyds through an introduction by WCC on the best terms that could be achieved, but not for full replacement. WCCL has continued this approach in the subsequent years based on advice from its insurance broker AON and does not expect this to change in the period relating to this statement of intent.

At the time of writing, WCCL has not completed its insurance renewal in respect of the 2020/21 year, however, does not expect a material change in the policies put in place. It is expected that insurance premiums will increase over those payable in respect of the 2019/20 year but the Company will work with AON to mitigate these as much as possible.

Motor Vehicles are insured with an NZ-based insurer (AON).

Liability covers are insured with an NZ-based insurer (AON)

Appendix 1: WCCL Risk Register (High Risks)

Wellington Cable Car Risk Register as at 27 February 2020 (Highs Only)														
Risk ID	Hazard Title	Risk Items	Risk Causes	Risk Effects	Risk Controls	Pre Controls Probability	Pre Controls Impact	Pre Controls Risk Rating	Probability	Impact	Risk Rating	Categories	Owners	
10	Medical Event	1 - Injury to employee/contractor or general public	1 - Illness or injury not directly related to the Cable Car	1 - Minor ailments requiring first aid treatment	1 - First aid kits held in cars, Driver's room, Control, Winding rooms, Garage. Portable kit in the Control Room for when working on the Track. Checked monthly.	Possible	Major	High	Possible	Moderate	High	Health & Safety	Matthew Hardy	
		2 - Unknown health condition	2 - Accident e.g. caused by falling, electrocution, power tool	2 - Serious injury or ailment requiring first aid, ambulance call-out or hospitalisation	2 - Defibrillator in each car and ticket kiosk.								Matthew Hardy	
				3 - Feeling unwell but not requiring first aid	3 - All employees to be First Aid trained.									
					4 - Contact numbers of emergency services and local medical assistance posted on the safety notice board in Drivers' Room and Ticket Booth.									
					5 - A radio system operates between the two cars, Ticket Booth, Control Room, and Winding Room.									
0015	Damage to Cable Car by general public (anytime including after hours)	1 - Disruption to Cable Car services	1 - Unauthorised entry to Cable Car premises by public. Likely to be elevated at certain times of the year due to seasonal and large events.	1 - Vandalism/damage to Cable Car property	1 - Cars locked at night	Almost Certain	Major	Extreme	Possible	Moderate	High	Plant and Equipment	Andrew Cresswell	
		2 - Damage to property		2 - Disruption to Cable Car services	2 - Monitored camera surveillance and alarms inside both Kelburn and Lambton Terminals								Stephen Ward	
		3 - Injuries to public		3 - Injuries to general public	3 - Both Kelburn and Lambton Terminals locked at night.									
					4 - Driver's pre-test run inspection conducted.									
					5 - Sprinkler system at Kelburn to deter trespassers. Fence installed at Kelburn (below the Control Room).									
					6 - Trespass signage at Salamanca									
					7 - Staff have right to refuse entry on cars and lower station.									
					8 - Drivers have radio communications to each other.									
					9 - First Security guards on site during events which may attract anti-social behaviour.									
					10 - Scenario training on how to manage challenging situations provided to staff every two years.									
					11 - There is a security camera in each cable car.									

Appendix 2: Accounting Policies

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 (CCO) as defined by Section 6 of the Local Government Act 2002 and is domiciled in New Zealand.

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

The financial statements are for the year ended 30 June 2019 and were approved by the Board of Directors on 30 September 2019.

Basis of Preparation

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

Statement of Compliance

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

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

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

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

Measurement Base

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

The information is presented in New Zealand dollars. Rounding of amounts is to the nearest dollar.

Changes in Accounting Policies

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

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)**Specific Accounting Policies**

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

(a) Judgements and Estimations

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

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

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

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

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

(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 PBE IPSAS 17, borrowing costs are capitalised if they are directly attributable to the acquisition, construction, or production of a qualifying asset.

Trolley Bus Overhead and Poles

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

Cable Car Assets

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

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

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%-33%
Computer Equipment	33%
Motor Vehicles	20%
Furniture & Fittings	20%
Trolley Bus Overhead Wire System & Fittings	2.5%-20%

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

Work-in-progress

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

Restatement of Figures

Where appropriate, prior year figures have been restated for comparability with current year's figures.

(c) Foreign Currencies

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

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)**(d) Intangible Assets**

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

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

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

(e) Goods & Services Tax

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

(f) Income Tax

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

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

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

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

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(g) Inventories

Wellington Cable Car Limited's inventory comprises of items held in respect of maintaining and operating the Cable Car (in prior years this also included the maintaining and operating the Overhead Trolley Bus network). In accordance with PBE IPSAS 12, all inventory has been valued at the lower of cost using the weighted average cost formula or net realisable value.

(h) Leases

Operating Leases

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

(i) Statement of Cash Flow

The Statement of Cash Flow has been prepared using the direct approach.

Operating activities include cash received from all revenue sources of the company and record the cash payments made for the supply of goods and services. Investing activities relate to the acquisition and disposal of assets. Financing activities relate to activities that change the equity and debt capital structure of the company.

(j) Related Parties

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

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

(k) Financial Instruments

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

Trade and other receivables

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

Cash and cash equivalents

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

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)Short Term Investments

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

Trade and other payables

Short term payables are recorded at face value.

(l) Revenue

Wellington Cable Car Limited derives revenue from the cable car passenger service with fares being the sole source of income along with a minor amount of income from merchandise sales.

Additional revenue was received from Greater Wellington Regional Council in relation to the decommissioning of the Overhead Network and cessation of the Trolley Bus division of the Company. There are also pole occupancy licences in place in relation to third parties with equipment attached to the Traction Network, however this ceased in November 2018 when the pole network was transferred to Wellington City Council.

Revenue is recognised when billed or earned on an accrual basis. The non-exchange revenue consists of the funding for the operation and decommissioning of the Trolley Bus Network which is received from Greater Wellington Regional Council.

(m) Grants

The trolley bus overhead wiring system funding is from contract payments by the Greater Wellington Regional Council.

Grants are recognised as revenue when received, unless conditions apply. Any grants for which conditions apply under the grant agreement are carried as liabilities until all the conditions have been fulfilled.

(n) Expenses

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

(o) Employee Benefit liabilities

Provisions for employee benefits, being holiday leave and other employee entitlements are recognised as a liability when benefits are earned but not paid.

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

Appendix 3: Forecast Financial Statements

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Wellington Cable Car Limited - Business Plan
Statement of Comprehensive Income for the years ending 30 June 2021, 2022 and 2023

	2020 Forecast	2021 - Qtr 1 \$000	2021 - Qtr 2 \$000	2021 - Qtr 3 \$000	2021 - Qtr 4 \$000	2021 - Total \$000	2022 \$000	2023 \$000
Cable Car Income	3,544	514	1,060	1,308	667	3,548	3,705	3,770
Cable Car Operations	1,209	308	314	315	304	1,240	1,273	1,307
Cable Car Maintenance	1,085	628	250	221	221	1,320	1,349	1,419
Depreciation	297	75	75	75	75	300	310	295
Cable Car Expenses Subtotal	2,591	1,010	639	611	600	2,860	2,932	3,021
Cable Car Operating Surplus / (Loss)	953	(497)	421	696	66	687	773	749
EXTERNAL ACTIVITIES								
Sundry External Income	99	27	27	27	27	108	111	115
External Activities Operating Surplus / (Loss)	99	27	27	27	27	108	111	115
Administration Expenses	733	194	194	194	194	778	795	813
External Activities Division Surplus / (Loss)	319	(664)	254	529	(101)	18	89	51
WELLINGTON CABLE CAR - TOTAL SURPLUS / (LOSS) BEFORE TAX	319	(664)	254	529	(101)	18	89	51
Income Tax Expense	102	(184)	73	150	(27)	12	32	22
WELLINGTON CABLE CAR - TOTAL SURPLUS / (LOSS) AFTER TAX	217	(480)	181	379	(74)	6	57	28
The Total Surplus / (Loss) After Tax Consists of:								
Total Income	3,643	541	1,087	1,335	694	3,656	3,816	3,884
Total Expenditure	(3,427)	(1,020)	(906)	(955)	(768)	(3,650)	(3,759)	(3,856)
	217	(480)	181	379	(74)	6	57	28

**Wellington Cable Car Limited - Business Plan
Statement of Movements in Equity for the years ending 30 June 2021, 2022 and 2023**

	Notes	Forecast			
		2020 \$000	2021 \$000	2022 \$000	2023 \$000
Opening Equity - 1 July		10,809 ^N	11,026	11,032	11,089
Net Surplus/(loss) for the period		217	6	57	28
Total Recognised Revenues and Expenses		<u>217</u>	<u>6</u>	<u>57</u>	<u>28</u>
Distribution to Owners		-	-	-	-
Closing Balance 30 June		<u><u>11,026</u></u>	<u><u>11,032</u></u>	<u><u>11,089</u></u>	<u><u>11,117</u></u>

Represented by:

		2020 \$000	2021 \$000	2022 \$000	2023 \$000
CURRENT ASSETS					
Bank	1	4,346	4,226	3,914	3,876
Inventory		-	-	-	-
Accounts Receivable		<u>150</u>	<u>150</u>	<u>150</u>	<u>150</u>
		4,496	4,376	4,064	4,026
FIXED ASSETS	2	<u>7,552^N</u>	<u>7,587</u>	<u>7,977</u>	<u>8,033</u>
TOTAL ASSETS		<u>12,048</u>	<u>11,963</u>	<u>12,041</u>	<u>12,058</u>
CURRENT LIABILITIES					
Accounts Payable/Accruals		272 ^N	182 ^N	202 ^N	191 ^N
Current Portion of Term Loan		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		272	182	202	191

**Wellington Cable Car Limited - Business Plan
Statement of Financial Position for the years ending 30 June 2021, 2022 and 2023**

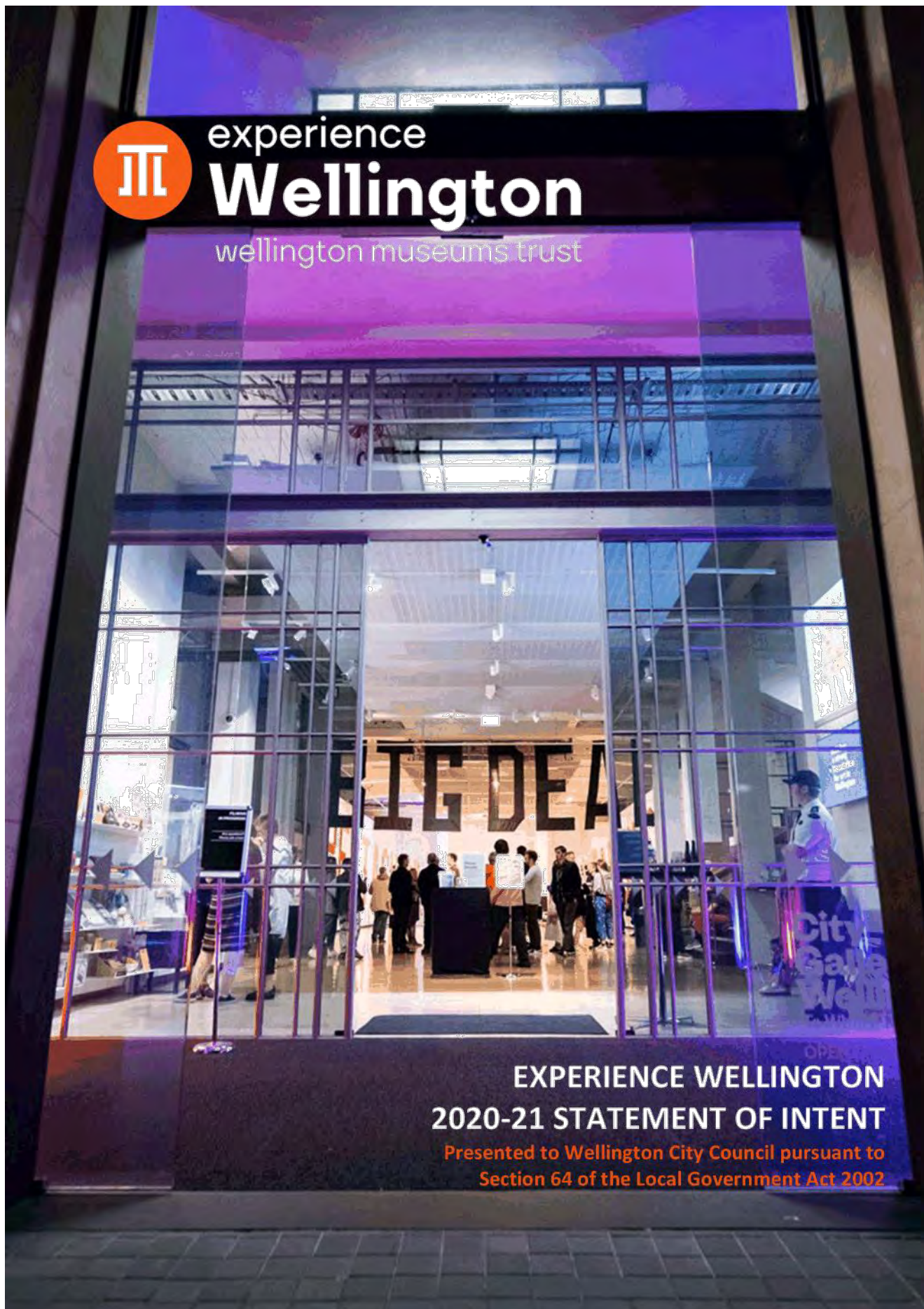
	Notes				
NON CURRENT LIABILITIES					
ANZ Bank Loan		-	-	-	-
Deferred Tax Liability		750 ^N	750	750	750
Employee Retirement Gratuity		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		750	750	750	750
NET ASSETS		<u><u>11,026</u></u>	<u><u>11,032</u></u>	<u><u>11,089</u></u>	<u><u>11,117</u></u>
SHAREHOLDERS' FUNDS					
Represented by:					
Authorised Capital					
Ordinary Shares at \$1 fully paid		7,435	7,435	7,435	7,435
Retained Earnings		<u>3,591</u>	<u>3,597</u>	<u>3,654</u>	<u>3,682</u>
		<u>11,026</u>	<u>11,032</u>	<u>11,089</u>	<u>11,117</u>

Notes and Assumptions:

- 1 Bank balance has been taken as the balancing figure and includes any short term deposits and the Cable Car self insurance fund.
- 2 The 2020 balance sheet is the forecast position as at the time of completing this Statement of Intent.
- 3 No distribution to owners based on the Company accumulating funds for further capital replacements required however will be assessed on an annual basis.

Wellington Cable Car Limited
Statement of Cash Flows
For the Years Ended 30 June 2021,2022,2023

	Year Ended 30 June 2020 – Forecast	Year Ended 30 June 2021	Year Ended 30 June 2022	Year Ended 30 June 2023
Cash flows from operating activities				
<i>Cash was received from:</i>				
Operating receipts	3,643	3,608	3,768	3,834
Interest received	50	50	50	50
<i>Cash was disbursed to:</i>				
Payments to suppliers and employees	(2,956)	(3,423)	(3,397)	(3,550)
Net cash inflow / (outflow) from operating activities	<u>737</u>	<u>227</u>	<u>419</u>	<u>334</u>
Cash flows from investing activities				
<i>Cash was received from:</i>				
Investments	-	-	-	-
Sale of Fixed Assets	-	-	-	-
<i>Cash was applied to:</i>				
Purchase of fixed assets	(199)	(335)	(700)	(350)
Net cash inflow / (outflow) from investing activities	<u>(199)</u>	<u>(335)</u>	<u>(700)</u>	<u>(350)</u>
Cash flows from financing activities				
<i>Cash was received from:</i>				
Term Loan	-	-	-	-
<i>Cash was applied to:</i>				
Payment of Dividend	-	-	-	-
Term Loan	-	-	-	-
Payment of Tax	(102)	(12)	(32)	(22)
Subvention Payment	-	-	-	-
Net cash inflow/(outflow) from financing activities	<u>(102)</u>	<u>(12)</u>	<u>(32)</u>	<u>(22)</u>
Net Increase/(decrease) in Cash held	<u>435</u>	<u>(120)</u>	<u>(313)</u>	<u>(36)</u>
Opening Cash Balance	3,911	4,346	4,226	3,914
Closing Cash Balance	<u>4,346</u>	<u>4,226</u>	<u>3,914</u>	<u>3,876</u>
Closing cash balance per GL	4,346	4,226	3,914	3,876



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This Statement of Intent (SOI) reflects the relationship and interest that the Wellington City Council (Council) has in Experience Wellington as a Council Controlled Organisation and our contribution to Council's vision for the future of Wellington. Specifically, it responds to Council's Letter of Expectations (LOE) of 11 December 2019 (pages 31-34). On pages 6-9 we outline our specific response to the LOE and how each expectation directly relates to one of our three strategic pou. Council owns the heritage buildings that house five of our visitor experiences and will provide around 74% of our operational budget in 2020-21 with the other 26% coming from cultural grants, fundraising and trading revenues.

To achieve the best results for Wellington we will continue to work with Council and other Council Controlled Organisations: WellingtonNZ, Wellington Zoo, Zealandia and the Wellington Cable Car Company, other local visitor experiences, the Museum of New Zealand Te Papa Tongarewa, tertiary education partners and relevant national organisations.

We have a contract with **Creative New Zealand** that supports the delivery of the Capital E National Theatre for Children and the biennial Capital E National Arts Festival for Children. The learning experiences we offer are supported through **Ministry of Education Learning Experiences Outside the Classroom (LEOTC)** contracts. We also regularly receive support from the **City Gallery Wellington Foundation** for City Gallery's programme. The **Carter Observatory Trust** supports our fundraising activities for Space Place.

Cover Image: City Gallery Open Late, March 2020. Credit: Elías Rodríguez

INTRODUCTION

Being prepared for and managing the impact of COVID-19 is a new challenge for our organisation and overshadows our planning for 2020-21 and beyond. This Statement of Intent (SOI) has been revised to reflect the impact that COVID-19 has had and will have during the planning period 1 July 2020 to 30 June 2023. The combination of strict public health measures, closed borders, and the uncertainty of locals to re-engage has meant that our forecast for both visitation and the revenue we generate from visitation, especially international visitors, has been significantly reduced in 2020-21 and beyond.

Our non-Council revenues normally accounts for 30-40% of total revenue. At this stage:

- Pre COVID-19 we were forecasting non-Council revenue of \$4.56 million (representing a 36% increase on 2019-20). We are now forecasting non-Council revenue of \$2.744 million representing a -4% decrease on our 2019-20 forecast.
- We continue to rely on Wellington City Council to allocate \$7.72 million for the core operation including Space Place at Carter Observatory and an accommodation rental subsidy of \$1.78 million for the 2020-21 financial year.
- Contracts for service with Creative New Zealand for the Capital E National Theatre for Children and the biennial Capital E National Arts Festival will continue, and the Ministry of Education will honour current contracts for the delivery of Learning Experiences Outside the Classroom (LEOTC).
- A proportion of the fundraising revenue achieved for projects to be delivered in 2020-21 will be retained but we do not expect to achieve other fundraising revenue in the current environment.
- Trading revenues (admissions, retail, and venue hire), which make up the bulk of our non-Council revenue, will be severely reduced.

Therefore, rather than the full programme of exhibitions and events to attract over a million visitors onsite and online we have reduced our visitor projections to 261,700 and for the first time in many years we are not forecasting a break-even budget and are forecasting a loss of \$1.228 million in 2020-21. To achieve break-even, we will need additional financial support or to reduce operating costs.

With additional financial support our plan will be to rebuild our non-Council revenues over the planning period and to continue to operate our visitor experiences whilst remaining financially viable. The timeframe for the return to our pre-COVID-19 financial position will be influenced by the probability of ongoing restrictions to reduce the risk of community transmission; a three-year timeframe is not unrealistic. We expect that our role of creating remarkable art, culture and science experiences that generate vitality will be even more important as the city we love emerges from the social and economic shock of the COVID-19 pandemic. This SOI outlines our plans for 2020-21 and our Forecast Financial Statements for the three years to 30 June 2023.

Jackie Lloyd
Chair, Experience Wellington
29 May 2020

OUR INTENT IN 2020-21

OUR FOCUS:

We will continue to engage our communities online and, as COVID-19 measures allow, by providing all-year-round experiences at our amazing cultural assets and through every exhibition, public event, learning programme and children's live or film production that we produce and present.

Our Strategic Plan aligns with Council's 2018-28 Long Term Plan and 2019-20 Annual Plan. The inclusion of *Oranga Ahurea Cultural Wellbeing*, as one of the seven Annual Plan strategies, aligns Experience Wellington closely with Council's objective to be the undisputed cultural capital of New Zealand.

Our vision, *Engaged Curious Communities* commits us to deepening our engagement with existing audiences and developing new audiences.

Our reach, organisation effectiveness, and commitment to embracing Te Ao Māori will be advanced in 2020-21.

WE ARE LOOKING FORWARD TO:

- Working with Council's Te Ngākau Planning Team to return Capital E Nōku Te Ao to Te Ngākau, potentially as part of the Central Library Project, and to sit proudly with Wellington's earthquake strengthened Town Hall and City Gallery Wellington Te Whare Toi.
- Launching Creative Collider. This is a new Capital E-led project which will bring together Wellington's creative sector and tamariki to develop and test new works for children. Ideas sparked by this will have the opportunity to access seed funding and support from the Capital E National Theatre for Children and the National Arts Festival for Children.
- Completing design work on the earthquake strengthening and upgrade of the Wellington Museum Te Waka Huia o Ngā Taonga Tuku Iho (shortlisted in Government's Shovel Ready scheme) and using the funding provided in Council's 2018-28 Long Term Plan for this project.
- Attracting art lovers to Wellington for our third high profile international art exhibition at City Gallery Wellington Te Whare Toi which will open in March 2022 (delayed 12 months owing to COVID-19).
- Launching *The Navigators* planetarium show for Space Place Te Ara Whānui ki te Rangi which will tell the story of the arrival of two cultures on the shores of Aotearoa New Zealand.
- Continuing our staff learning and development programmes building confidence and understanding of Te Reo and Tikanga Māori.
- Going live with a new customer relationship management (CRM) system which will help our communication and engagement with supporters and funders.
- Leveraging, where we can, the Council operating grant to fundraise.
- Being kinder on our environment by working with Council's City Resilience and Sustainability Team to reduce our carbon footprint.
- Working with and for Wellington to create remarkable art, culture and science experiences that generate vitality: enriching the city we love.

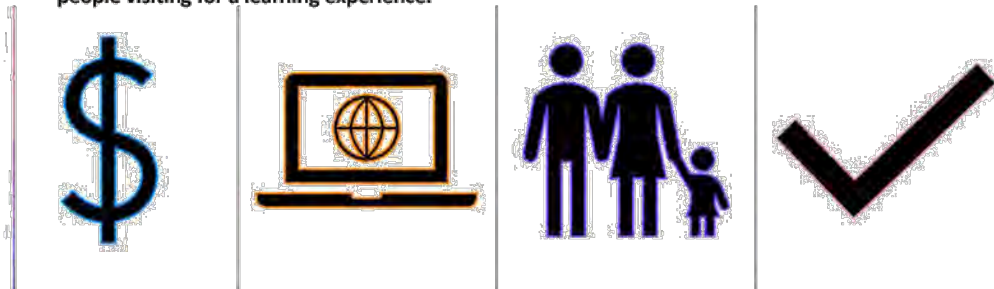
Please refer to the section on Council's Expectations on [page 6](#) for more information on our plans.



OUR PERFORMANCE is measured by our Key Result Indicators (KRI).

In 2020-21 we expect to:

- **Raise \$2.744m (26.2%) of our operating costs from trading initiatives and fundraising.**
- **Receive a 90% approval rate from our visitors for the quality of their experience at our institutions.**
- **Expand our reach via our websites and social media channels to engage with well over 200,000 visitors.**
- **Attract over 260,000 on-site visitors to our experiences, of which, around 21,000 will be children and young people visiting for a learning experience.**



OUR FINANCIAL PERFORMANCE For the first time in many years we are not forecasting a break-even budget. The 2020-21 Budget is based on the following key assumptions:

- We will receive \$7.72 million from Council (exclusive of cash underwrites) for the operation of Experience Wellington inclusive of Space Place Te Ara a Whānui Ki Te Rangi, and an accommodation rental subsidy of \$1.77 million for the 2020-21 financial year.
- Due to COVID-19 we have reduced our visitor projections to 261,700 and for the first time in many years we are not forecasting a break-even budget and are forecasting a loss of \$1.228 million in 2020-21.
- Pre COVID-19 we were forecasting non-Council revenue of \$4.56 million (representing a 36% increase on 2019-20). We are now forecasting a non-Council revenue target of \$2.744 million representing a -4% decrease on our 2019-20 forecast.
- Our visitor experiences will be accessible 24/7 online with restricted opening hours for onsite visitors which will increase as demand grows with some days dedicated to groups including schools.
- Cruise ship business is unlikely to resume in 2020-21, and when it does resume, it may never achieve previous seasonal arrivals.
- There will be no international visitors during 2020-21; trans-Tasman air travel may resume during 2020-21.
- Border closures mean reduced access to international content.
- Domestic tourism will re-engage as confidence builds but not likely to reach previous numbers for some time.
- Domestic visitors (excluding international visitors) are expected to drop by 60% in Q1 (1 July to 30 September), 50% in Q2 (1 October to 31 December 2020), 40% in Q3 (1 January – 31 March 2021) and 40% in Q4 (1 April – 30 June 2021). This is reflected in our projected numbers.
- Regional education groups are expected in Terms 3 and 4 of 2020 but national school groups are unlikely to visit before Term 1 of 2021 (our 3rd Quarter 2020-21).
- Retail significantly reduced in line with visitation and lack of international tourists.
- Venue hire for Museums Wellington will be reduced by 50%, City Gallery Wellington reduced by 75%.
- No sponsorship is expected within 2020-21; donations likely to be nominal.
- Contracts for service with Ministry of Education and Creative New Zealand will continue as planned.
- Grants reduced by 50%.

The Forecast Financial Statements are provided in Appendix 1 (pages [22-25](#)). Accounting policies are provided in Appendix 2 (pages [26-30](#)).

COUNCIL'S EXPECTATIONS

We have developed our 2019-29 Strategic Plan which centres around our three strategic pou;

- **We Change Lives** commits us to deepening our engagement with existing audiences and developing new audiences for our remarkable experiences.
- **Embracing Te Ao Māori** commits us to acknowledging Tangata Whenua as Kaitiaki and Te Tiriti o Waitangi. We strive to reflect this in our work and what audiences see, feel and experience.
- **Leading the Way** commits us to continuous improvement of our organisation effectiveness.

Council's Letter of Expectation, which closely aligns with our Strategic Plan, was provided in December 2019, and did not anticipate the COVID-19 crisis. The following response has been revised to take into consideration the impact of COVID-19. Our ability to respond fully to Council's expectations will depend on our financial position.

We Change Lives	
Council's Expectations	Experience Wellington's Response
<p>We demonstrate on-going alignment to the Council's annual and 2018-28 Long Term Plan.</p> <p><i>"We provide opportunities to develop the city's cultural scene and build engaged and curious communities. We provide support for galleries and museums, community arts and cultural support and arts partnerships."</i></p> <p><i>- Council's Cultural Wellbeing Strategic Priority.</i></p>	<p>Our vision is <i>Engaged Curious Communities</i>.</p> <p>Our purpose is to work together, with and for Wellington to create remarkable art, culture and science experiences that generate vitality, enriching the city we love.</p> <p>Our visitor experiences will be accessible 24/7 online with restricted opening hours for onsite visitors which will increase as demand grows with some days dedicated to groups including school.</p> <p>We will keep you informed throughout the year with quarterly reporting and updates, and whenever possible bringing you to our places to see for yourself the work we do to support Council's plans.</p>
<p>Update Council on the status of the planned upgrade works at the Wellington Museum, including the necessary structural works needed to address the earthquake risks associated with the Bond Store, and opportunities to upgrade exhibition spaces.</p> <p><i>Council's commitment from the 10-Year Plan is "to earthquake strengthen the Bond Store at an estimated cost of \$10m. The strengthening work will also include the remodelling of the ground floor of the museum to improve customer experience."</i></p>	<p>Planning is advanced for the Wellington Museum Project to complete earthquake strengthening and the redevelopment of the visitor experience to open early 2023.</p> <p>This project continues the development of Wellington Museum's role within the region as the teller of Wellington's stories, including an authentic Māori dimension.</p> <p>It will give new life to this 130-year-old Category One Heritage building ensuring its landmark status on Wellington's world-renowned waterfront.</p> <p>Council included the Project in its "shovel ready" submission to Government's infrastructure funding scheme.</p> <p>The Business Case, inclusive of completed design work and an updated cost estimate (which is considerably more than the 2018 estimate) will be presented to Council for its consideration and decision.</p>

<p>An update on accommodation issues- short-term operational perspective and a more strategic view.</p>	<p>Our vision aligns with Council’s objective that Capital E will form part of a revitalised Te Ngākau and possibly within a reimagined Central Library. We will work closely with Council to explore this option and, if necessary, other accommodation options for Capital E.</p> <p>Our medium-term office accommodation strategy – to create a central office accommodation hub – will be refreshed as opportunities present and our financial position allows.</p>
<p>An update on the international exhibition programme at the City Gallery including planning of future programmes, noting these are above and beyond the normal Gallery programming and we note that funding support through the City Growth Fund is likely to be required to secure stand out exhibitions.</p>	<p>Planning for a third exhibition in City Gallery’s high value international art programme is underway but delayed 12 months to March 2022 owing to COVID-19.</p> <p>The first two exhibitions in the contemporary art programme were <i>Cindy Sherman</i>, presented in 2016-17; and <i>Eva Rothschild: Kosmos and Semiconductor: The Technological Sublime</i>, presented in 2018-19. Both were supported by Council and WellingtonNZ through the City Growth Fund/Major Events Fund.</p> <p>This programme enhances Wellington’s and City Gallery’s reputation as a destination for contemporary art lovers. It would not be possible without the city’s support.</p>
<p>Support Council’s Accessible Wellington, The Accessible Journey Action Plan 2019</p>	<p>Experience Wellington has a kaupapa that enables and facilitates access and inclusion for visitors and staff. Initiatives include multi-language brochures, sign language introductions at each venue and a commitment to ensure that facilities, exhibitions, and public programmes are welcoming and accessible, accommodating all abilities. This commitment was recognised when we won the inaugural Wellington City Council Innovative Design in Accessibility for The Attic at Wellington Museum.</p> <p>We undertake regular audits and our work to improve facilities for visitors and staff is ongoing. We are grateful to Council as building owner for its support of our efforts.</p>
<p>Suggestions from the Trust on how it, and in particular the City Gallery, could partner with Council to activate Te Ngākau Civic Square</p>	<p>City Gallery Wellington is currently the only Te Ngākau attraction and will present an exciting programme of exhibitions and events during 2020-21.</p> <p>We will continue to use Te Ngākau as an extension of our programming and we will partner with Council as resourcing allows on bespoke Te Ngākau events.</p> <p>Access to Te Ngākau has been compromised by construction activity which is likely to get worse. We therefore agree that it is important to ensure directional signage makes it easy for people to find their way into Te Ngākau, and that the great exhibitions we present at City Gallery Wellington mean there is always a reason to visit.</p>
<p>The Trust is to remain a strong advocate for the return of Capital E in any Te Ngākau Civic Square discussion and, with an existing strong presence in the square through the City Gallery, contribute constructively to this process</p>	<p>Our vision aligns with Council’s objective that Capital E will form part of a revitalised Te Ngākau and we will work with Council to realise that outcome. Te Ngākau is the heart of the city, and we welcome, and are excited to be part of the planning, to realise this important objective for the city we love. We consider that a formal agreement between Council and Experience Wellington is necessary to ensure that the opportunity of Capital E’s return to Te Ngākau (possibly as part of the redeveloped Central Library) is fully explored.</p>

Embracing Te Ao Māori

Council's Expectations

Experience Wellington's Response

Support Council's Te Tauihu Te Reo Māori Policy

Experience Wellington's commitment to embracing Te Ao Māori is the central pou of our 2019-29 Strategic Plan and we believe aligns with Council's many initiatives to acknowledge Te Tiriti o Waitangi including Te Tauihu Te Reo Māori Policy. We applaud Council's aspiration to be a Te Reo Māori city by 2040.

Our initiatives include:

- Māori engagement.
- Reviewing our vision and values to ensure that they support our developing tikanga.
- Continuing to offer staff opportunities to learn and use Te Reo.
- Ensuring that our recruitment processes reflect our commitment to Te Ao Māori.

Our goal for our visitor experiences is that there is a Māori dimension in all plans and activities and in what visitors see, feel and experience. The Wellington Museum Te Waka Huia o Ngā Taonga Tuku Iho development is a good example of how this is working with the involvement of mana whenua in the formative stages of projects as advisors and partners.

Other examples include the Capital E National Theatre for Children's partnership with Taki Rua which produced a full Te Reo Māori version of Patricia Grace's *The Kuia and the Spider* *Te Kuia me te Pūngāwerewere* and *The Navigators* which is a new planetarium show for Space Place and will tell the story about the arrival of two cultures to Aotearoa New Zealand.

Leading the Way

Council's Expectations

Experience Wellington's Response

Support Council's Te Māpihi Maurea Naming Policy

The introduction of Te Māpihi Maurea Naming Policy is an important initiative to protect the city's unique culture and historical identity and we will ensure that the guidelines are applied to our work.

Support Council's Te Atakura First to Zero Policy.

We are pleased to have achieved Toitū Carbon Zero accreditation under Wellington City Council's programme and will continue to work with Council to meet the goals outlined in *Te Atakura, the First to Zero* Policy.

A key contributor has been the reduction in electricity use achieved through close monitoring of air conditioning and temperature control systems at Wellington Museum and City Gallery Wellington.

We look forward to working with Council to develop and implement a waste management plan for Experience Wellington which contributes to the goal of reducing waste to landfill by one third. We have started by looking at ways we can reduce waste across the organisation, including rubbish audits, increasing the availability of recycling, and encouraging our staff to make more sustainable choices.

This is an area that staff are deeply committed to, and where we can, we raise awareness through the public programmes we offer e.g. *Sustainville* in Capital E's PlayHQ and *The Great Big Waterfront Clean Up* now a regular part of Wellington Museum's programming are examples of our leadership role in this area.

<p>Support the vision for Wellington as a creative city</p> <p><i>Wellington Towards 2040: Smart Capital "an inclusive place where talent wants to live"</i></p>	<p>We will work tirelessly with Council to play a key role in helping our city recover and rebound from the effects of COVID-19, as well as leveraging promotional activity to attract domestic visitors, ensuring the city's reputation as the undisputed Cultural Capital of New Zealand is retained and strengthened.</p>
<p>Maintain alignment with Council's Living Wage remuneration policy.</p>	<p>We are committed to supporting Council's Living Wage Policy and responsible employment and fair remuneration.</p>

Governance

The Board aspires to be a leading governance group with the safety and wellbeing of our people of the utmost importance. The Board is confident that it will comply with Council's expectations regarding legislative compliance including the Health and Safety at Work Act 2015.

Our legislative compliance schedule is reviewed annually by the Board and our compliance is closely monitored through a rolling audit programme.

Our health and safety goal is a zero-harm culture and our Key Result Indicator is no notifiable incidents. We have adopted systems and processes to ensure our Health and Safety compliance and we work closely with Council to ensure that our approach is consistent with its expectations. This is particularly relevant in the context of building management where our Health and Safety obligations overlap.

The Sections on the Board's Approach to Governance ([page 18](#)) and Management, Organisational Health, Capability and Risk Assessment ([pages 20-21](#)) cover these expectations in more detail.

OPERATING ENVIRONMENT UPDATE

COVID-19

The immediate effects of COVID-19 for Experience Wellington are the reduction in visitation and visitor spend. The combination of strict public health measures, closed borders, and the uncertainty of locals to re-engage threatens our financial viability. May and June of 2020 have seen a tentative and restricted return to opening to the public in a contingent operating environment dominated by the risks created by the COVID-19 pandemic.

OUR PEOPLE

Our people are our greatest asset and in response to the COVID-19 crisis we have managed and implemented plans responding to the risks and needs of wellbeing, health and safety. These plans have included mechanisms to support remote working, redeployment to alternate work programmes, and considered health and safety procedures at each Alert Level. A crisis wellbeing team has been established to care for, check in and respond to any concerns and to provide increased support to our vulnerable or other team members finding the current situation challenging.

OUR PLACES

We expect that the operating environment and Government's public health measures will dominate decision-making for the next three years. The COVID-19 crisis has already driven change in how we develop and deliver public programming with much greater emphasis placed on online engagement. Our digital offerings will continue and grow to be a significant aspect of our delivery.

We will stand firm in our commitment to Wellingtonians for their access to their places to enjoy remarkable experiences of contemporary art, to explore our Wellington stories and the southern skies and to bring out their creativity. We are at the heart of the city's cultural and social wellbeing. Ensuring that visitors are welcomed, included, connected, and feel safe in our buildings is the highest priority.

ACCESS

We are committed to ensuring that Te Ngākau maintains its status as the heart of the city, and we will work with Council and other stakeholders to mitigate access issues and to ensure that there is always a reason to visit City Gallery Wellington Te Whare Toi. We expect to be part of Council's planning process to develop a reimagined Te Ngākau which includes a permanent home for Capital E Nōku Te Ao.

While the Wellington Museum Te Waka Huia o Ngā Taonga Tuku Iho is undergoing earthquake strengthening we will ensure that Wellingtonians and visitors to the city continue to have access to Wellington's heritage collections and our stories.

FUNDING SOURCES

Fundraising has been affected by COVID-19 and we anticipate it may take two to three years to recover.

Trading revenue through retail and venue hire will be affected in the short to medium term by lower visitation due to COVID-19.

The Wellington Museum Project will mean a temporary closure of its retail outlet, but once earthquake strengthening is complete an expanded retail operation will provide a welcome boost to this source of revenue.

We also plan to expand retail at Space Place to coincide with the opening of *The Navigators*, a new planetarium show, which will be premiered in June 2021.

STAKEHOLDERS AND PARTNERS

We continue to develop relationships with stakeholders and organisations particularly in the development of visitor experiences. These partnerships contribute to our success and bring new experiences to Wellington. The Wellington Museum development has provided further opportunity to work closely with Mana Whenua which will help us build organisation capability and result in a richer Māori dimension within the visitor experience.

SECTOR ACTIVITY

We monitor trends and activities within the arts and culture sector in New Zealand and overseas, looking for opportunities to increase our reach and revenue.

TECHNOLOGY

New technology is helping with online fundraising options and extending our reach as well as improving our business systems. To improve our organisation effectiveness and efficiency we are changing many of our systems to cloud-based programmes that allow real time reporting, data collection for our Customer Relationship Management (CRM) system and enhanced flexible working conditions for our staff. We will continue to take advantage of the growth in new technologies to enhance our business effectiveness and to enhance our reach and relevance to the communities we serve.

NATURE AND SCOPE OF EXPERIENCE WELLINGTON'S ACTIVITIES

Experience Wellington's purpose is *working with and for Wellington to create remarkable art, culture and science experiences that generate vitality: enriching the city we love* and with our vision, *Engaged Curious Communities* defines our value proposition and how we contribute to Wellington's liveability and prosperity.

City Gallery Wellington Te Whare Toi a contemporary art gallery with an international reputation – the hub of art-life in New Zealand's capital

Cable Car Museum encourages visitors to explore and share the technology, history and experience of Wellington's Cable Car.

Capital E Nōku Te Ao ignites and fuels children's creative spark



Wellington Museum Te Waka Huia o Ngā Taonga Tuku Iho* shares the stories and objects of Wellington.

Space Place Te Ara a Whānui ki Te Rangi transports visitors from Wellington to outer space.

Nairn Street Cottage illustrates the story of Wellington through the Wallis family.

Our planned visitor experience programme for 2020-21 has been affected by COVID-19 and we are continuing to work through the implications including financial, development and delivery. Despite these challenges we are confident that we will be able to offer programming. Examples include:

- Exciting international art, exhibitions that respond to the current environment, and support for New Zealand artists whose livelihoods have been affected by Covid-19.
- Launching our new project, Creative Collider, which will bring together Wellington's creative sector with tamariki to collaborate, develop, and test new and exciting works for children.
- Working with Wellington's creative ecosystems to produce three nationally touring Capital E theatre productions performing to children aged 3-13 – *Lost Letter Office*, *Story Studio LIVE* and *Seasons* and two new installations in PlayHQ, our free creative space for under 5s and their caregivers.
- *The Navigators*, Planetarium show at Space Place

Experience Wellington cares for the recovered Plimmer's Ark timbers and Wellington city's heritage collections in storage.

We also have a management agreement with the New Zealand Cricket Museum Trust to provide in-kind support, including financial management, for the New Zealand Cricket Museum. *Including the Plimmer's Ark display in the Old Bank Arcade.

PERFORMANCE MEASUREMENT

We will continue to refine performance measurement over the planning period to better reflect the needs of stakeholders for information that helps to assess the impact Experience Wellington makes on Wellington's prosperity and liveability. Any changes will be made in consultation with Council.

The impacts of COVID-19 on visitation and our financial position are reflected in the following performance measures.

Proposed earthquake strengthening and upgrade of Wellington Museum will mean a period of closure of approximately two years which will affect visitation results and revenue generation.

Our City

Key Result Indicators

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

Residents' Awareness	2018-19 Actual	2019-20 SOI	2020-21	2021-22	2022-2023
City Gallery Wellington	93%	95%	95%	95%	95%
Wellington Museum	94%	95%	95%	95%	95%
Capital E	92%	90%	90%	90%	90%
Cable Car Museum	96%	95%	95%	95%	95%
Space Place	92%	92%	92%	92%	92%
Nairn Street Cottage	60%	54%	54%	54%	54%

Our Visitors

Key Result Indicators

Physical Visitation: The total number of on-site visits to institutions including general public, education and function attendees. The annual target is reviewed each year and benchmarked against the average visitation for the institution during the previous three years. Due to border closures we are not expecting international visitors for the 2020-21 year, and a significant drop in our domestic visitors from FY2019-20 (60% drop Q1, 50% drop Q2, and 40% drop in Q3 & Q4)

Visitor Numbers	2018-19 Actual	2019-20 SOI	2020-21	Q1 Jul-Sep	Q2 Oct-Dec	Q3 Jan-Mar	Q4 Apr-Jun	2021-22	2022-23
City Gallery Wellington	153,676	150,000	56,200	11,200	13,400	13,400	18,200	110,250	112,300
Wellington Museum	132,953	130,000	56,000	9,000	12,500	20,500	14,000	75,000	90,000
Capital E	137,015	70,500	45,500	9,250	12,500	9,750	14,000	60,000	100,000
Cable Car Museum	288,889	256,000	79,000	17,500	17,500	25,500	18,500	100,000	125,000
Space Place	55,683	57,000	24,000	4,000	6,000	8,000	6,000	30,500	40,000
Nairn Street Cottage	2,104	2,000	1,000	0	250	500	250	1,500	2,000
Experience Wellington Total	770,320	665,500	261,700	50,950	62,150	77,650	70,950	377,250	469,300

Adjustments to visitation reflect the impact of Covid-19 - rescheduling the 3rd high value art exhibition and construction works on Te Ngākau. The 10th Capital E National Arts Festival for Children will take place in 2023 deferred from 2021 owing to COVID-19 increasing visitation in that year.

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

Virtual Visitor Numbers	2018-19 Actual	2019-20 SOI	2020-21	2021-22	2022-23
City Gallery Wellington	87,922	75,000	78,000	80,000	83,000
Museums Wellington	140,646	96,000	110,000	113,000	118,000
Capital E	45,525	45,500	35,000	38,000	40,000
Experience Wellington Total	274,093	216,500	223,000	231,000	241,000

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

Social Media Numbers	2018-19 Actual	2019-20 SOI	2020-21	2021-22	2022-23
City Gallery Wellington	37,923	35,000	41,500	43,000	45,000
Museums Wellington	12,218	12,000	13,500	13,800	14,200
Capital E	8,040	8,000	9,500	10,000	10,500
Space Place	9,878	10,000	10,800	12,000	11,500
Experience Wellington Total	68,059	65,000	75,300	78,800	81,200

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

Quality of the Visitor Experience	2018-19 Actual	2019-20 SOI	2020-21	2021-22	2022-23
City Gallery Wellington	86%	90%	88%	88%	88%
Wellington Museum	93%	90%	90%	90%	90%
Capital E	95%	90%	90%	90%	90%
Cable Car Museum	84%	90%	80%	80%	80%
Space Place	91%	90%	90%	90%	90%
Nairn Street Cottage	95%	90%	90%	90%	90%

Children & Young People Visiting for a Learning Experience: The number of students (aged 0-18 years) participating in a learning experience organised by their education provider. All sites will be open for school visits but likely to be significantly limited until Q3 and Q4.

Learning experience visitors	2018-19 Actual	2019-20 SOI	2020-21	2021-22	2022-23
City Gallery Wellington	4,038	4,500	4,500	3,600	3,600
Museums Wellington	5,627	7,000	3,500	5,000	7,000
Capital E	64,422	20,500	10,000	12,000	38,000
Space Place	6,121	8,250	3,000	5,000	6,000
Experience Wellington Total		40,250	21,000	25,600	54,600

Figures include curriculum aligned learning experiences which are supported by the Ministry of Education through its LEOTC programme and self-directed and outreach learning experiences. The 10th Capital E National Arts Festival for Children will take place in 2023 deferred from 2021 owing to COVID-19 increasing visitation in that year.

Museums Wellington includes the Wellington Museum, Cable Car Museum and Nairn Street Cottage. Proposed earthquake strengthening and upgrade of Wellington Museum will mean a period of closure which will affect visitation results.

Our Sustainability

Key Result Indicators

Financial Performance: A break-even budget and fully funded depreciation.

Non-Council Revenue: The total amount of revenue (net of costs) generated from non-Council sources:

Trading includes admissions, retail, venue hire, sub-letting, and interest.

Fundraising includes donations, sponsorships, other grants and cultural grants (CNZ and MoE for LEOTC). Retail sales and venue hire are significantly reduced in line with forecast visitation.

Trading (\$'000)	2018-19 Actual \$000	2019-20 SOI \$000	2020-21 \$000	2021-22 \$000	2022-23 \$000
City Gallery Wellington	363	296	99	129	300
Museums Wellington	1,056	837	144	187	230
Capital E	608	252	127	165	430
Space Place	570	566	136	177	540
Sub Total	2,597	1,951	506	660	1,500
Sub-letting, Interest & Other	228	206	30	30	30
Experience Wellington Total	2,825	2,157	536	690	1,530
Fundraising (\$'000)	2018-19 Actual \$000	2019-20 \$000	2020-21 \$000	2021-22 \$000	2022-23 \$000
City Gallery Wellington	467	574	395	519	538
Museums Wellington	148	158	100	143	148
Capital E	784	858	942	776	804
Space Place	81	111	485	100	104
Experience Wellington Total	1,480	1,701	1921	1540	1595

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

The 10th Capital E National Arts Festival for Children will take place in 2023 deferred from 2021 owing to COVID-19 increasing visitation in that year.

The trading figures from 2020 are shown net of cost of sales.

Spend per Visitor: Visitor related revenue.

Spend per Visit (\$)	2018-19 Actual \$	2019-20 SOI \$	2020-21 \$	2021-22 \$	2022-23 \$
City Gallery Wellington	2.36	1.87	1.76	2.45	2.43
Museums Wellington	2.49	2.16	1.06	1.48	1.47
Capital E	4.43	3.29	2.79	3.89	3.86
Space Place	10.25	9.93	5.67	7.9	7.84
Experience Wellington Total	3.63	3.24	1.93	2.69	2.67

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

Capital E will present the Capital E National Arts Festival for Children in 2022-23.

Our People

Key Result Indicators

Health and Safety: No notifiable incidents involving workers or visitors as defined by the Health and Safety at Work Act 2015.

Number of Notifiable Incidents	2018-19 Actual	2019-20 SOI	2020-21	2021-22	2022-23
Experience Wellington Total	0	0	0	0	0

Staff Satisfaction: At least 77% of staff are engaged with the organisation as indicated through the annual Staff Engagement Survey.

Staff Satisfaction	2018-19 Actual	2019-20 SOI	2020-21	2021-22	2022-23
Experience Wellington Total	68%	75%	77%	80%	80%

Our Heritage

Key Result Indicators

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

Collection Development	2018-19 Actual	2019-20 SOI	2020-21	2021-22	2022-23
New to the Collection	26	100	200	100	100
Collection Assessment	2044	1,000	800	800	800
Collection Accessibility	6.04%	10%	10%	10%	10%

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

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

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

Proposed earthquake strengthening and upgrade of Wellington Museum will mean a period of closure. There will be less of the collection on public display during this time.

Council's Subsidy per Visit

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

Table 1: Operating subsidy per visit

Subsidy per Visit (\$)	2018-19 Actual \$	2019-20 SOI \$	2020-21 \$	2021-22 \$	2022-23 \$
City Gallery Wellington	15.65	14.96	43.34	28.78	24.41
Museums Wellington	3.89	5.01	15.52	10.31	8.74
Capital E	12.20	23.35	39.26	26.07	22.11
Space Place	8.87	9.48	23.56	15.65	13.27
Experience Wellington Total	-	11.24	29.67	19.57	16.6

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

City Gallery Wellington – 30%

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

Capital E – 22%

Space Place – 4.9% plus the cash underwrite

Central services provided through the Executive Office – 17.1%

Proposed earthquake strengthening and upgrade of Wellington Museum will mean a period of closure which will affect visitation results.

Capital E will present the Capital E National Arts Festival for Children in 2022-23.

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

Full Subsidy per Visit (\$)	2018-19 Actual \$	2019-20 SOI \$	2020-21 \$	2021-22 \$	2022-23 \$
City Gallery Wellington	19.20	16.06	46.87	31.09	26.17
Museums Wellington	4.48	7.41	16.79	11.14	9.38
Capital E	12.20	27.50	42.06	28.16	23.71
Space Place	18.97	10.93	23.56	15.63	13.16
Experience Wellington Total	-	19.64	31.93	21.18	17.83

Council's estimated ownership costs are supplied by Council.

The 10th Capital E National Arts Festival for Children will take place in 2023 deferred from 2021 owing to COVID-19 increasing visitation in that year.

BOARD'S APPROACH TO GOVERNANCE

Governance

The Board of Trustees are appointed by Council and are standard-bearers for our vision. They are responsible for setting the strategic direction and approving the Statement of Intent and the Strategic Plan. The Board monitors organisational performance, the organisation's on-going viability and the maintenance of its competitiveness. It delegates the day-to-day operation to the Chief Executive, who reports to the Board.

The Board meets no fewer than nine times per year and operates three committees (listed below) which review relevant matters prior to consideration by the full Board. In addition, the Board will convene *ad hoc* working groups to consider specific issues. Guidance in specialist areas is also provided as appropriate.

Board Committees

Audit and Risk (A&R) Committee assists the Board in carrying out its duties regarding financial reporting, risk management and legislative compliance.

Chief Executive Performance and Remuneration (CEP&R) Committee to advise the Chair in connection with the performance and remuneration of Experience Wellington's Chief Executive.

People, Performance and Safety (PPS) Committee supports the Chief Executive in carrying out their responsibilities as the employer of all staff and assists the Board to meet its due diligence responsibilities regarding Experience Wellington's compliance with the Health and Safety at Work Act 2015.

Board Membership

Trustee	Term Expires	Committees
Jackie Lloyd, Chair	30 June 2020	Chair CEP&R and <i>ex officio</i> of PPS and A&R
Diane Calvert	31 October 2022	
Rachel Farrant	30 June 2021	Chair A&R and member of CEP&R
Peter Jackson	31 May 2022	PPS
Peter Johnston	31 May 2022	A&R, CEP&R
Jane Wrightson	31 December 2021	Chair PPS and member of CEP&R

Board Performance

The Board strives to meet best practice governance standards and will undertake an annual review of the overall Board, individual Trustees, and the Chair's performance, and report to the Chief Executive of Council by 30 September 2020.

COUNCIL RELATIONSHIP PRINCIPLES

The principles governing the relationship with Council as our primary stakeholder include:

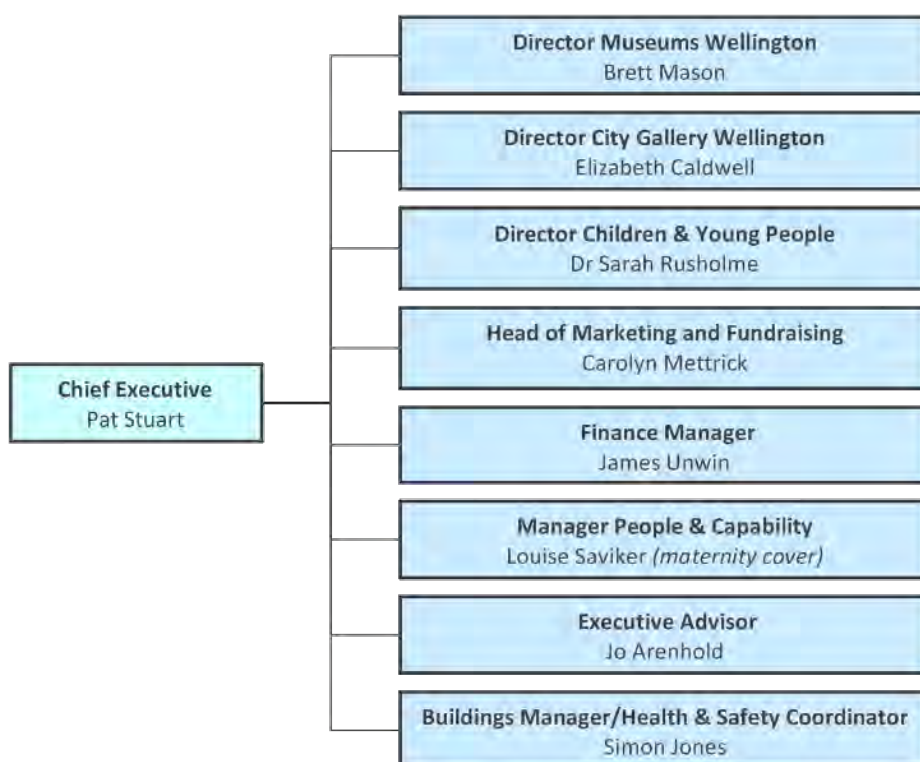
- Operating on a “no surprises” basis so that any significant event that may affect either party is brought to their attention as soon as it can be reasonably done.
- Open and frank communication will occur between Experience Wellington and Council.
- Provide advice to Council on the management and development of museums, art galleries, space science and other relevant services within Wellington.
- Full disclosure of information will be provided to Council from Experience Wellington as deemed necessary by Council to ensure its interests are upheld.
- Disclosing within the Experience Wellington’s Strategic Plan any significant transactions that are planned.

MANAGEMENT, ORGANISATIONAL HEALTH, CAPABILITY AND RISK ASSESSMENT

Management

Our values: *Connected, Quality First, Boldness and Leading* are the quadrants of our balanced scorecard and describe the strategies, performance monitoring and reporting that together describe how we wish to go about our business and how we measure performance and success. Central to this is the ability to create and sustain an operating environment that supports the achievement of a high performing organisation.

The senior team reporting to the Chief Executive is outlined below:



Organisational Health and Wellbeing

We are committed to continuous improvement of our organisation effectiveness with the objective of being an employer of choice demonstrating whanaungatanga.

Our wellbeing strategy aims to build a positive working environment. We have invested in training to support managers navigating wellbeing with their teams, and to increase awareness and skill including mental health training programmes.

In response to the COVID-19 crisis, management will ensure careful planning and support for staff, with their wellbeing our top priority.

Capability

Our commitment to presenting thought-provoking and entertaining visitor experiences relies on our staff who bring to their work: leadership; strategic thinking; knowledge of heritage collections, art, science and creativity; commitment to audiences; networks and contacts; and professional standards.

We are a highly motivated organisation and rely on our workforce to be flexible and to go the extra mile. Our Executive Team is highly experienced in their respective fields.

Training and professional development is a priority and an annual resource is set aside for this purpose.

We are committed to the principle of collaboration and shared services and we are committed to working with Council, its associated organisations, and sector partners.

Risk Management and Business Continuity

Our Risk Profile is reviewed regularly and identifies events and or circumstances and the impact that these have on our operation using a system that ranks the probability and level of impact of the event. It includes risk management strategies such as recovery plans for specific events which carry high risk values.

Our ability to continue to operate following a major event will depend on factors outside of our control such as the extent of material damage to buildings. Business Continuity Plans are being developed at all sites.

We acknowledge that under the Health and Safety at Work Act 2015 we share Person Conducting a Business or Undertaking (PCBU) responsibilities with Council regarding Council buildings we manage and occupy.

Assessed risks which carry a lower risk value tend to be within our operational purview except for risks associated with buildings maintenance and plant performance issues which are Council's responsibility. Building and plant issues that are likely to affect business continuity or present a risk to health and safety of workers and visitors are immediately brought to Council's attention.

Insurance

We have adequate insurance cover to meet specific business needs and deductibles are in line with generally accepted risk management principles and affordability.

APPENDIX 1: FORECAST FINANCIAL STATEMENTS

Forecast	STATEMENT OF FINANCIAL PERFORMANCE Expenditure-Wellington Total (\$'000)	Budget Qtr to	Budget Qtr to	Budget Qtr to	Budget Qtr to	Total YE	Total YE	Total YE
30-06-20		30-09-20	31-12-20	31-03-21	30-06-21	30-06-21	30-06-22	30-06-23
Revenue								
1,417	Trading Income (Net)	86	88	160	171	505	1,050	1,250
7,482	Council Operating Grant	1,930	1,930	1,930	1,930	7,721	7,631	7,784
1,769	Council Rental Grant	442	442	442	442	1,769	1,769	1,769
1312	Grants	327	298	673	346	1,645	1,500	1,550
389	Sponsorships and Donations	78	16	16	166	276	330	360
42	Investment Income	11	4	11	4	30	30	30
338	Other Income	26	26	26	210	288	289	300
12,749	Total Revenue	2,901	2,805	3,259	3,269	12,234	12,599	13,043
Expenditure								
6,233	Employee Costs	1676	1679	1681	1681	6718	6,750	6,830
1,339	Council Rent	335	335	335	335	1339	1,339	1,339
2,215	Exhibitions & Programmes	538	315	542	836	2232	2,250	2,250
589	Marketing & Promotions	178	174	178	259	789	580	580
1,187	Occupancy Costs (excluding Council Rent)	300	301	297	291	1189	1,220	1,225
124	Communication Costs	25	25	25	26	101	100	100
86	Trustee Fees & Expenses	24	24	24	24	94	94	96
158	Technology Costs	51	39	38	40	168	168	168
77	Professional Fees	25	25	25	25	100	80	90
202	Administration Expenses	55	56	52	50	213	208	210
550	Depreciation	130	130	130	130	520	500	450
0	Interest	0	0	0	0	0	0	0
12,760	Total Expenditure	3,337	3,102	3,327	3,696	13,462	13,289	13,338
(11)	Net Surplus/(Deficit) before Taxation	(436)	(297)	(68)	(427)	(1228)	(690)	(295)
	Taxation Expense							
(11)	Net Surplus/(Deficit)	(436)	(297)	(68)	(427)	(1228)	(690)	(295)
-0.09%	Operating Margin	-15.05%	-10.58%	-2.09%	-13.05%	-10.03%	-5.95%	-2.72%

There has been a reallocation of costs from Exhibitions & Programmes to Employee Costs following a legal review where the status of a number of casual contractors has been changed to part-time employees.

Forecast	STATEMENT OF FINANCIAL POSITION (in 000)	Budget Qtr to	Budget Qtr to	Budget Qtr to	Budget Qtr to	Total YE	Total YE	Total YE
30-06-20		30-09-20	31-12-20	31-03-21	30-06-21	30-06-21	30-06-22	30-06-23
Shareholder/Trust Funds								
2,123	Share Capital/Settled Funds	2,123	2,123	2,123	2,123	2,123	2,123	2,123
0	Revaluation Reserves	0	0	0	0	0	0	0
478	Restricted Funds	478	478	478	478	478	478	478
1,869	Retained Earnings	1,433	1,136	1,068	641	641	-48	-343
4,470	Total Shareholder/Trust Funds	4,034	3,737	3,669	3,242	3,242	2,553	2,258
Current Assets								
40	Cash and Bank	40	40	40	-398	-398	-1,088	-1,383
600	Accounts Receivable	600	600	600	600	600	600	600
150	Other Current Assets	150	150	150	150	150	150	150
790	Total Current Assets	790	790	790	352	352	-338	-633
Investments								
790	Deposits on Call	2,725	55	2,359	0	0	0	0
0	Other Investments	0	0	0	0	0	0	0
790	Total Investments	2,725	55	2,359	0	0	0	0
Non-Current Assets								
4,500	Fixed Assets	4,500	4,500	4,500	4,500	4,500	4,500	4,500
0	Other Non-current Assets	0	0	0	0	0	0	0
4,500	Total Non-current Assets	4,500	4,500	4,500	4,500	4,500	4,500	4,500
6,080	Total Assets	8,015	5,345	7,649	4,852	4,852	4,162	3,867
Current Liabilities								
1310	Accounts Payable and Accruals	2,081	1,278	2,080	1,310	1,310	1,309	1,309
300	Other Current Liabilities	1,900	330	1,900	300	300	300	300
1,610	Total Current Liabilities	3,981	1,608	3,980	1,610	1,610	1,609	1,609
Non-Current Liabilities								
0	Loans - WCC	0	0	0	0	0	0	0
0	Loans - Other	0	0	0	0	0	0	0
0	Other Non-Current Liabilities	0	0	0	0	0	0	0
0	Total Non-Current Liabilities	0	0	0	0	0	0	0
4,470	Net Assets	4,034	3,737	3,669	3,242	3,242	2,553	2,258
0.98	Current Ratio	0.88	0.53	0.79	0.22	0.22	-0.21	-0.39
0.73	Equity Ratio	0.51	0.70	0.48	0.67	0.67	0.61	0.58

COUNCIL CONTROLLED ORGANISATIONS
SUBCOMMITTEE
16 SEPTEMBER 2020

Forecast	STATEMENT OF CASH FLOWS				Budget	Budget	Budget	Budget	Total YE	Total YE	Total YE
30-06-20	(000)				Qtr to	Qtr to	Qtr to	Qtr to	30-06-21	30-06-22	30-06-23
		30-09-20	31-12-20	31-03-21	30-06-21	30-06-21	30-06-22	30-06-23			
Cash provided from:											
1,905	Trading Receipts	86	88	160	171	505	1,050	1,250			
9,105	WCC Grants	4,745	0	4,745	0	9,490	9,400	9,553			
1,397	Other Grants	327	298	673	346	1,645	1,500	1,550			
239	Sponsorships and Donations	78	16	16	166	276	330	360			
42	Investment Income	11	4	11	4	30	30	30			
468	Other Income	26	26	26	210	288	289	300			
13,156		5,273	432	5,631	897	12,234	12,599	13,043			
Cash applied to:											
6,237	Payments to Employees	1,677	1,679	1,681	1,681	6,718	6,750	6,830			
6,203	Payments to Suppliers	1,531	1,293	1,516	1,885	6,224	6,039	6,058			
140	Net GST Cash Flow	0	0	0	0	0	0	0			
0	Interest Paid	0	0	0	0	0	0	0			
12,580		3,208	2,972	3,197	3,566	12,942	12,789	12,888			
576	Total Operating Cash Flow	2,065	-2,540	2,434	-2,669	-708	-190	155			
Investing Cash Flow											
Cash provided from:											
0	Sale of Fixed Assets	0	0	0	0	0	0	0			
0	Other	0	0	0	0	0	0	0			
Cash applied to:											
626	Purchase of Fixed Assets	130	130	130	130	520	500	450			
0	Other	0	0	0	0	0	0	0			
626		130	130	130	130	520	500	450			
(626)	Total Investing Cash Flow	(130)	(130)	(130)	(130)	(520)	(500)	(450)			
Financing Cash Flow											
Cash provided from:											
0	Drawdown of Loans	0	0	0	0	0	0	0			
0	Other WCC Financing	0	0	0	0	0	0	0			
Cash applied to:											
0	Repayment of Loans	0	0	0	0	0	0	0			
0	Other	0	0	0	0	0	0	0			
0		0	0	0	0	0	0	0			
0	Total Financing Cash Flow	0	0	0	0	0	0	0			
(50)	Net Increase/(Decrease) in Cash Held	1,935	-2,670	2,304	-2,799	-1,228	-690	-295			
880	Opening Cash Equivalents	830	2,765	95	2,399	830	-398	-1,088			
830	Closing Cash Equivalents	2,765	95	2,399	39	-398	-1,088	-1,383			

The closing cash needs to include \$478k of tagged funds that if not used for earthquake strengthening will need to be repaid to MCH.

Forecast 30-06-20	CASH FLOW RECONCILIATION (T 000)	Budget Qtr to 30-09-20	Budget Qtr to 31-12-20	Budget Qtr to 31-03-21	Budget Qtr to 30-06-21	Total YE 30-06-21	Total YE 30-06-22	Total YE 30-06-23
(44)	Operating Surplus/(Deficit) for the Year	(436)	(297)	(68)	(427)	(1228)	(690)	(295)
Add Non-Cash Items:								
548	Depreciation	130	130	130	130	520	500	450
0	Other	0	0	0	0	0	0	0
504		(306)	(167)	62	(297)	(708)	(190)	155
Movements in Working Capital								
41	(Increase)/Decrease in Receivables	0	0	0	0	0	0	0
(9)	(Increase)/Decrease in Other Current Assets	0	0	0	0	0	0	0
10	Increase/(Decrease) in Accounts	0	0	0	0	0	0	0
30	Increase/(Decrease) in Other Current Liabilities	0	0	0	0	0	0	0
72		0	0	0	0	0	0	0
Net Gain/(Loss) on Sale:								
0	Fixed Assets	0	0	0	0	0	0	0
0	Investments	0	0	0	0	0	0	0
576	Net Cash Flow from Operations	-306	-167	62	-297	-708	-190	155

APPENDIX 2: ACCOUNTING POLICIES**Significant Accounting Policies**

The following accounting policies which have a material effect on the measurement of results have been adopted by Experience Wellington.

1. Reporting entity

The Wellington Museums Trust Incorporated, trading as Experience Wellington, is a Registered Charity CC22571 under the Charities Act 2005. It is a Council Controlled Organisation (CCO) in terms of the Local Government Act 2002.

The forecast financial statements of Experience Wellington for 2020-21 onwards includes the activities of the following business units - the Experience Wellington Executive Office, Capital E, City Gallery Wellington, Museums Wellington covering Wellington Museum, Nairn Street Cottage, the Wellington Cable Car Museum, and Space Place at Carter Observatory.

The principal activity of Experience Wellington is to develop and manage Institutions and to operate them for the benefit of the residents of Wellington and the public generally. For the purposes of financial reporting, Experience Wellington is a public benefit entity (public sector).

Experience Wellington has no intention of subscribing for, purchasing or otherwise acquiring shares in any other company or other organisation.

2. Basis of preparation**a) Statement of compliance and basis of preparation**

The forecast financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZGAAP). They comply with Tier 2 PBE Accounting Standards (Public Sector) and disclosure concessions have been applied.

Experience Wellington has elected to report in accordance with Tier 2 PBE Accounting Standards (Public Sector) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$30 million.

b) Basis of measurement

The forecast financial statements are prepared on the historical cost basis.

c) Presentation currency

These forecast financial statements are presented in New Zealand dollars (\$).

3. Significant accounting policies

The accounting policies set out below will be applied consistently to all periods presented in the financial statements.

a) Property, plant and equipment

Items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses.

(i) Subsequent costs

Subsequent costs are added to the carrying amount of an item of property, plant and equipment when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to Experience Wellington and the cost of the item can be measured reliably. All other costs are recognised in surplus/ (deficit) as an expense as incurred.

(ii) Depreciation

Depreciation is charged to surplus/ (deficit) using the straight-line method. Depreciation is set at rates that will write off the cost or fair value of the assets, less their estimated residual values, over their useful lives. The estimated useful lives of major classes of assets and resulting rates are as follows:

- Computer equipment 33% SL
- Office and equipment 25% SL
- Motor vehicles 20% SL
- Building Fittings 5%-25% SL
- Collections & artefacts Not depreciated

The residual value of assets is reassessed annually.

b) Collections and artefacts

Collections are artefacts that are of cultural or historical importance. A substantial amount of Experience Wellington's Collections were acquired on 29 February 1996 from the Wellington Maritime Museum Trust (WMMT) with others added either as gifts or purchases since 1996. Collections are carried at historic cost as assessed at the time of transfer from the WMMT. All subsequent acquisitions to the collections are recorded at cost if purchased. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition. Where the fair value of the assets is not able to be reliably measured, they are recorded at nil. Because the useful life of the collections is indeterminate, they are not depreciated.

An external valuation of the Collections from an independent valuer is obtained on a periodic basis to ensure that the carrying value of the Collections that are held at cost does not exceed their fair value.

The Trustees obtained a valuation at 30 June 2014 and have confirmed that the carrying value at 30 June 2019 is appropriate and that no impairment has occurred.

c) Intangible assets

Computer software

Software applications that are acquired by Experience Wellington are stated at cost less accumulated amortisation and impairment losses.

Amortisation is recognised in surplus/ (deficit) on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

- Computer software 33% SL

d) Trade and other receivables

Trade and other receivables are measured at their cost less impairment losses.

e) Inventories

Inventories (merchandise) are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

g) Impairment

The carrying amounts of Experience Wellington's assets other than inventories are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

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

h) Employee benefits

Long service leave: Experience Wellington's net obligation in respect of long service leave is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value. The discount rate is the market yield on relevant New Zealand government bonds at the Statement of Financial Position date.

i) Provisions

A provision is recognised when Experience Wellington has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market rates and, where appropriate, the risks specific to the liability.

j) Trade and other payables

Trade and other payables are stated at cost.

k) Revenue

(i) Funding

Experience Wellington's activities are supported by grants, sponsorship, admissions and other trading activities. Grants received that have an obligation in substance to return the funds if conditions of the grant are not met are initially recognised as a liability and revenue is recognised only when the services are performed, or conditions are fulfilled.

Funds received that have no such obligation attached and merely a restriction imposed on the use of funds, are recognised as revenue when they become available.

(ii) Services provided

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. Income is recognized as the service is provided (e.g. exhibition run). Where exhibitions are not scheduled to run until the following fiscal year, revenue is deferred and amortized to income throughout the period of the exhibition.

(iii) Donations

Cash donations from the community are recognized in the Income Statement at the point at which they are received into Experience Wellington's bank account.

(iv) Sale of merchandise

Revenue from the sale of merchandise is recognised in surplus/ (deficit) when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of the merchandise, or where there is continuing management involvement with the merchandise.

l) Expenses

(i) Operating lease payments

Payments made under operating leases are recognised in surplus/ (deficit) on a straight-line basis over the term of the lease. Lease incentives received are recognised in surplus/ (deficit) over the lease term as an integral part of the total lease expense.

(ii) Finance income and expenses

Finance income comprises interest income. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expense on borrowings. All borrowing costs are recognised in surplus/ (deficit) using the effective interest method.

m) Availability of future funding

Experience Wellington is reliant on the Wellington City Council for a large part of its income and operates under a Funding Deed with the Council. The Funding Deed is for a period of three years and is extended annually for a further year subsequent to the initial 3-year term.

If Experience Wellington was unable to continue in operational existence for the foreseeable future, adjustments may have to be made to reflect the fact that assets may need to be realized other than at the amounts stated in the balance sheet. In addition, Experience Wellington may have to provide for further liabilities that might arise, and to reclassify property, plant and equipment as current assets.

n) Income tax

Experience Wellington is a Registered Charity and is exempt from income tax. Experience Wellington is not exempt from indirect tax legislation such as Goods and Services Tax, Fringe Benefit Tax, PAYE or ACC and accordingly it is required to comply with these regulations.

o) Goods and services tax

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST.

4. Ratio of Total Assets: Liabilities

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

5. Activities for which compensation from Council is sought

Experience Wellington seeks funding of \$7,720K for the core operation including Space Place at Carter Observatory and an accommodation rental subsidy of \$1,769K for the 2020-21 financial year and an extension of the Wellington Museums Trust Funding Deed executed on 28 October 1999 in accordance with clause 5.2 of the Deed.

6. Ratio of Shareholders' funds to total assets

Based on the forecasted Statement of Financial Position as at 30 June 2020 the ratio of shareholders' funds to total assets is 0.73 and this is maintained in the forecasted Statement of Financial Position as at 30 June 2021.

7. Significant Obligations/Contingent Liabilities

Experience Wellington currently holds no cash reserves to meet operational requirements and to mitigate risks.

Experience Wellington has no contingent liabilities.

8. Distribution to Settlor

Experience Wellington does not make a distribution to the Settlor.

APPENDIX 3: COUNCIL LETTER OF EXPECTATION

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

11 December 2019

Jackie Lloyd
Chair
Wellington Museums Trust
PO Box 893
WELLINGTON 6140

By email only: jackie.lloydnz@gmail.com

Dear Jackie

Re: 2020/21 Statement of Intent and Wellington City Council Expectations

This letter sets out the Council's expectations of the Wellington Museums Trust for 2020/21. It is intended to assist the Trust in its business planning and with the preparation of its 2020/21 Statement of Intent (SOI).

As Council enters a new triennium we have an opportunity to shape the city through transformational projects such as Let's Get Wellington Moving. The resources and financing for this significant project need to be considered at a time when we are still dealing with the impacts of the Kaikoura earthquake, and the costs associated with resilience have added significantly to Council's budgets. The work programme for the next triennium will require us to look at our priorities as a Council and how we keep costs down for our ratepayers whilst providing good stewardship of the City and delivering the quality of services expected of us.

To a large degree, the Council's expectations of the Trust are enduring and the Trust is expected to ensure on-going alignment to the Council's annual and long term plans. 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.

There are a range of relatively new and significant Council strategies and policies which have been adopted over the past year that are drawn to your attention. The Trust is expected to be familiar with these and to the extent they are relevant engage with the policies and strategies and respond accordingly.

These include:-

- Te Tauihu Te Reo Maori Policy;
- Te Mapihi Maurea Naming Policy;
- Te Atakura First to Zero Policy (given that 83.8% of the Council's emissions are from waste, we refer you to the existing Wellington Region Waste Management and Minimisation Plan 2017-2023).
- Accessible Wellington, The Accessible Journey Action Plan 2019; and
- The vision for Wellington as a creative city (Aho-Tini Strategy).

Wellington City Council

101 Wakefield Street
PO Box 2199, Wellington 6140,
New Zealand

Phone +64 4 499 8444
Fax +64 4 801 3138
Wellington.govt.nz

In addition, Council makes the following comments in relation to its expectations of the Trust.

The Trust has made significant progress across a range of key initiatives for Experience Wellington and retains Council's support for continuing these, notably:-

1. Council recognises the importance of Te Ngākau Civic Square to the community and is mindful of the effect of the building closures and associated construction works. As a key stakeholder in Te Ngākau Civic Square we welcome suggestions from the Trust on how it, and in particular the City Gallery, could partner with Council to activate this area.
2. Capital E continues to provide a valued amenity for the young people of the City. Council expects the Trust to remain a strong advocate for the return of Capital E in any Te Ngākau Civic Square discussions and, with an existing strong presence in the square through the City Gallery, to contribute constructively in this process.
3. The SOI should provide an update on the status of the planned upgrade works at the Wellington Museum. Council acknowledges that this is an important project for the Trust and in addition to the necessary structural works needed to address the earthquake risks associated with the Bond Store the investment provides an opportunity to upgrade the exhibition spaces.
4. The continued spatial demand on Capital E for its programming and the Bond Store upgrade will present the Trust with a range of issues relating to staff accommodation. The SOI provides an opportunity to traverse these issues both from a short term operational perspective and also a more strategic view.
5. The international exhibition programme at the City Gallery is a welcome addition to the Gallery's programme and the SOI should discuss the planning around future programmes. These are viewed by Council as being above and beyond the normal Gallery programming and we note that funding support through the City Growth Fund is likely to be required to secure stand out exhibitions.
6. The Trust has implemented the payment of the Living Wage across Experience Wellington and Council expects that the Trust now maintains this.

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 Council expects the Trust to comply with its obligations under the Health and Safety at Work Act 2015. This includes having in place an effective health and safety management framework that identifies and prioritises the management of critical areas of health and safety risk and that this management framework is reviewed, monitored and verified for effectiveness. Where the Council and the Trust have shared responsibilities and overlapping duties as they relate to the health and safety risks of the activities and services of the Trust and the Council, then all parties will ensure that there is effective consultation, co-operation and co-ordination of activities and responsibilities to eliminate or minimise the health and safety risks and that our organisations are aligned and influencing good outcomes that keep all those in or in the vicinity of our workplaces safe and free from harm.

The Trust is expected to meet best practice governance standards and, in support of this, to undertake a performance review of the overall board, individual board members and the board chair. On completion of this review, the Council's Chief Executive should receive an update that describes the form the review took and the outcomes of the review. The review is to be completed by 30 September 2020.

Wellington City Council | 2 of 5

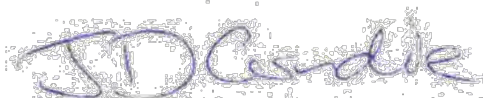
Timetable

The Council's 2018-28 Ten Year Plan includes a number of performance measures involving Experience Wellington that the Trust is expected to support by supplying its performance measures and activity highlights to the Council and observing the reporting timetable attached to this letter.

We look forward to receiving the Trust's draft Statement of Intent no later than 14 February 2020. 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 in the first instance on 021 247 8377.

Yours sincerely



Cr Jenny Condie
Chair, Council-controlled Organisations Subcommittee
Ph: (021) 972 763
Email: jenny.condie@wcc.govt.nz

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

Wellington City Council | 3 of 5

Performance Measures

The following are performance measures that are relevant to Council's own reporting framework.

Performance Measure (KPI)	KPI Basis	Report Basis	Report Due
Visitors	Quarter	Quarter	7 days
Student & education visits	Annual	Quarter	7 days
Percentage of satisfied visitors	Annual	Year To Date	30 days
Council operating grant per visitor	Annual	Year To Date	30 days
Full cost to Council	Annual	Year To Date	30 days
Trading revenue per visit (excl. grants & interest)	Annual	Year To Date	30 days
Non-Council donations & funding	Annual	Year To Date	30 days

Reporting Timetable

Report	Reference Date	Due Date	Committee Date [^]
1st Quarter Report <ul style="list-style-type: none"> Non-financial performance measures Full Q1 report with financial statements 	30 Sep	7 Oct 31 Oct	Nov / Dec
2nd Quarter Report <ul style="list-style-type: none"> Non-financial performance measures Full Q2 report with financial statements 	31 Dec	7 Jan 31 Jan	Mar / Apr
Draft Statement of Intent	n/a	14 Feb	Mar / Apr
3rd Quarter Report <ul style="list-style-type: none"> Non-financial performance measures Full Q3 report with financial statements 	31 Mar	7 Apr 30 Apr	May / Jun
Statement of Intent	n/a	30 Apr	May / Jun
4th Quarter Report <ul style="list-style-type: none"> Non-financial performance measures Annual Report & Financial Statements 	30 Jun	7 Jul 30 Sep	Nov / Dec

[^] Committee dates may vary each year between the months indicated.

Wellington City Council | 4 of 5

Guidelines for the preparation of Council's Annual Report and Financial Statements

The following information is required by Council to support the preparation its annual report. Council officers will liaise directly during the process. Your Council contacts will be Annemarie Booth and Brendan Murphy.

- Related party template (due 11 May)
- Related party balances & transactions (due 31 May)
- Performance measures (due 11 Jul)
- Consolidation template (as applicable) and draft financial statements (due 16 Jul)
- Audit clearance or audited financial statements, and draft report commentary (due 7 Sep)
- Letter of representation to Council's CFO (due 7 Sep)

Wellington City Council | 5 of 5

EXPERIENCE WELLINGTON DIRECTORY

Experience Wellington Executive Office

Level 8, AMI Plaza, 342 Lambton Quay
PO Box 893, Wellington
P: 04 471 0919
E: experience@experiencewellington.org.nz
www.experiencewellington.org.nz

City Gallery Wellington Te Whare Toi

Te Ngākau Civic Square
101 Wakefield Street
PO Box 893, Wellington
P: 04 913 9032
E: citygallery@experiencewellington.org.nz
www.citygallery.org.nz

Capital E Nōku Te Ao

4 Queens Wharf
PO Box 893, Wellington
P: 04 913 3740
E: capitale@experiencewellington.org.nz
www.capitale.org.nz

Space Place Te Ara a Whānui Ki Te Rangī

Botanic Gardens
PO Box 893, Wellington
P: 04 910 3140
E: spaceplace@experiencewellington.org.nz
www.museumswellington.org.nz/space-place

Wellington Museum Te Waka Huia o Ngā Taonga Tuku Iho

The Bond Store, Queens Wharf
PO Box 893, Wellington
P: 04 472 8904, F: 04 496 1949
E: museumswellington@experiencewellington.org.nz
www.museumswellington.org.nz/wellington-museum

Cable Car Museum

1 Upland Road
PO Box 893, Wellington
P: 04 475 3578
E: cablecar@experiencewellington.org.nz
www.museumswellington.org.nz/cable-car-museum

Nairn Street Cottage

68 Nairn Street
PO Box 893, Wellington
P: 04 384 9122
E: cottage@experiencewellington.org.nz
www.museumswellington.org.nz/nairn-street-cottage

Plimmer's Ark Galleries

Old Bank Arcade (timbers *in situ*)

New Zealand Cricket Museum Ngā Taonga Kirikiti

The Old Grandstand, Basin Reserve
PO Box 578, Wellington
P: 04 385 6602
E: cricket@experiencewellington.org.nz
<http://nzcricketmuseum.co.nz/>
Note: *The New Zealand Cricket Museum is currently closed and is expected to re-open in October 2020.*

Our Experiences





**WELLINGTON REGIONAL ECONOMIC
DEVELOPMENT AGENCY LIMITED**

**STATEMENT OF INTENT
2020-2023**

June 2020

WREDA STATEMENT OF INTENT 2020-2023

Mihi

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

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

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

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

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

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

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

WREDA STATEMENT OF INTENT 2020-2023

Introduction

In accordance with the Local Government Act 2002, this Statement of Intent (SOI) states the planned activities, intentions and performance measures for the Wellington Regional Economic Development Agency (WREDA) for the next three years. It is written in response to the Wellington Regional Strategy (WRS) Committee's December 2019 Letter of Expectation and covers both WREDA Ltd (WellingtonNZ) and its subsidiary CreativeHQ Ltd.

Tēnā koutou e ngā rangatira

This place is wild. It's wildly creative, wildly entrepreneurial, wildly interesting. Wellington's weather is famously wild. Our towns and cities sit on the edge of wilderness that is perfect for mountain biking, walking, playing, staying or just being. And at the heart of the region is a capital city that isn't afraid to show its wild side.

We're a small region in global terms, but one filled with people with wild ambition. WellingtonNZ shares that ambition, represented in our organisation's purpose: to make the Wellington region wildly famous.

Right now we are facing a global crisis the likes of which Wellington, New Zealand and the world have not faced in a century. While our national efforts have quite rightly focused on the health crisis, as we project forward into the period covered by this Statement of Intent, the way that we respond to, and recover from, the associated economic crisis will be of critical importance. In this context, all the wildly creative and innovative thinking, and the collaborative action, that Wellington has been famous for will be more important than ever before.

As the economic development agency for the region we understand that we have an important part to play in the time of response and recovery.

Over the next three years, WellingtonNZ will continue to deliver projects that will enhance the entire Wellington region as a wildly attractive destination, while contributing to and when appropriate leading the strategic work our region needs to remain competitive. We will support businesses to respond, recover, reimagine and reform. We will attract New Zealanders to make their homes or their holidays in Wellington; encourage film makers to create here; attract and host events that add colour and vibrancy to people's lives; promote our local economy; and operate Wellington city's civic venues as taonga that benefit the community.

We will bring our creativity, our ambition and our initiative to this work, getting the job done, but also generating new ideas to help our region thrive. And we will do all of this in partnership with the many people and organisations throughout our region that are striving for the same purpose.

This will not be an easy time for anyone, but we are grateful that we're never alone in this kaupapa. I acknowledge the large number of partners we work with: our shareholders, councils throughout the region, iwi, local tourism and education organisations, businesses, event producers and central government agencies. It is now even more important that we work together to make the Wellington region wildly famous, for the benefit of everyone who lives here.

Ko tātou te Upoko o te Ika a Māui – we are Wellington.



Tracey Bridges
Chair of the Board

WREDA STATEMENT OF INTENT 2020-2023

1. About WellingtonNZ

1.1 Who we are

WREDA is the Wellington region's economic development and promotions agency. Since April 2019 we have operated under the WellingtonNZ brand.

WellingtonNZ is a Council Controlled Organisation (CCO) with our shareholders being Wellington City Council (WCC – 80%) and Greater Wellington Regional Council (GWRC – 20%). We are governed by an independent Board of Directors who are appointed by the shareholders. WellingtonNZ also reports through to the Wellington Regional Strategy Committee (WRS) which consists of mayors from Territorial Authorities across the region, and WCC and GWRC councillors. It is the WRS Committee that recommends the approval of this Statement of Intent to the shareholders.

Funding for WellingtonNZ activities comes from the two shareholding councils, central government agencies who contract WellingtonNZ to perform specific services, and a range of private sector partners.

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

1.2 Our purpose

In April 2019 we adopted a new purpose: **to make the Wellington region wildly famous.**

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

Over the next three years, as the region rebuilds from the effects of Covid-19, this purpose is more important than ever. WellingtonNZ will play a critical role in re-establishing confidence within our region and ensuring that the Wellington region is wildly famous for the way that it rebounds and reimagines itself.

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

We also use the phrase *wildly* famous very deliberately. This is a region that has always been filled with wildly creative people doing wildly creative and innovative things across all sectors. We are surrounded by wild landscapes. We host wild events. We have a wild energy that ignites all that we do. We are wildly ambitious for the Wellington region.

WREDA STATEMENT OF INTENT 2020-2023

1.3 Our role in reactivating the Wellington region

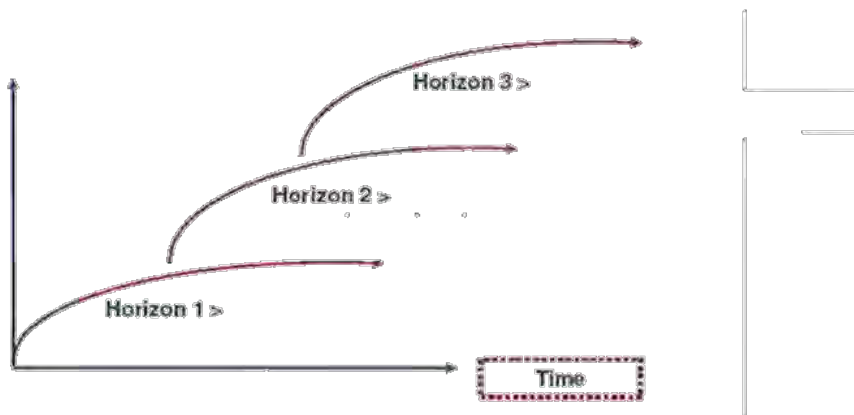
While this is a 3-year SOI – we are mindful that the first year of this period may be very different to the out-years due to the immediate focus on recovering from the impacts of Covid-19. WellingtonNZ has spent much of the last three months responding to this challenge. Within this next 12 months, we will need to maintain an agility and flexibility within our operations so that we are able to respond to changing circumstances and stages of recovery recognising that not every step might be forwards:

- **RESPONDING:** Addressing the immediate “emergency” triage needs of businesses and the local economy
- **RECOVERING:** Returning to a steady-state and some form of stable business as usual
- **REIMAGINING:** Thinking about how businesses and the regional economy changes and evolves as a result of Covid-19
- **REFORMING:** Operating in a “new-normal”

At the time of writing this SOI we see three planning Horizons:

- In the first of these our activities have been and will continue to be more locally focussed reflecting the new environment WellingtonNZ is operating in.
- The second horizon is where we are now and may last for much of the 2020-21 year as we have moved to Level 1 and imagine remaining at Level 1 for some time. Here domestic travel opens up and restrictions are eased, but there is still likely to be little international travel and there may continue to be consumer caution around some types of mass gatherings;
- The third will follow when international travel restrictions are released – perhaps first for Trans-Tasman/Pacific travel and later for other destinations.

The linking of these horizons to the restrictions in travel is not just about domestic and international tourism. It is also about the way that we can plan and approach events, student attraction, film business, and new business activity.



Our approach will be to focus activity and effort on areas where we can impact within the Horizon that we are operating in, while at the same time planning for activity in subsequent horizons such that we are ready to respond when we are able to.

WREDA STATEMENT OF INTENT 2020-2023

With this context in mind, we have identified four key areas of focus that will dictate our activities in the next 12 months. This is predicated by a belief that one of the best things we can do in the immediate term is to help stimulate the local economy and support local businesses to “get the tills ringing”. At the same time, we acknowledge a need during this period for a fifth area of focus - to be reimagining the future and considering the long-term impacts and changes that Covid-19 will have on the Wellington regional economy.



Across all we do, consistent and strong storytelling will help inspire confidence and create a platform which everyone can leverage

In the short term (i.e. the next 12 months) we need to ensure that we are operating in areas that have the most immediate impact across sectors.

At the same time as we are responding to the immediate recovery, we will be reimagining what the future may look like and our role in that.

Readiness for post Covid-19 opportunity

As New Zealand emerges from the Covid-19 crisis there is still much that we don't know about the opportunities and challenges that lie in the year ahead. However, there are some facts that are already providing some direction for different activities at this time. These include but are not limited to:

- New Zealand's reputation in the world has been significantly enhanced and interest in New Zealand has consequently been heightened as a place to live, work, invest, study and visit.
- Some of the industries that have driven the New Zealand economy such as agriculture, technology and professional services are strongly placed for the future.
- Some of the industries that have driven the New Zealand economy such as international tourism are significantly challenged at least for the short-term future.
- Global connectivity has been changed as a result of jurisdictions closing their borders.
- The way people work has changed meaning that for those who can there is an easier opportunity to work from home.
- For many across the world the value of life over economy has been emphasised.
- People are more inclined to spend time in outdoor environments.
- The New Zealand government is investing significantly (c. \$50b) more in supporting the New Zealand economy through this period.

Over the 2020-21 year WellingtonNZ will ensure that where these factors lead to new opportunities for the Wellington region, and that we are ready and able to take advantage of them. We will do this by identifying them to shareholders and stakeholders and working more closely with government and its agencies that are investing in supporting regional economic development and working with the councils of the region to pursue their local recovery plans.

WREDA STATEMENT OF INTENT 2020-2023

1.4 Creative HQ

Creative HQ Ltd is a wholly owned subsidiary of WREDA Ltd. It has its own Board of Directors, including 3 independent Directors (of whom one is the Chair), a Director from the WellingtonNZ Board and the Chief Executive of WellingtonNZ.



CreativeHQ is New Zealand's leading provider of incubation, acceleration and innovation programmes. Since its formation in 2003, CreativeHQ has worked with over 300 start ups and high growth ventures to develop their business concepts and commercialise opportunities.

In addition to CreativeHQ's strong track record in start-up innovation, incubation and acceleration, the company has also established a leadership position in structured innovation programmes (e.g. corporate accelerators and design sprints). Creative HQ has also led the charge on GovTech – defined as breakthrough innovation in Government and the public service - with CreativeHQ pioneering the first acceleration programme for Government in 2014 and establishing Wellington as a global GovTech hub.

Given CreativeHQ's expertise in helping organisations to innovate we see the organisation playing a critical role in helping businesses within the Wellington region to reimagine their offerings as part of the Covid-19 recovery.

The focus for CreativeHQ growth during this next SOI period will continue to be in 4 core areas;

- Incubation services and associated eco-system services for start-up ventures;
- Acceleration programmes under the Lightning Lab Brand;
- Structured innovation training and associated enterprise capability services (targeting customers from start-ups to corporates);
- Public sector innovation through leveraging GovTech expertise.

The core funding provided by WellingtonNZ to CreativeHQ is used to support these services in the Wellington region. In addition, CreativeHQ is building its market reach by providing services nationally and internationally. Activities outside of the Wellington region are funded by 3rd party and commercial partners/contracts.

WREDA STATEMENT OF INTENT 2020-2023

Programme of Activity

While Covid-19 means that we will see changes in the way that we execute certain programmes and work areas, much of the core work that WellingtonNZ has undertaken in recent years will continue (albeit in a modified form) because it directly contributes to “getting the tills ringing” and the key focus areas noted in section 1.3.

A good example is **Destination Marketing**. There still remains a critical role for WellingtonNZ in promoting the Wellington region as the perfect place to visit, study in, start a business, stage an event or conference, make a film. But the emphasis of this work may change in recognition of the audiences that we can market to under different Horizons.

We will also be particularly focused on those programmes of activity that have cross sector benefits. A good example are **Events** – which, while the way they are executed and reintroduced will be different in each of our Horizons and Alert Levels, do directly benefit retail, hospitality, accommodation and the event production sectors, and also have flow on benefits for positioning Wellington as being a vibrant place to live in and visit, giving heart to our city and region.

We are also of the view that our traditional Business Growth activities, centred around the **Regional Business Partnership (RBP)** programme (by which we provide business support, innovation, capability funding, and facilitation of R&D funding under contract from NZTE and Callaghan Innovation) will assume even greater importance than before as we work closely with businesses to help them recover, reactivate, reimagine and transform their operations. The activities of **CreativeHQ** are also particularly important in this regard – including their start up incubation and acceleration services and wider enterprise innovation and training activities.

Because we are continuing to develop this SOI in an evolving situation it is not possible in all cases to define exact work programmes; these will be defined in specific Business Plans. However, we can provide an indication of our programme of activity which is consistent with our Letter of Expectation but re-oriented in response to Covid-19.

2.1 Key Programmes of Work

Programme	Overview
Wellington City and Regional Proposition and Narrative	WellingtonNZ has always played a strong role in marketing Wellington and telling the story of the Wellington region. In the recovery world we see this as a critical continuing role, optimising the opportunity to place Wellington as an attractive destination for business, investment, work and lifestyle. As the storytelling engine for the region we will be increasing our activity in this space ensuring that we are leading the region in telling a coordinated recovery story to all key audiences.
Supporting Wellington businesses to reactivate – Wellington Unlocked	Leveraging the Love Local campaign that we have developed during the initial response phase to “get the tills ringing” for local businesses and their suppliers. We will lead a staged programme of promotions, interventions and activations to help businesses get back on their feet and rebuild consumer confidence in a welcoming, safe and creatively Wellington way.
Wellington Tourism, Travel Trade and	Wellington is well placed to recover strongly from the current disruption to traditional tourism business. We have always had a strong skew towards domestic

WREDA STATEMENT OF INTENT 2020-2023

<p>Destination Marketing</p>	<p>tourism (accounting for 70% of total tourism spend) and trans-Tasman (due to direct connections). We can therefore expect to see good returns from investment in destination marketing through the recovery period due to the focus on these two markets.</p> <p>In the immediate term we will be focused on local/regional destination/tourism promotion and related trade activities, but extending to a more national/domestic focus as restriction levels are reduced. This activity will focus on building awareness and consideration of what the Wellington region has to offer as a domestic holiday destination and convert that interest into action via tactical promotions.</p> <p>In executing this will continue to work closely with key tourism sector partners across the region and nationally (including other Regional Tourism Organisations, TIA and TourismNZ), and play an active role in the work that TourismNZ is developing around reimagining/transforming the Tourism industry.</p>
<p>Wellington Regional Destination Plan</p>	<p>Prior to the Covid-19 crisis, WellingtonNZ was in the process of developing a new Destination Plan for Wellington City and working with the other TA's in the region to bring this together with their own Destination Plans into a coordinated regional view. The intent was that this plan would give direction to our work and the projects we support to create an even better experience for visitors to Wellington – encompassing product development, workforce development and visitor experience management. It will also identify the appropriate target audiences for our marketing activities.</p> <p>This work was put on hold as the Covid-19 situation changed the environment, but we intend to reactivate this work once we have more clarity on the future tourism horizons as it now assumes even greater importance in a new tourism landscape. The resourcing of this activity has now been provided for by MBIE.</p>
<p>Wellingtonnz.com</p>	<p>Operating WellingtonNZ.com as our core destination website – and associated sub-sites including, but not limited to, Find Your Wild, Kapiti and Hutt destination sites, Venues Wellington.</p> <p>Initial focus for Wellingtonnz.com will be local/regional audiences but this will morph in an agile way to match the horizons and relaxation of travel restrictions.</p> <p>WellingtonNZ.com already features strong content marking out the Wellington Region as a great place to live. Through our partnership with ImmigrationNZ we will understand in which countries our best opportunities lie and ensure further content refinement is highly targeted at people in those markets.</p>
<p>Wellington City i-Site</p>	<p>Operating the Wellington City i-Site (visitor information centre) and associated Wellington City Ambassador volunteer programme.</p>
<p>Wellington Convention Bureau</p>	<p>Management of the Wellington convention bureau which attracts conferences, conventions and business events to Wellington (under the Business Events Wellington brand).</p> <p>Business Events will continue to play an important role in the Wellington economy, with a near term focus on attracting conferences and business events locally, nationally and trans-Tasman, while also creating a strong international pipeline for when international travel starts again.</p>

WREDA STATEMENT OF INTENT 2020-2023

<p>Wellington Exhibition and Convention Centre</p>	<p>While the WCEC will not be completed until the end of 2022/early 2023, WellingtonNZ will continue to play a significant role as development and design partner alongside WCC, as well as having responsibility for sales and marketing activity – including the branding of the Centre, development of marketing and sales collateral, and conference and exhibition attraction.</p>
<p>Screen Wellington</p>	<p>Operation of the Wellington regional film office which has a dual role of supporting the development of screen activity in the region and running regional film permitting services (under the Screen Wellington brand).</p> <p>Focus for Screen Wellington’s activities during Horizons 1 and 2 will be supporting the reactivation of the domestic film industry, while still supporting the NZ Film Commission in their role of attracting future international opportunities as restrictions are relaxed.</p> <p>We will also continue to work closely on-screen infrastructure projects, including the development of new facility at Lane Street in Upper Hutt.</p>
<p>UNESCO City of Film</p>	<p>In 2019 Wellington was named a UNESCO City of Film. WellingtonNZ will be the lead agency in coordinating the maximisation of this accolade through storytelling and working with the screen industry and local and central government.</p> <p>The programme in the first year will include elements such as working with education establishments so that the community can be engaged in creativity, supporting Maori to work in creative and storytelling film media and extending the celebration of film and creativity.</p>
<p>Venues Management</p>	<p>Managing the operation of the Wellington city venues under the Venues Wellington brand – including sales, facilities management, event operations and customer experience.</p> <p>A review of the future of Wellington City’s current Venues was completed in early 2020. This includes recommendations on how these Venues may be best utilised and developed, in the context of a 3-5 year horizon that sees not only the new Convention Centre opening, but also the refurbished Town Hall and St James Theatre coming back on-line. This review also includes consideration of the options for alternative Indoor Arena solutions (including development of the TSB Arena), future use of The Opera House, Shed6 and the Michael Fowler Centre, and a revised operating model which would see WellingtonNZ taking different approaches in attracting and presenting content. This last point becomes even more important in the near term as we will look to restart our Venues business with largely domestic content.</p> <p>WellingtonNZ will continue to work with WCC to advocate for the recommendations contained in this review along with an agreed investment programme for maintenance, renewals and venue enhancement to ensure that existing venues will be fit for purpose, provide for an outstanding experience, meet the requirements of the Accessible Wellington Action Plan (2019), and that we are able to meet the needs of our clients and customers.</p>
<p>Wellington City Major Events</p>	<p>WellingtonNZ will continue to support and invest in a programme of Major Events for Wellington City in line with the Major Events Strategic Framework that was developed in 2019/2020. This recognises that Major Events provide significant</p>

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	<p>value to residents and business, providing both extrinsic and intrinsic value.</p> <p>To ensure a diverse and competitive Major Events programme, WellingtonNZ will take a portfolio-wide approach ensuring that there is:</p> <ul style="list-style-type: none"> • A balanced mix of events to suit different audiences. • An events portfolio that delivers both economic and social returns. • Events that strategically fit with Wellington’s existing events landscape. • An evaluation framework that looks at the benefits of the entire portfolio. <p>We recognise that the attraction and delivery of major events will form a key part to the short-term recovery. While there are challenges as a result of border restrictions, work is underway to identify and deliver an event programme that will achieve the economic, cultural and social outcomes that reflect our region as a destination with events always on. We will work closely with existing events to maintain and grow their impact and look to develop and scale events with potential. We will also continue to work with partners to attract new event content that will stimulate consumer spending of residents in the region, boost the visitor economy by attracting out of town visitation, and bring life and energy to our region.</p> <p>We will work with WCC to ensure that, coming out of the current situation, Wellington reclaims its position as an event-friendly city.</p>
<p>Aho Tini - Creative City</p>	<p>Wellington City Council has adopted a new Creative City vision under the Aho Tini banner. Aho Tini is designed to build on the city’s existing creative strengths and investment, to enhance the value, sustainability and continued growth of Wellington’s arts and creativity outcomes. WCC’s vision is that Aho-Tini will permeate the way in which the city plans, collaborates and delivers services, places and events. It will place art and creativity at the heart of how Wellington thrives.</p> <p>WellingtonNZ has been working alongside WCC on the development of Aho Tini and will continue to ensure that the principles of Aho Tini impact all that we do – especially in our interactions with the creative and arts sectors. As specific projects evolve from Aho Tini we recognise WellingtonNZ will be part of implementation.</p>
<p>Wellington Regional Trails Framework</p>	<p>Continuing to be the facilitation and project management lead on execution of the Regional Trails Framework and the promotion of Trails in the region under the Find Your Wild brand</p>
<p>Regional Business Partnership Programme - Enhancement</p>	<p>Our RBP and Business Growth team has morphed into a Covid Business Recovery Team during the immediate response phase. As we progress through Alert Levels and our planning horizons, we would expect a return to more BAU activities – but we will be reviewing what these look like and what kind of added recovery support we can provide to regional businesses (including the criteria for the kinds of businesses we engage with).</p> <p>As part of this we will be looking at how to introduce support for sustainable business practices and specific support for Maori Businesses via our Kaiwhakatapu Pākihi Māori (Māori Business Growth Advisor).</p> <p>Note that the RPB current contract runs to June 2021. We will be working proactively with NZTE and Callaghan to develop options to further enhance delivery in the future to ensure that the programme remains relevant to the</p>

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	needs of business in the Wellington region.
Maori Economic Development and Business Support	<p>In 2019 WellingtonNZ appointed a Kaiwhākatapu Pakihi Māori (Māori Business Growth Advisor). This role is designed to work specifically with Maori businesses across the region to assist them to grow. Over the course of the next year we will work on defining the most effective way for this role to have the desired impact, including the way that it integrates into the wider Regional Business Partnership programme (and ensuring this programme is appropriate to Maori businesses).</p> <p>We will continue to engage with GWRC and Ara Tahi on the Maori Economic Development Strategy and have an expectation that specific projects may arise as a result of this work.</p>
Regional Workforce and Skills Development	<p>A Regional Workforce Plan was developed by WellingtonNZ in the 2019/20 year. This provided guidance on specific skills/workforce development projects and/or programmes of work that are appropriate for WellingtonNZ.</p> <p>The three key areas we agreed to focus on are:</p> <ul style="list-style-type: none"> • Facilitating pathways to employment through programme-based activity • Further developing the programmes in Creative HQ that support workforce development such as delivering micro-credentials for people in the workplace, and leveraging our connections into businesses via the RBP Programme • Promoting Wellington as a place where talent wants to live. <p>Another recommendation within the Workforce Plan was regional workforce development collaboration and leadership. Since then, the Government, as part of the Review of Vocational Leadership, has proposed the creation of Workforce Development Councils and Regional Skills Leadership Groups. These will provide advice about the skills needs of regions to the Tertiary Education Commission (TEC), workforce development councils, and local vocational education providers. We will work alongside MBIE on the Regional Skills Leadership Group for the Wellington region.</p>
Intern Programmes and Pathways to Employment	<p>In line with the above, we will continue to support programmes that are targeted at providing intern opportunities for students and create pathways to full employment. Currently we support the Summer of Tech/Summer of Biz and Young Enterprise programmes and will be considering ways that we can continue to grow the scale and impact of these.</p>
Creative HQ – Incubation Services and Innovation Ecosystem Support	<p>CreativeHQ will continue to deliver its core incubation programme in Wellington and will work with WellingtonNZ to determine ways to leverage their incubation services across the region (e.g. through partnership with other shared-working spaces).</p> <p>It will also provide refreshed support for the innovation ecosystem through the Start Up Garage and Mindset of Design programmes, and implementation of training and skills development programmes in areas like innovation</p>

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	methodologies.
Creative HQ – Covid Reimagination Services	CreativeHQ has already put in place new services designed to help businesses of all sizes to reimagine their products, services and operating models in a post Covid world. CreativeHQ will continue to develop these services as part of their core enterprise innovation offering. Specific sectors may be targeted as part of this programme of work.
Lightning Lab Accelerator Programmes	Subject to securing appropriate 3 rd party funding, CreativeHQ will investigate delivery of a full scale EnviroTech accelerator programme centred around the topic of sustainability and development of low-carbon business solutions. CreativeHQ is now delivering a series of Recovery Accelerators for the Wellington region.
Gov Tech	A key focus for CreativeHQ is continued expansion of its GovTech services and the positioning of Wellington as the international hub for GovTech. This includes delivery of the Lightning Lab GovTech accelerator programme in Wellington and the provision of services nationally and internationally (principally via NZTE G2G). In light of the Covid-19 situation, there is enhanced interest in how public sector organisations can both adapt their operating/delivery models and introduce new products and services. CreativeHQ is well placed to assist with this through its GovTech expertise and methodologies.
Wellington Regional Growth Framework	We note that work is underway on a Regional Growth Framework - a joint local government, central government and iwi project to develop a region wide spatial plan for the next 30 years which will include a programme of projects to resolve growth issues and other challenges. We will work alongside the other stakeholders in supporting the development of this framework and any projects resulting.
Regional Infrastructure and Economic Development Projects	There are a number of infrastructure projects happening within the Wellington region over the period of this SOI – with more to come on the back of the call for “shovel-ready” projects by Crown Infrastructure Partners Ltd and the Infrastructure Industry Reference Group. WellingtonNZ may be involved with some of these – either directly or indirectly. In addition to any specific requirements, we see ourselves as having a supporting role in promoting the narrative around these projects and explaining how they fit into the making the Wellington region wildly famous. We will also continue to work with and support local TA Economic Development teams on the execution of their Economic Developments strategies within the context of our wider regional mandate. This includes our continued support for those parts of the region that have the ability to apply for Provincial Growth Funding – currently limited to Kapiti and the Wairarapa.

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2.2 Supporting Sustainability and Low-Carbon Economy

In addition to the programmes of work noted above, we also acknowledge that Councils within the Wellington region have announced a climate change emergency and have (or are) developing low-carbon based strategies, plans and policies. One example is Wellington City, which has adopted *Te Atakura - First to Zero*, a plan that aims to ensure Wellington is a net zero emission city by 2050 with a commitment to making the most significant cuts in the first 10 years.

As the Economic Development Agency for the region, we recognise that we have a role to play in supporting these policies, and that they will be an important focus in the post Covid recovery period.

In this context, over the next SOI period we will be taking the following actions:

1. Regional Business Partnership (RBP) Programme

- Our team engage with Wellington businesses every day via the RBP programme. While the WellingtonNZ team must operate within the NZTE framework they will in the 2020-21 year ensure that every business that is considered for Capability support funding will be assessed for their approach to environmental, cultural and social sustainability. Where appropriate they will be provided with access to support that will assist them in creating a business that has more sustainable outcomes.
- WellingtonNZ will advocate to NZTE that sustainable outcomes become a key driver of the Capability programme beyond the period of the existing contractual arrangement such that it can be built better into the programme delivered by WellingtonNZ.

2. EnviroTech Accelerator

- CreativeHQ will be investigating the creation of a Wellington based EnviroTech Accelerator programme using their successful Lightning Lab model. This will target early stage and growth businesses/entrepreneurs with a tech idea/solution that enhances the move to a low-carbon economy or addresses an environmental/sustainability issue

3. Tourism Sustainability

- While Tourism will be impacted and reimaged by the Covid-19 situation, it will continue, and issues of the environmental impacts will remain. WellingtonNZ will continue to participate in initiatives that address this at a national level. This includes supporting the Tourism Industry Aotearoa Sustainability Commitment and being a participant in MBIE's Sustainable Tourism Framework development.
- The development of work from our Destination Plan will include focus on developing sustainable/low-carbon tourism business that reduce the environmental impact of visitors.

In addition to the above, we will continue to focus on our own Internal activities:

- In 2019 we developed our Sustainability Policy. Amongst other things we committed to:
 - Reducing waste in all forms across our business wherever possible.
 - Monitoring and reducing our carbon footprint to lessen our impact on the world around us.
 - Seeking out partners with sound sustainable and environmental practices wherever possible
 - Sourcing local when possible and having a focus on sustainable procurement.
- In 2020/21 we will focus on:
 - Continuing to reduce waste across all our operations and ensuring good recycling practices, with a particular focus on working with WCC to improve the performance of the Venues we manage

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- on their behalf. In doing this we will note the guidance from the Wellington Region Waste Management and Minimisation Plan.
- Work with our Venues delivery partners (e.g. catering partners) to minimise waste and ensure good recycling practices across their operations within the Venues.
 - Continuing to work with WCC across our Venues operations to improve the performance in relation to energy consumption.
 - Reducing our Carbon Footprint and off-setting where reduction is not possible so as to be Carbon Zero.
- WellingtonNZ will also participate in the Wellington Region Climate Change Working Group (WRCCWG).

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2. Performance Metrics

In 2019/20, WellingtonNZ reviewed its performance framework with the aim of:

- Reducing the number of metrics;
- Ensuring metrics are linked to factors which WellingtonNZ can control and which measure WellingtonNZ's direct impact;
- Measuring outcomes not just outputs;
- Providing greater clarity on the region's return on investment.

This remains challenging given the range of activities undertaken by WellingtonNZ and the varying levels of influence that WellingtonNZ has over ultimate outcomes. It has now been further complicated by the Covid-19 situation which has made both existing benchmarks less relevant and forecasting targets in an uncertain future very difficult.

The targets and forecasts in the tables below are based upon the activity WellingtonNZ envisages as of late June 2020. The targets will be revised on a quarterly basis as conditions in the economy change reflecting the ongoing impact of Covid-19 on the local, New Zealand and international economies, and the status of New Zealand's border.

Note that in addition to these headline measures we will continue to measure a range of operational metrics including those that relate directly to our WCC, Major Events and Venues Wellington funding (aligned to the expectations of the Funding Agreements), and a range of historical metrics.

Key Headline Performance Indicators

KPI	Explanation	2019/20 Forecast	2020/21 Target
KPI 1: Direct economic impact of WellingtonNZ's activities and interventions (1)	This is a measure we introduced in 2019/20. It is designed to provide a dollar value indication of the impact of WellingtonNZ activities by collating the value of those activities that we directly influence and impact (where we have data to support that).	\$ 151m	\$86m
KPI 2: Number of different business engagements in WellingtonNZ programmes (2)	This is a measure we introduced in 2019/20. It is designed to provide an indication of the number of businesses that we have directly impacted on by either being part of a WellingtonNZ programme or a direct WellingtonNZ activity or intervention	4013 (note that this is larger than expected due to an intensive period of Covid-19 Response activities)	3789

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<p>KPI 3: Equivalent Advertising Value (EAV) from media activity</p>	<p>This is a measure we introduced in 2019/20. A key activity for WellingtonNZ is creating external stories and media content. Equivalent Advertising Value (EAV) is an industry estimate of the value of media coverage that results from public relations and media activity. EAV is based on the equivalent cost to purchase the same reach and coverage results. This is a combination of TNZ (International media EAV) and Domestic Media</p>	<p>\$ 29m</p>	<p>\$ 10m</p>
<p>KPI 4: Value of expenditure generated from events (including business, performance and major events). The number of Wellington region residents that attend events.(3)</p>	<p>Currently we measure out of region spend associated with events at both Wellington city venues (covering both performance and business events) and Major Events. It is calculated using agreed methodology that is consistent across New Zealand. Moving forward, in light of Covid-19 and an increased domestic focus, we will measure the local audience at events to reflect the full impact.</p>	<p>\$ 91m 684,406</p>	<p>\$ 40m 475,000</p>
<p>KPI 5: Stakeholder engagement</p>	<p>This is a measure of the engagement we have with our wide and varied stakeholders, and the quality of those relationships.</p>	<p>80% (July 2019 result, current year survey underway)</p>	<p>80%</p>

(1) This is calculated from assessing the value of the value of business events attracted, the screen permits, value of redemptions for retail and hospitality promotions, the value of capability vouchers distributed, the value of R&D grants distributed, out of region expenditure at events, the value of spend from WellingtonNZ hosted programme activity, the value of sales generated through i-SITE pay and display, the value of sales made in the i-SITE for Wellington businesses, the contribution of none local government funding to the activity of WellingtonNZ, the equivalent advertising value for marketing and promotions activity, (CHQ), the spend of visitors generated as a result of WellingtonNZ promotional and marketing activity.

(2) This is businesses WellingtonNZ engages with through the following programmes:

- Businesses participating in Business Mentor NZ Programme
- Businesses participating the Regional Business Partner programme
- Businesses participating in WellingtonNZ sponsored internship programmes
- Businesses provided with advice outside of RBP programme
- Businesses provided with development opportunity in WellingtonNZ sponsored programmes
- Businesses engaged in tourism partnership programmes
- Businesses participating in development or specialist skills workshops
- Māori businesses that have engaged with WellingtonNZ
- Businesses participating in retail and hospitality promotions

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- Businesses that apply for a filming permit through Screen Wellington
 - (CHQ)
 - Reporting will be provided in a matrix to demonstrate the engagement with key sectors
- (3) The total number of tickets recorded for major events and events in Venues Wellington that have been sold to residents of the Wellington region.

In addition to the above we have 3 key internal facing KPIs:

KPI	Explanation	2019/20 Forecast	2020/21 Target
KPI 6: Financial Management	Budget on track – income, expenditure and surplus.	On Track	To Budget
KPI 7: Funding Diversification	% of revenue from commercial/non council funding and commercial activity (combined WellingtonNZ and CHQ)	25%	30%
KPI 8: Employee Engagement	As measured by our CultureAmp employee surveys	65%	70%

Indirect Measures of Impact

We will continue to measure, monitor and report on a range of metrics which indicate how the region is performing in key areas of WellingtonNZ interest, but for which WellingtonNZ only has a partial or no direct impact. These include measures that are specifically requested as part of the WCC funding agreements. Acknowledging the rapidly changing situation at the time of writing Appendix 2 details the presumptions made in the projected numbers :

MEASURE	2018-19 (actual)	2019-20 (forecast)	2020-21 (projected)
(1) Number of international visitors (1)	756,570	677,848 (a)	100,000
(2) International visitor arrivals through Wellington International Airport (2)			
• Australia	154,108	114,336	40,000
• International	216,439	160,131	10,000
(3) Visitor nights recorded in the Accommodation Data Programme (3)	3,258,048	No data available	1,832,261 (b)
(4) Visitor Spend (4)			
• Domestic	\$1,845m	\$1,640m	\$1,453m
• Australia	\$243m	\$203m	\$60m
• Total International	\$857m	\$739m	\$86m
(5) Share of NZ multi-day conferences in the	21%	No data	22% (c)

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Wellington Region (5)		available	
(6) Population growth due to migration to the Wellington Region (6)	3,409	3,200	1500
(7) Share of NZ international students reported in the Wellington Region (7)	7%(c)	6.7%	7.2%
(8) Wellington Region GDP Growth (8)	5.3%	4.4%	-2.5%
(9) Total number of work ready job seekers in Wellington Region at June 30 (9)	9,570	20,000	29,000
(10) Total consumer spending in Wellington Region through electronic card data (10)	\$6,989m	\$6,194m	\$5,415m
• Total	\$1,830m	\$1,576m	\$1,389m
• Retail	\$1,098m	\$961m	\$846m
• Hospitality			

- (1) MBIE – International Visitor Survey – the IVS is currently undergoing revision and the new methodology and survey will change the trendline of the figures. A new benchmark would be established in 2020/21 and the aim for future years will be growth on the benchmark figure.
- (2) StatsNZ – International Visitor Arrivals – as recorded on international visitor arrival cards.
- (3) MBIE – Accommodation Data Programme – this new accommodation survey replaces the Accommodation Survey and will be implemented from 1 July 2020. The new methodology applied will mean a new benchmark is established in the 2020-21 year.
- (4) MBIE – Monthly Regional Tourism Estimates – an estimation of visitor spend.
- (5) Industry partnership – Business Events Research Programme – this new programme replaces the Convention Activity and Convention Delegate Survey and will be implemented from 1 July 2020. The new methodology applied will mean a new benchmark is established in the 2020-21 year.
- (6) Infometrics – Population Source Data on Net Migration to Wellington – This figure includes domestic migration. Previously (Pre FY20) Net Migration was published through StatsNZ and did not include domestic migration.
- (7) Education NZ – data has a 12-month lag.
- (8) StatsNZ – annual data – 1 year lag; Infometrics – Quarterly estimates
- (9) Ministry of Social Development
- (10) Marketview – Electronic card spending only.
- (a) The most recent data available is that to the end of the Sept 19 quarter. WellingtonNZ has considered the general trend and then applied the assumption that there have been no new international visitors during the Covid period whilst New Zealand's borders have been closed
- (b) The measure is a new dataset from MBIE commencing 1 July 2020. This target is based off the old dataset and it is unknown what the correlation will be.
- (c) The measure is a new dataset from MBIE commencing 1 July 2020. This target is based off the old dataset and it is unknown what the correlation will be.
- (d) There is a one year lag in the provision of data for this measure

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4. WellingtonNZ Operations

4.1 Living Wage

In September 2019 WellingtonNZ implemented the living wage for all employees. WellingtonNZ remains committed to paying the living wage and will ensure employees are continued to be paid at least the current living wage as calculated independently by the New Zealand Family Centre Social Policy Unit, ensuring the all staff are able to fully participate as active citizens within the community.

4.2 Diversified Revenue Sources

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

- NZTE and Callaghan for the RBP programme;
- Educational institutions for the WISGP programme;
- Partnerships with tourist operators and hotels to support destination marketing and business events attraction;
- Commercial engagements via CreativeHQ.

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

In this next SOI period we will continue to look for opportunities to grow funding partnerships outside of our core funding, and to commercialise our own activities as appropriate.

4.3 Te Reo Māori

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

- a commitment to facilitating the upskilling of our team in both Te Reo and Tikanga Māori;
- introducing Te Reo into communications and marketing material where appropriate;
- incorporating a Māori perspective into our business growth work as appropriate.

4.4 Health, Safety and Wellbeing

WellingtonNZ has a commitment to the Health, Safety and Wellbeing of our employees and, given that we operate public venues, the Health and Safety of our venue hirers and patrons. We are committed to continuing to develop a working environment where positive Health and Safety is part of our culture. what we do, rather than a compliance task.

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

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

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

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

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

- Set health and safety objectives and performance criteria for all work areas;
- Review health and safety objectives and performance annually;
- Actively encourage the accurate and timely reporting and recording of all accidents, incidents and hazards;
- Investigate all reported accidents, incidents and hazards to ensure all contributing factors are identified and, where appropriate, plans are formulated to take corrective action;
- Actively encourage the early reporting of any pain or discomfort;
- Participate in rehabilitation of employees to ensure an early and safe return to work;
- Identify all existing and new hazards and take all practicable steps to eliminate, isolate or minimise the exposure to any hazards;
- Ensure that all employees are made aware of the hazards in their work area and are adequately trained to enable them to perform their duties in a safe manner;
- Encourage employee consultation and participation in all matters relating to health and safety;
- Promote a system of continuous improvement in Health and Safety practises;
- Meet our obligations under the Health and Safety at Work Act 2015 and its associated regulations, codes of practise and any relevant standards or guidelines

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

During 2019 WellingtonNZ also reviewed and enhanced its policies in relation to Workplace Health and Wellbeing and Flexible Working Arrangements and during 2020 will continue to implement the programmes designed around these policies to ensure it continues to enhance a culture of wellbeing within the workplace.

4.5 Harassment

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

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

4.6 People and Culture

We recognise that our people are at the centre of our business.

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

Key initiatives which have started in 2019/20 and will continue into 2020/21 include:

- Leadership development programmes;
- A continued focus on improving engagement;
- A focus on diversity;
- Succession planning and readiness;
- Enhancing recruitment methodologies to ensure we attract the best candidates;
- Enhancing our wellness offering, with a focus on all pillars of wellbeing;
- Embedding our flexible working policies, normalising the approach and acceptance of flexible practises;
- Embedding our values and behaviours:
 - Doing it together
 - Showing the passion
 - Finding the fun
 - Focusing on the customer
 - Daring to be different.

4.7 Operational Efficiencies

WellingtonNZ seeks continuous improvement in its operational management.

With all IT platforms now consolidated on the core WellingtonNZ system, our focus will move to enhancing these core systems to ensure we operate with the appropriate hardware and software for staff to operate in the most effective manner. We will also look to continue to find ways to share services with CreativeHQ as appropriate.

We continue to assess each purchasing decision and contract negotiation we make to ensure it is appropriate with a level of probity expected in the public sector. We will continue to enhance our environmental and climate considerations for all purchasing and operational practises.

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5. Financial Summary

STATEMENT OF FINANCIAL PERFORMANCE			
	2020/21	2021/22	2022/23
REVENUE			
Revenue from Shareholders	19,425,160	20,170,883	20,415,783
Other Revenue	7,619,859	8,776,581	10,529,906
TOTAL REVENUE	27,045,019	28,947,463	30,945,689
EXPENDITURE			
Personnel Costs	12,386,501	14,169,899	14,961,146
Investment in Projects and Events	12,891,463	12,027,811	13,008,040
Other Expenditure	2,267,055	2,462,253	2,675,253
TOTAL EXPENDITURE	27,545,019	28,797,463	30,795,689
SURPLUS/(Deficit)	(500,000)	150,000	150,000
STATEMENT OF FINANCIAL POSITION			
	2020/21	2021/22	2022/23
SHAREHOLDER FUNDS	2,537,635	2,687,635	2,837,635
ASSETS			
Current Assets	3,668,324	3,831,191	3,957,889
Investments	1,910,752	1,910,752	1,910,752
Other Non Current Assets	1,053,262	1,152,055	1,143,650
TOTAL ASSETS	6,632,338	6,893,998	7,012,291
CURRENT LIABILITIES	4,094,703	4,206,363	4,174,656
NET ASSETS	2,537,635	2,687,635	2,837,635
STATEMENT OF CASHFLOWS			
	2020/21	2021/22	2022/23
OPENING CASH	2,443,459	1,003,459	3,353,459
Operating Cash Receipts	26,408,051	28,947,463	30,945,689
Operating Cash Payments	26,258,051	28,797,463	30,795,689
Other Receipts/Payments	410,000	200,000	= 100,000
NET CASHFLOW	560,000	350,000	50,000
CLOSING CASH	3,003,459	3,353,459	3,403,459

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During the Covid-19 crisis, WellingtonNZ reviewed all programmes of work to ensure that they remained valid to complete including whether any needed to be delayed or stopped. This also allowed us time to consider the most appropriate programmes of work moving forward. As a result of this it is anticipated that WellingtonNZ may end the financial year ended 30 June 2020 recording a surplus and it intends to utilise some of these available funds in the 30 June 2021 year, which may result in a deficit position in that financial year.

Notes:

- Financial Summary is a consolidated view (Parent and Subsidiary - CreativeHQ)
- Revenue forecasts from our Shareholders are reflective of funding agreements in place.
- Other Revenue reflects revenue from third parties and commercial activity, and the revenue achieved by CreativeHQ resulting from its commercial activities.
- Investments represents the value of the investments from CreativeHQ in the companies that it incubates and retains a shareholding.

WREDA STATEMENT OF INTENT 2020-2023

6. Risks to KPI achievement

There are several risks which could impact on the success of WellingtonNZ. Many of these are outside of our direct control, such as the impact of geo-political factors, changes to government policy settings, or macro-economic factors which impact on the economy as a whole (including pandemics and natural disasters).

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

Area of Risk	Risk Description	Mitigation
The impact of Covid-19	Covid-19 has impacted on the economy of the Wellington Region, New Zealand and the world and will continue to do so throughout the period covered in this Statement of Intent.	<ul style="list-style-type: none"> The board will closely monitor all available data sources to ensure that WellingtonNZ is able to adjust its work programmes to mitigate the impacts of Covid-19 and pick up on any opportunities it creates for the Wellington Region. The board and executive of WellingtonNZ will work closely with the Councils of the region and businesses to ensure a coordinated comprehensive response to Covid-19 is maintained.
Reviews of Economic Development Activities	GWRC has indicated that it will be reviewing its role in Economic Development activities which may impact on its funding of WellingtonNZ.	<ul style="list-style-type: none"> Continue to be actively involved in conversations with GWRC and WRS Committee on value from WellingtonNZ activities
Availability of shareholder and partner funding	Partner funding is provided for a number of WellingtonNZ and CHQ programmes of activities – from shareholders, and from other public and private sources. This funding is subject to agreements of various lengths and criteria which may or may not be renewed depending on a range of factors that may or may not be within WellingtonNZ's direct control.	<ul style="list-style-type: none"> Ensure delivery is in line with partner expectations Maintain a regular schedule of communications with and reporting to partners Engage major partners in planning sessions to ensure programmes meet their expectations Review partner funding arrangements on a regular basis Seek new commercial revenue sources
Scope of WellingtonNZ operations	WellingtonNZ has limited human and financial resources to allocate to the wide scope of activities that it is involved in or asked to be involved in.	<ul style="list-style-type: none"> Ensure that resources are appropriately allocated to activities that contribute to the 3 key SOI focus areas and specifically to those activities which deliver projects and programmes of work that have tangible outcomes and impacts on the region Ensuring that interventions that are made are targeted and timebound and are in situations where there is a specific ability to create an impact or to kickstart an opportunity.
Health, Safety and Wellbeing	Given that a large part of WellingtonNZ's activity is operational – especially within the Venues Wellington operation - there are inherent health and safety risks which could impact on the wellbeing of our people.	<ul style="list-style-type: none"> WellingtonNZ has an appropriate fit for purpose Health and Safety programme in place, which is governed by the WellingtonNZ Board.

WREDA STATEMENT OF INTENT 2020-2023

<p>Venue Availability and Suitability</p>	<p>During much of this SOI period the St James Theatre will remain closed, and existing venues will be under pressure (including the MFC which will be impacted by the ongoing construction work on the Town Hall). We will therefore be working with constrained and aging venue inventory.</p>	<ul style="list-style-type: none"> WellingtonNZ will work with WCC to ensure appropriate capex is allocated to renewals within existing venues so that they remain fit for purpose during this period WellingtonNZ will work proactively with core hirers to find solutions that meet their needs, both within existing venues and other venues in the city. WellingtonNZ will communicate proactively with the market on the status of Venues.
<p>Maintaining strong working relationships across the Wellington region</p>	<p>As an organisation that is invested in and works for the whole Wellington region it is critical that WellingtonNZ maintains appropriate stakeholder engagement processes</p>	<ul style="list-style-type: none"> WellingtonNZ will work with both its shareholders and the other Councils within the region in a structured and proactive manner such that both elected officials and officers of these organisations are well informed of WellingtonNZ's programme of activities at all times WellingtonNZ will participate in appropriate work groups across the Wellington region to support economic development activity.

In addition to the above, WellingtonNZ has a strategic and operational risk framework which is governed by the Risk and Audit Committee of the WellingtonNZ Board.

WREDA STATEMENT OF INTENT 2020-2023

Appendices:

Appendix 1 - Governance and Accounting

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

Governance Board

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

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

Wellington Regional Strategy Committee (WRSC)

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

The role of the WRSC is to:

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

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

Reporting

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

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

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

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

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WREDA STATEMENT OF INTENT 2020-2023

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

Accounting Policies

WREDA has adopted accounting policies that are in accordance with New Zealand Generally Accepted Accounting Practices and Public Benefit Entity Standards. The detailed policies are as disclosed in WREDA's 2018/19 Annual Report.

Appendix 2 – Performance Metrics – Expectations 2020-21

Background

Covid-19 has already had a considerable impact on the local, national and international economy. As a result, it is not possible at this time to project future change in the key economic measures with the same methodology or confidence that that we have in the past.

Below are notes to the various measures tabled in Section 3 of the Statement of Intent.

Key Headline Performance Indicators

1. Direct economic impact of WellingtonNZ's activities and interventions

The significant change in the impact is largely the result of a drop in the total number of people expected to attend events and significantly reduced opportunity for WellingtonNZ to drive media coverage of the Wellington Region internationally.

The impact on events is made up of a number of components. These include there being almost no events in the first quarter of the year as the sector re-starts post lockdown; a number of large events not occurring such as World of Wearable Arts and All Blacks Test matches; the inability of international sports and entertainment events to occur resulting in less out of town visitation.

Typically, the international media coverage achieved by WellingtonNZ is driven off our hosting of journalists and other media in the Wellington region and supporting their story telling through creation of unique bespoke itineraries. Without border access and without Tourism NZ being able to be active in this area our attention will be diverted to the important but less valuable domestic media audience.

2. Number of different business engagements in WellingtonNZ programmes

The intervention programmes of government to address the economic impact of Covid-19 provided a new platform for engagement for WellingtonNZ as it delivered different programmes to help effected businesses. We anticipate some of this work will continue into the 2020-21 year, but at this stage there is no certainty of what government partnership will look like in the new year.

3. Equivalent Advertising Value (EAV) from media activity

See note above.

4. Value of expenditure generated from events

- a. The value of expenditure generated by out of region attendance at events
- b. The number of Wellington region residents that attend events

See note above.

5. Stakeholder engagement

No additional commentary.

6. Financial Management

WREDA STATEMENT OF INTENT 2020-2023

No additional commentary.

7. Funding Diversification

CreativeHQ operates a services-based model and engages with organisations and business across the full spectrum of Local, Central Government and private enterprise. Subsequently it's ratio of Shareholder funding to other funding is less than WellingtonNZ, the parent currently receives. It is anticipated that all the commercial partnership programmes that WellingtonNZ operates will have reduced income in the 2020-21 year as businesses ability to invest in such programmes is severely impacted by the impact of Covid-19. Simultaneously the increase intervention of central government in the economy and the support of businesses means that we anticipate being able to access new and different funding from this source than we have in previous years.

8. Employee Engagement

No additional commentary.

Indirect Measures of Impact

(1) Number of international visitors

The reopening of international borders remains very uncertain. The assumption we have made is that Australian arrivals will commence from February and some long-haul markets from April. We have assumed that capacity into New Zealand will be severely restrained and that because of a challenging public health and economic situation in all countries travel is more likely to be visiting friends and relatives and essential business.

(2) International visitor arrivals through Wellington International Airport

As above, but reflecting that Australian connections into Wellington will predominate and that should borders open a larger proportion of Wellington international visitors will arrive directly as they visit friends and relatives or are here for particular business needs.

(3) Visitor nights recorded in the Accommodation Data Programme

This is a new measurement in a programme being delivered by MBIE. Our assumption is that domestic visitation will slowly increase through the remainder of 2020 as a result of slowly increased levels of domestic leisure tourism whilst domestic business travel will be highly restrained as businesses control expenses tightly. We anticipate domestic government travel to remain constant – except for during the election period. International usage of commercial accommodation we expect reduced usage beyond the drop in visitor numbers as more visitors will be here to visit friends and relatives.

We do not at the time of writing know what impact there might be from commercial accommodation being utilised for the purpose of arrival isolation. Any impact is not factored into our projection.

(4) Visitor Spend

Reflecting the number of visitors and the accommodation data we anticipate reduced visitor spend across all markets.

(5) Share of NZ multi-day conferences in Wellington Region

WREDA STATEMENT OF INTENT 2020-2023

This is a new measurement in a programme being delivered by MBIE/industry. Like ticketed events we expect the volume of business events in Wellington (and New Zealand) to be significantly reduced compared to the pre Covid-19 period. We expect that the proportion of those events in Wellington might rise marginally as more events are hosted in Wellington to be close to government and as events locate to the main centres to accommodate reduced capacity in the domestic air network.

(6) Population growth due to migration to the Wellington Region

Our projection is based upon New Zealander's who have been living overseas returning to New Zealand as a result of a challenging public health and economic situation in all countries.

We anticipate that there will be no, or very little outward migration. At this stage it is too early to project quite how large the inward migration figure could be; the New Zealand diaspora is significant.

The measure also includes people moving to and from the Wellington Region from other parts of New Zealand. Again, it is too soon to tell whether the domestic economic conditions will lead to significant movement of New Zealanders internally.

(7) Share of NZ international students reported in the Wellington Region

The international student market is significantly constrained by the closure of borders. There are however already in Wellington many international students that are expected to stay by their host institution. There is also work ongoing to provide permission and conditions by which international students can locate to New Zealand. We anticipate that the circumstances will reduce the number of international students in New Zealand but that the proportion of those students in Wellington will increase as students here are more likely to be pursuing a full academic tertiary programme rather than the type of programme provided by private training establishments (PTE's).

(8) Wellington Region GDP Growth

The official GDP data is reported on one year late, so the projected figure is the figure for the year ending 30 June 2020. Provisional figures show that a growth in the first two quarters of the 2019-20 is followed by a decline of 1.6% in the third quarter. Indicators suggests a decline of 16% in the fourth quarter which would mean the annual result would be -2.5%.

(9) Total number of work ready job seekers in the Wellington Region at June 30

At the end of May 2020, the number of work ready and eligible people seeking work in the Wellington region was around 20,000; approximately double what it was in February 2020. Considering a range of factors including a presumption that the wage-subsidy will end in September 2020 we have presumed that the number of people seeking jobs as a proportion of the eligible population will be at least as high in the region as it was at the worst period of the global financial crisis.

(10) Total consumer spending in Wellington Region through electronic card data

This measure includes the spending of residents in the region.

As per above the level of international visitor spending will be significantly reduced and domestic visitor spend will be reduced as tourism is slower to return to normal levels and particularly business travel. We anticipate that whilst local spending has been relatively strong since the end of lock down this will abate in a slower economy and that spending will settle to 80% of that previously seen and that times where discretionary consumer spending normally increases (e.g. Christmas) this will not happen to the normal extent.



**Wellington Regional Stadium Trust
Statement of Trustees Intent
For the year ending 30 June 2021**

Registered Office: Sky Stadium
105 Waterloo Quay
Wellington

Chair: John Shewan

Chief Executive: Shane Harmon

The Wellington Regional Stadium Trust (the Trust) was established by the Wellington Regional Council (Stadium Empowering) Act 1996 and the settlors of the Trust are the Wellington City Council and the Greater Wellington Regional Council.

The Trust recognises the interest that the ratepayers of Wellington City Council and the Greater Wellington Regional Council have in the Trust and its activities and have agreed to be subject to the reporting requirements of both Councils and their monitoring procedures. The Trust is not a Council Controlled Organisation, for the purposes of the Local Government Act 2002.

26 August 2020



1. INTRODUCTION

Important note: This Statement of Trustees Intent does not encapsulate the full impacts of COVID-19 on the Stadium's business. These impacts will be significant particularly on the upcoming year where great uncertainty exists around the event calendar.

The financial year ending 30 June 2021 will once again be an active year for the Trust.

In 2018 the Trust refreshed its strategic priorities centred on the following areas:

1. Deliver great customer experiences
2. Grow commercial revenues
3. Invest in and improve our facilities
4. Value our people, our community and our stakeholders
5. Operate a safe building
6. Operational excellence
7. Attract and deliver world class events
8. Sustainability

These priorities remain current.

Matters raised in Letters of Expectation from both Wellington City Council and Wellington Regional Council are addressed in the Statement of Intent.

In the 2021 financial year, as has been the case in recent years, the Trust expects that the Stadium will remain New Zealand's most utilised stadium.

The Trust derives a diverse range of recurring revenue streams.

Over the next twelve months the Trust, with the support of Wellington City Council, will continue to invest in the upgrade of the internal concourse. This follows the first stage of the concourse upgrade which saw the removal of some of the steel cladding to bring natural light and the city's wonderful vista into the Stadium.

The Trust continues to enjoy a collaborative and supportive relationship with the Greater Wellington Regional Council (GWRC) and Wellington City Council (WCC) as well as Wellington NZ.



2. STRATEGIC DIRECTION

a) CORE PURPOSE

The objectives of the Wellington Regional Stadium Trust as set out in the founding Trust Deed established by the Wellington City and Greater Wellington Regional Councils ('the Councils') are as follows:

- To own, operate and maintain the Stadium as a high-quality multi-purpose sporting and cultural venue.
- To provide high quality facilities to be used by rugby, cricket and other sports codes, musical, cultural and other users including sponsors, event and fixture organisers and promoters so as to attract to the Stadium high quality and popular events for the benefit of the public of the region; and
- To administer the Trust's assets on a prudent commercial basis so that the Stadium is a successful, financially autonomous community asset.

The Councils have also established general objectives for the Trust. These are that it should:

- Adopt a partnership approach in dealing with the Councils and their associated entities.
- Have a regional focus where this is appropriate.
- Appropriately acknowledge the contribution of Councils.
- Achieve maximum effectiveness and efficiency of, and concentrated focus on service delivery.
- Operate at better than breakeven after depreciation expense.

The Trust meets all the general objectives of the Councils noting that the overriding requirement of the Trust Deed means that the Trust must generate sufficient profit to repay loans and finance capital expenditure.

b) OPERATING ENVIRONMENT UPDATE

The operating environment remains positive for the Trust, albeit with a number of challenges.

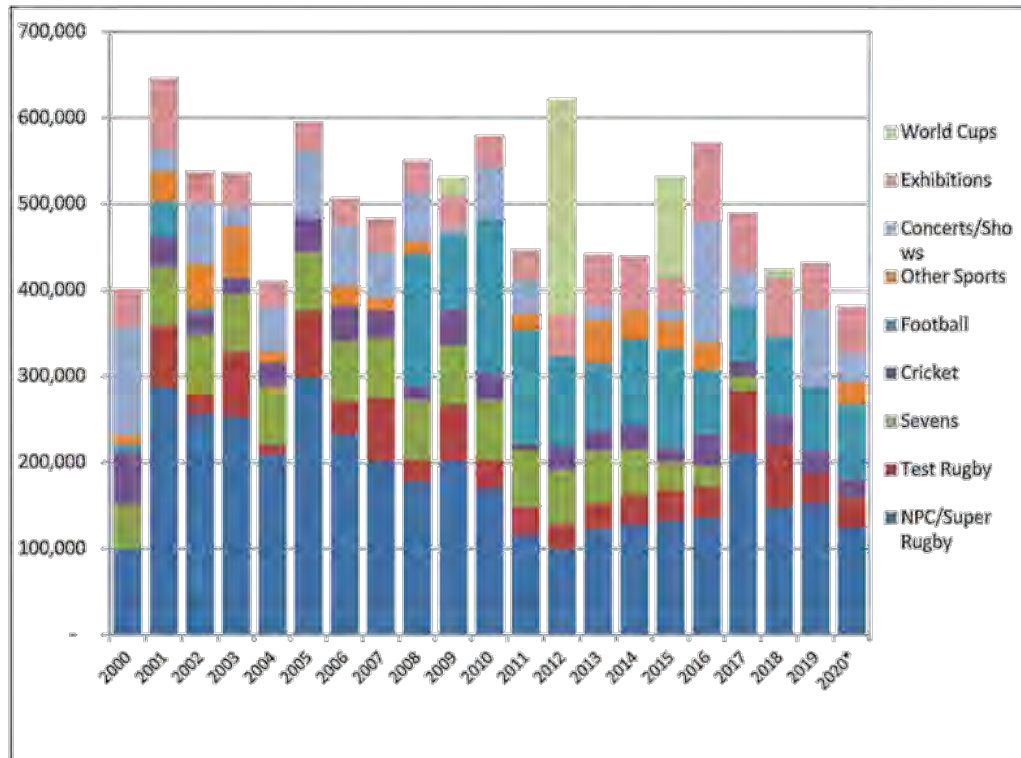
The past few years have boasted a strong events calendar. The events outlook for 2020/21, while still a work in progress, looks positive as the Trust in partnership with Wellington NZ, continues to work on attracting events.

The Trust's focus lies particularly on those events that will fill the Stadium and generate economic return for the region.

The ongoing focus on capital expenditure to enhance the facility and improve the patron experience will see borrowings and therefore interest on borrowings increase. Depreciation will also increase as a result. The insurance environment remains extremely challenging, and the Trust has seen significant increase in premiums since 2016 and is not anticipating any respite in the upcoming year.



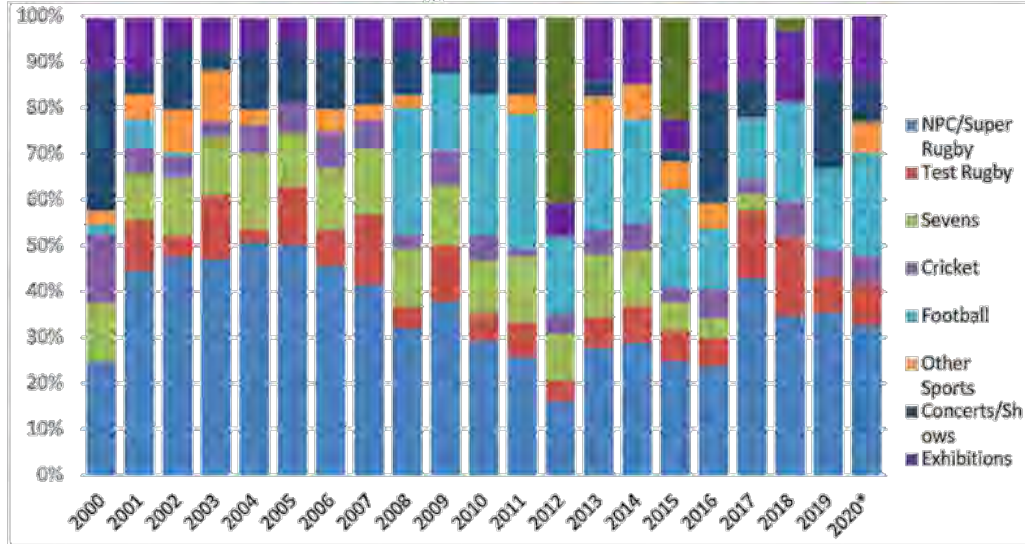
The following table highlights aggregate crowds by event type since the Stadium opened.



*2020 estimate

The mix of events has changed significantly since the Stadium opened, and it is no longer reliant on any one code or event for its attendances.

The following table highlights the diverse mix of attendances over the years represented as a percentage of the overall attendance in any given year.



*2020 estimate

c) STRATEGIC FRAMEWORK

The Trust's objectives are:

1. To be viewed by the residents of the region and other stakeholders as a valued and essential asset.
2. To operate the best venue in New Zealand measured by:
 - Satisfaction of hirers
 - Patron satisfaction
 - Event calendar and diversity
 - Calibre of international events held
 - Environmental impact
 - Relationship with our neighbours
 - Adherence to world's best practice
3. To remain financially autonomous
4. To provide a full and balanced event calendar to patrons
5. To maintain and enhance the facility to the standard of international best practice
6. To be a good employer and provide personal development opportunities to employees
7. To provide and maintain a safe and healthy working environment for employees, visitors and all persons using the premises as a place of work

The board undertakes a strategic planning day in March of each year to reassess priorities and strategic direction.



3. NATURE AND SCOPE OF ACTIVITIES

The nature and scope of the Trust's activities are dictated in the first instance by the Trust Deed, settled with both Councils.

To meet its obligations under its Trust Deed, the Trust identifies the key objectives of:

- Presenting a full and balanced event calendar;
- Maintaining and enhancing the facility;
- Achieving a level of profitability that finances continuing capital expenditure and meets debt reduction obligations.

The Board and management have taken a longer-term view of the Stadium's business.

In line with the obligations listed above under its Trust Deed, in 2018 the Trust has refreshed its strategic priorities centred on the following areas:

1. Deliver great customer experiences
2. Grow commercial revenues
3. Invest in and improve our facilities
4. Value our people, our community and our stakeholders
5. Operate a safe building
6. Operational excellence
7. Attract and deliver world class events
8. Sustainability

For the 2020/21 year the Trust's focus is on the following areas as outlined in the Letters of Expectations:

Tauihu Te Reo Maori Policy and Te Mapihi Maurea Naming Policy and relationship with mana whenua

There have been several conversations between Stadium management and the Wellington City Council, as to how the Stadium can demonstrate its support for the Council's Te Reo Māori Strategy – Te Tauihu.

With the rebrand to Sky Stadium, the Trust has taken the opportunity to replace all wayfinding and introduce bilingual signage in English and Te Reo Māori throughout the venue.

The Trust's appointed signage designers have utilised the design principles as outlined in the Te Puni Kōkiri Bilingual Signage Guidelines.

The opportunity to integrate Te Reo into the Stadium's signage is a first step in a larger cultural engagement opportunity.

Furthermore, the Trust will seek to develop an appropriate Te Reo name for Wellington Regional Stadium Trust following the guidelines and principles of Te Mapihi Maurea Naming Policy.



The Trust is working closely with the Tenth Trust on this project and has committed to working more closely on future projects.

Te Atakura First to Zero Policy/Carbon neutrality

The Trust is committed to developing ways to reduce, recover, recycle, or re-use waste in all aspects of our business, including considering and integrating environmental factors in our decision-making process.

Over the past year, the Trust has been investigating and implementing new waste minimisation and sustainability practices suitable for the venue. The key aim of this work has been to reduce the amount of waste generated at events and to redirect the waste that is generated away from landfill.

Considerable progress has been made on reducing waste to landfill over the past two years.

A good comparison is two recent concerts; Guns n Roses (2017) and Eminem (2019).

The numbers below refer to 15 cubic metre bins (roughly 1 tonne per bin)

	Attendance	Total	General Waste	Recycling	General waste % of total
Guns n Roses	31,634	7	4	3	57%
Eminem	46,474	8	2	6	25%

A big recent focus of this work has been looking at the products that food items are served in from the catering outlets throughout the stadium. In July 2019 all food serve ware was changed to compostable products and compostable bins were installed throughout the venue.

The next key focus for this piece of work is on the cups that used to serve our beer and wine in. The current cups used at Sky Stadium are single use cup made from PET (1) plastic. These cups are all recycled locally in Wellington.

Armed with the information from the research we have carried out, we believe that the Reusable Cups – Managed In-house option is the most sustainable, publicly accepted solution with the best outcomes for waste minimisation for Sky Stadium. This will be the main focus for the current year.

The Trust reports emissions to Council, however there is no current strategy in place relating to carbon neutrality. The Trust will commits to determining what would be required to be a carbon neutral venue.

Accessible Wellington, The Accessible Journey Action Plan 2019

The Trust fully support the Accessible Wellington action plan.

The Stadium has a Gold rating for accessibility as awarded by Be.Lab (formerly known as Be.Accessible).

The Trust held an accessible workshop for staff earlier this year with the aim to be a role model and lead in inclusive and accessible practices in venues.



We are undertaking further site assessments in the near future, followed by community stakeholder consultation with the aim of applying for Platinum status.

Ensuring the Stadium is safe and harassment-free environment for all staff, contractors and attendees at the stadium.

Last year the Trust engaged the services of the Sexual Abuse Prevention Network to facilitate a workshop at the Stadium for staff and contractors. This workshop helped support staff to identify unsafe situations and know how to take action safely to help keep the venue safe and fun for all patrons. The initial training was aimed at permanent staff of the Stadium as well as its key contractors and their staff.

Last year we increased the visibility of channels through which staff, patrons and contractors may contact us in the event of experiencing harassment of any kind at the Stadium.

We anticipate further training in 2021 and this remains a key area of focus for the Trust.

Invest in and improve our facilities

Continued investment in the Stadium is vital to ensure events are not lost to new facilities.

The first major phase of the Concourse Upgrade was completed in 2019 with the removal of some of the steel cladding around the major thoroughfares to bring natural light and the city's wonderful vista into the Stadium.

All this work has to be fitted in around our event calendar and that has been somewhat challenging given the volume of events.

The second phase is now underway and is expected to be completed by the end of 2020.

This includes:

- The enhancement and renovation of food and beverage outlets;
- Cladding of some of the current grey concrete walls and pillars;
- Develop consistent look and feel and way finding around the concourse;
- Making the space more suitable for exhibition clients;
- Improved lighting.

The final phase will be refurbishment of parts of the concourse floor, this will likely be done in conjunction with some seismic improvements.

This project has a budget of \$10m and is being supported by WCC with a \$5m contribution from its long-term plan budget.

The Trust is part way through seismic strengthening of the Fran Wilde Walk. It is also at the final stage of developing a plan to further strengthen the building to improve resilience in the event of a major seismic event. The building performed well during the Kaikoura earthquake. Once these plans are finalised the Trust will brief its council partners.

**Long term strategic asset management**

The Trust maintains a robust asset management programme that prioritises maintenance based on a 5-year asset condition report compiled by WPS Opus on behalf of the Trust.

Maintaining a safe and healthy working environment

The Trust is committed to providing and maintaining a safe and healthy working environment for its employees, visitors, and all persons using the premises as a place of work as well as event attendees.

To ensure a safe and healthy work environment, the Trust maintains a Health and Safety Management System. In addition, the Trust has an established Health and Safety Committee which comprises three Trustees that meets on a regular basis to review and measure crucial areas of health and safety.

Insurance

The Stadium is currently insured to for a combined Material Damage and Business Interruption limit of \$230 million. Pandemics are excluded from this cover. The deductible is \$7m.

The Trustees remain concerned that insurance is reaching a point where it is becoming unaffordable. Because the Trust is a separate legal entity with a single asset in one location it is not able to take a portfolio approach in determining the level of cover it carries.

The Trust is keen to work closely with Settlers on exploring other approaches to insurance.

Operating Profitability

The Trust Deed requires the Trust to be financially autonomous. This requires the generation of sufficient profits to meet loan repayments and provide funds for the capital replacement and development programmes that are necessary to enable the Trust to meet its obligation to maintain the building to the standard of international best practice.

The major difference the Stadium can make to attendance at events is to improve the experience of the patrons across all areas of the facility. The Stadium Master Plan was developed to do that, but it can only be completed if we can continue to satisfactorily fund these projects.

Three theoretical operating levels have been considered for the business over the period impacted by Covid-19:

- Keeping the Stadium event ready
- Hibernation - reducing activity to a bare minimum and ramping up when events are able to resume
- Mothballing the Stadium – ceasing most activity.

Keeping the Stadium event ready means retaining existing staff, continuing with preventative maintenance and necessary repairs of both the building and the turf and reducing other expenditure where possible.



Alternative operating scenarios considered but discarded were hibernation and mothballing. Hibernation would primarily involve a substantial reduction of staff and a deferral of maintenance activities. Mothballing would likely involve no preventative maintenance and a part-time skeleton staff. With both the hibernation and mothballing options, there would likely be significant maintenance and repair costs to get the Stadium ready to host events again. For example, if the turf was not maintained, it could cost up to \$2m to do a full replacement of it.

The financial projections are outlined on the following pages. These projections have been prepared on the basis of keeping the Stadium event ready. Events will play an important part in the economic recovery for Wellington and the Region.

The assumptions made about the event calendar, in particular for the first 12 months may not play out, especially if there are further changes in alert levels and restrictions on mass gatherings. Should this occur, there is limited opportunity to reduce operating expenditure while still maintaining the Stadium in event ready mode.

Over the period covered by the projections the Trust anticipates an operating surplus of between \$0.45m and \$1.95m per annum. Due to the impact of the significant capital expenditure projects under way, depreciation is a significant and increasing charge, ranging from \$4.13m to \$4.48m. The effect of this is that the Trust projects losses after depreciation ranging between \$2.34m and \$3.67m.

An overall deficit of \$0.86m is projected for FY21. This includes receipt of the balance of the Wellington City Council \$5.0m grant towards the concourse upgrade, which is shown as income in the year of receipt.

A small operating cash deficit of \$0.33m is forecast for FY21 followed by positive operating cash flows of \$1.71m and \$0.98m.

The Trust is budgeting \$20m of capital expenditure across the next five years. This is funded from operating cash flows and the loan facility, as well as the balance of the Wellington City Council grant. The budget includes an allowance for seismic works to increase the resilience of the Stadium. There is uncertainty over what the final costs of these resilience improvements will be.



PROJECTED EVENTS SCHEDULE

12 months ending 30 June

CONFIRMED	2021	2022	2023
Rugby Union	7		
Cricket	1		
Exhibition Days	10		
Total Confirmed	18	0	0
UNCONFIRMED			
Rugby	6	14	13
Cricket	0	2	2
Football	8	10	10
Other Sporting Events	1	1	1
Concerts/Other Events	0	3	1
Exhibition Days	9	14	14
Total Unconfirmed	24	44	41
Community Events	5	5	5
Total Events	47	49	46

Days reserved for semi's & finals	11	11	11
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**SUMMARY STATEMENT OF FINANCIAL PERFORMANCE
FOR THE THREE YEARS ENDING 30 JUNE**

	2021 \$m	2022 \$m	2023 \$m
Revenue			
Events	3.74	5.86	5.01
Members Boxes & Sponsorship	4.00	4.04	3.59
Other	2.86	3.01	3.01
Total Revenue	10.60	12.90	11.61
<i>Less:</i>			
Event Operating Costs	2.31	3.03	2.67
Other Operating Costs	7.67	7.73	7.26
Interest	0.17	0.20	0.46
Total Operating Expenses	10.15	10.95	10.39
Operating Surplus before depreciation	0.45	1.95	1.22
<i>Less:</i>			
Depreciation	4.13	4.29	4.48
Net Surplus/(Deficit)	(3.67)	(2.34)	(3.26)
<i>Plus:</i>			
Grant income (for capital expenditure)	2.81	-	-
Total Surplus/(Deficit)	(0.86)	(2.34)	(3.26)

Net operating cash flows	(0.33)	1.71	0.98
Surplus cash at the end of each year after meeting loan repayments	0.50	0.50	0.51
Loans at year end	5.73	9.44	13.19
Net debt (Loan less cash)	5.23	8.93	12.67



SUMMARY STATEMENT OF CASHFLOWS
FOR THE THREE YEARS ENDING 30 JUNE

	2021 \$m	2022 \$m	2023 \$m
Cashflows provided from operating activities	9.89	12.67	11.37
Cashflows applied to operating activities	(10.22)	(10.96)	(10.39)
Net cashflows from operating activities	(0.33)	1.71	0.98
Cashflows from grants (to be used for capital expenditure)	2.81		
Cashflows applied to investing activities	(5.75)	(5.42)	(4.72)
Net cashflows from investing activities	(2.94)	(5.42)	(4.72)
Cashflows provided from financing activities	3.23	3.71	3.75
Net cashflows from financing activities	3.23	3.71	3.75
Net increase (decrease) in cash	(0.04)	(0.00)	0.01
Opening balance brought forward	0.54	0.50	0.50
Cash at year end	0.50	0.50	0.51



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

	2021 \$m	2022 \$m	2023 \$m	2024 \$m	2025 \$m
Trust Funds					
Retained Surpluses	47.71	45.37	42.11	38.26	34.08
Limited Recourse Loans	40.39	40.39	40.39	40.39	40.39
	88.10	85.76	82.50	78.65	74.47
Non Current liabilities					
Bank Loan	2.50	5.24	8.99	10.32	12.04
Council Loan	3.23	4.20	4.20	4.20	4.20
	5.73	9.44	13.19	14.52	16.24
Current Liabilities					
Revenue in Advance	2.22	1.98	1.74	1.73	1.58
Payables	1.69	1.69	1.69	1.69	1.69
	3.91	3.67	3.43	3.42	3.27
Total Funding	97.74	98.87	99.11	96.59	93.98
Represented by:					
Property Plant & Equipment	94.69	95.82	96.06	93.54	90.93
Current Assets	3.05	3.05	3.06	3.05	3.05
Total Assets	97.74	98.87	99.12	96.59	93.98



PERFORMANCE MEASURES

Non-Financial Performance Measures

Measure	How Measured
<ul style="list-style-type: none"> Deliver a strong Rugby international test programme for 2020 and 2021 	<ul style="list-style-type: none"> Key stakeholders are satisfied with management of the test operation Sell-out crowds for test matches 40% out of region visitors
<ul style="list-style-type: none"> Deliver more large-scale non-sporting events 	<ul style="list-style-type: none"> Secure at least one concert per year Secure at least two other events outside the traditional rugby and football regular season calendar per year
<ul style="list-style-type: none"> Continued investment in stadium infrastructure 	<ul style="list-style-type: none"> Concourse upgrade is completed Resilience plans finalised and shared with council partners.
<ul style="list-style-type: none"> Deliver a full event calendar 	<ul style="list-style-type: none"> Securing 45-50 event days per year. (Excludes community events).
<ul style="list-style-type: none"> Host unique events that deliver economic benefit to the region 	<ul style="list-style-type: none"> Maintaining economic benefit to the Region at an average of \$40 million per year Working with promoters to deliver special events to Wellington
<ul style="list-style-type: none"> Continue to enhance food and beverage offering 	<ul style="list-style-type: none"> Greater range and quality of offerings Higher customer satisfaction
<ul style="list-style-type: none"> Sustainability 	<ul style="list-style-type: none"> Reduce single use plastic

Financial Performance Measures

The key performance indicators agreed with the Wellington City Council and Greater Wellington Regional Council are:

- Revenue – total, and event
- Net surplus (deficit)
- Net cash flow
- Liquidity ratio
- Bank borrowing to total assets
- Capital expenditure

We have reviewed these indicators and believe these are appropriate to the purpose of the Council's monitoring the Trust performance. They are reported on by the Trustees in their six-monthly reports.



4. BOARD APPROACH TO GOVERNANCE

Role of the Board

The Board of Trustees is responsible for the proper direction and control of the Trust's activities. This responsibility includes such areas of stewardship as the identification and control of the Trust's business risks, the integrity of management information systems and reporting to stakeholders. While the Board acknowledges that it is responsible for the overall control framework of the Trust, it recognises that no cost effective internal control system will prevent all errors and irregularities. The system is based on written procedures, policies and guidelines, and an organisational structure that provides an appropriate division of responsibility, sound risk management and the careful selection and training of qualified personnel.

Board Operation

The Board has three Standing Committees that focus on specific areas of the Board's responsibilities. These Committees are the Finance Committee, the Audit Committee and Health & Safety Board Sub-Committee.

The Board meets eight times per year. The Finance Committee meets when required. The Audit Committee meets biannually. The Health & Safety Committee meets quarterly.

Board Performance

The policy of the Board has been that the Chairman conducts an interview with each Board member prior to the expiry of their term. Each new Board member undertakes an induction program to familiarise themselves with the Stadium, its operation and Board issues. Given the experience of the current Board it has been deemed that a Board development program is not necessary. If there are any Board performance issues, the Chair will bring them to the attention of the Mayor of WCC and the Chair of GWRC.

At the first meeting of the new financial year, the Chair of the Audit Committee conducts a review of the Chair's performance.

A full Board performance review has recently been conducted and no significant issues identified.

Board Membership

The Trust Deed states that there shall be not less than five, nor more than eight Trustees.

The Trustees are appointed jointly by the Settlers (Wellington City Council and Greater Wellington Regional Council).

The Wellington City Council and the Greater Wellington Regional Council can each independently appoint one of their elected Councillors as a Trustee.



The current Trustees are:

Name	Appointed until:
Tracey Bridges	31 December 2020
John Shewan	30 June 2021
Steven Fyfe	30 June 2022
Sean Rush	formal declaration of results of WCC 2022 elections
Glenda Hughes	formal declaration of results of GWRC 2022 elections
Nicola Crauford	31 December 2022
Rachel Taulelei	30 June 2023

5. ORGANISATIONAL HEALTH, CAPABILITY AND RISK ASSESSMENT

Health & Safety

The Trust has well developed health & safety policies which were reviewed by an external consultant and are regularly updated.

Staff who have influence over Health and Safety matters are required to acquire and keep up to date with Health and Safety matters including attendance at relevant course and conferences.

All staff receive regular training in respect of health & safety procedures.

A Health & Safety booklet has been produced which includes Stadium policies, the roles for staff and contractors, incidents and accident investigation, general site safety, emergency procedures and induction.

There are three Committees with a health and safety focus:

- Emergency Control Organisation/Emergency Planning Committee (meets ahead of each major event);
- Health and Safety Committee which includes key the Trust staff as well as contractors and tenant organisations (meets monthly);
- Board Health and Safety Committee (meets quarterly).

All contractors coming on-site are required to:

- Complete a health & safety agreement
- Complete a health & safety induction plan
- Provide a contractors safety plan
- Operate safely and report any hazards, near misses and injuries

RISK MANAGEMENT

Earthquakes

Prior to construction (July 1995), the Trust commissioned a full geo-technical report on the site. The ground was improved with vibro-replacement producing gravel columns at spacing of two to three metres to mitigate the effect of earthquakes.

The Trust has used the learnings from the recent earthquakes to strengthen its crowd control and evacuation procedures.



The Trust has conducted a study to enable the Stadium to better understand its current percentage of New Building Standard (% NBS), the interaction between the reclaimed land and the building structure, the differential lateral spread expected and as well as a building seismic assessment. While no significant issues emerged, we will be implementing some resilience works that will enhance the structures.

Insurance

The Stadium insurance programme is managed by Marsh. The Trust operates a maximum first loss policy that provides cover for the maximum credible loss for fire, earthquake and other perils and has done so since 2003.

The Trust has insurance cover for the Stadium asset with a combined maximum policy limits of \$230m for material damage and business interruption. This is less than the building reinstatement value which was last assessed in September 2019 at \$302m. The Trust has received advice which supports the limits as being appropriate cover in the context of modelled probable losses from fire, earthquake and other loss events, and taking account of the current insurance market. The Trust is required to cover the first \$7.0 million of any earthquake claim.

There have been no material changes to the cover or the deductibles from the previous year.

Business Continuity Plan

The Trust has a Business Continuity Plan. The Trust has ongoing interactive training sessions with all staff to reinforce the content and requirements of the plan.

Communication and Access to Information

The Trust enjoys a positive and open relationship with both of its settlors, and both settlors have representation on the Board of Trustees. The Trustees confirm they intend to continue to operate on a “no surprises” basis with communication of any significant event likely to impact on either party made as soon as possible. This has worked well in the past.

6. ADDITIONAL INFORMATION

Reporting

The Trustees will present a six monthly report to both Councils, which will include a written report on agreed key performance indicators and financial statements for the period. The Trust will provide a formal briefing to both Councils, twice a year, on activities to date and review the outlook.

Audited financial statements will also be available on completion of the annual audit.

The Trustees will inform the Councils of any significant expected obligations or contingent liabilities to third parties.

Major Transactions

There are no major transactions likely to occur in the planning period that are not identified in the Business Plan.



Any particularly contentious transactions will be brought to attention of the Council at the earliest opportunity.

Accounting Policies

General accounting policies of the Trust are set out in the Statement of Significant Accounting Policies. These policies are consistent with the policies applied in the previous year, apart from the presentation change relating to the limited recourse loans.

OTHER ITEMS TO BE INCLUDED IN THE STATEMENT OF INTENT

Ratios

The ratio of Trust Funds to Total Assets is expected to be:

30 June 2021	49%
30 June 2022	46%
30 June 2023	42%

The ratio of total Trust Assets to Trust Liabilities is expected to be:

30 June 2021	195%
30 June 2022	185%
30 June 2023	174%

Trust Funds are defined as the residual interest in the assets of the Trust after the deduction of its liabilities.

Assets are defined as service potential or future economic benefits controlled by the Trust as a result of past transactions or other past events.

Liabilities are defined as future sacrifices of service potential or of future economic benefits that the Trust is presently obliged to make to other entities as a result of past transactions or other past events.

Distributions to Settlers

Section 5 of the Trust Deed sets out the powers of the Trustees regarding the income of the Trust.

The Trust is required to pay surplus funds to the Wellington City Council and Wellington Regional Council in reduction of their limited recourse loans after meeting costs, liabilities and debt reductions and after allowing for the appropriate capital expenditure and transfers to reserves.

The Trust does not expect to have surplus funds available for repayment in the years covered by this Statement of Intent.

No other distributions to settlers are intended to be made.



Investments in other organisations

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

Compensation from local authority

There are no activities for which the Trust seeks compensation from any local authority.

Trust's estimate of the commercial value of settlor's investment in the Trust

Not applicable

Other matters as set out in the Funding Deed

Significant Third Party Obligations

There are no significant third party obligations other than those disclosed in the Financial Statements.

Relevant Legislation

The Trustees confirm that the Trust will comply with all relevant legislation affecting the conduct of this business.



STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity and Period

Wellington Regional Stadium Trust Incorporated (the Trust) is a charitable trust established by the Wellington City Council ('WCC') and Greater Wellington Regional Council ('GWRC'). The Trust is domiciled in New Zealand.

The Trust is responsible for the planning, development, construction, ownership, operation and maintenance of the Sky Stadium, Wellington, as a multi-purpose sporting and cultural venue.

The Trust was incorporated under the Charitable Trust Act 1957. The Trust is also a charitable entity under the Charities Act 2005, registration CC10754.

Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with the Trust Deed which requires compliance with generally accepted accounting practice in New Zealand.

As the primary purpose of the Trust to provide a community and social benefit, it is a public benefit entity for financial reporting purposes

The financial statements of the Trust comply with Public Benefit Entity (PBE) standards.

The financial statements have been prepared in accordance with Tier 2 PBE Standards. The Trust meets the requirements for Tier 2 reporting as it does not have public accountability and is not large (as defined by XRB A1).

The financial statements have been prepared on an historical cost basis, except for interest rate swaps.

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars (000) unless otherwise stated.

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

Revenue

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

Corporate Box, Memberships & Sponsorship Revenues

Licenses for Corporate boxes are issued for terms of between four and six years. Signage and sponsorship properties are sold for a range of terms of between one and six years. The related license fees/revenues are paid annually with the revenue recognised on a straight line basis throughout the year.

Stadium memberships have been sold for terms of two years. Payment may be made upfront or in a series of instalments. The payments received are recorded as Revenue in Advance, and recognised on a straight line basis over the term of the membership.



Interest

Interest income is accrued using the effective interest rate method.

Rental income

Rents are recognised on a straight line basis over the term of the lease.

Expenses

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

Interest

Interest expense is accrued using the effective interest rate method. The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

Taxation

As a Charitable Trust, the Trust meets requirements for exemption from income tax and accordingly no provision for income tax is recorded in the financial statements.

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive.

Financial Instruments

The Trust classifies its financial assets and financial liabilities according to the purpose for which they were acquired. The Trust determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Non-derivative Financial Instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Trust becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Trust's contractual rights to the cash flows from the financial assets expire or if the Trust transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Purchases and sales of financial assets in the ordinary course of business are accounted for at trade date. Financial liabilities are derecognised if the Trust's obligations specified in the contract expire or are discharged or cancelled.

Financial Assets

Cash and cash equivalents comprise cash balances and call deposits with up to six months' maturity. These are recorded at their nominal value.



Trade and other receivables are stated at their cost less impairment losses.

Financial Liabilities

Financial liabilities comprise trade and other payables and borrowings, and are all classified as other financial liabilities. Financial liabilities with a duration of more than 12 months are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Amortisation is recognised in the Statement of Comprehensive Revenue & Expense as is any gain or loss when the liability is derecognised.

Financial liabilities entered into with duration less than 12 months are recognised at their nominal value.

Derivative Financial Instruments

Derivative financial instruments are recognised at fair value as either assets or liabilities. The Trust does not hold any derivatives that qualify for hedge accounting. Derivatives that do not qualify for hedge accounting are classified as held for trading financial instruments with fair value gains or losses recognised in the Statement of Comprehensive Revenue & Expense. Fair value is determined based on quoted market prices.

Employee Entitlements

Employee entitlements that the Trust expects to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay. These benefits are principally annual leave earned but not yet taken at balance date, and bonus payments.

No provision for sick leave is accrued, as past experience indicates that compensated absences in the current year are not expected to be greater than sick leave entitlements earned in the coming year.

Other Liabilities & Provisions

Other Liabilities and provisions are recorded at the best estimate of the expenditure required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

Leases

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



Property, Plant and Equipment

Recognition

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

Measurement

Items of property, plant and equipment are initially recorded at cost.

The initial cost of property, plant and equipment includes the purchase consideration and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential and that can be measured reliably is capitalised. Borrowing costs are not capitalised.

Impairment

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

Disposal

Gains and losses arising from the disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Revenue & Expense in the period in which the transaction occurs.

Depreciation

Depreciation is provided on all property, plant and equipment, with certain exceptions. The exceptions are land, some aspects of the pitch and assets under construction (work in progress). Depreciation is calculated on a straight line basis, to allocate the cost or value of the asset (less any residual value) over its useful life. The estimated useful lives of the major classes of property, plant and equipment are as follows:

Land	indefinite
Pitch	10 years to indefinite
Buildings	8 to 70 years
Replay screen & production equipment	3 to 25 years
Fitout	5 to 50 years
Fittings	3 to 20 years
Plant & machinery & equipment	2 to 70 years

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

Work in progress

The cost of projects within work in progress is transferred to the relevant asset class when the project is completed, and then depreciated.

**Critical accounting estimates and assumptions**

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimating useful lives and residual values of property, plant, and equipment

At each balance date, the useful lives and residual values of property, plant, and equipment are reviewed. Assessing the appropriateness of useful life and residual value estimates of property, plant, and equipment requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by Trust, and expected disposal proceeds from the future sale of the asset

An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the statement of comprehensive revenue and expense, and carrying amount of the asset in the statement of financial position. The Trust minimises the risk of this estimation uncertainty by regular physical inspection of assets, and a planned preventative maintenance and asset replacement programme.

Statement of Cash Flows

The statement of cash flows has been prepared using the direct approach. Operating activities include cash received from all income sources of the Trust, record cash payments made for the supply of goods and services and include cash flows from other activities that are neither investing nor financing activities. Investing activities relate to the acquisition and disposal of assets. Financing activities relate to activities that result from the funding structure of the Trust.

Changes in Accounting Policies

There have been no changes in accounting policies.

John Shewan
Chair
FOR THE TRUSTEES
WELLINGTON REGIONAL STADIUM TRUST



**Statement of Intent and Business Plan
2020-21
Wellington Zoo Trust
Me tiaki, kia ora!**

Pursuant to Schedule 8 of the Local Government Act (2002)



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1. INTRODUCTION

Wellington Zoo is the Zoo with the biggest heart – a creative, innovative and progressive zoo which exists to create community value and to solve important social and environmental problems. We have local and global influence in animal welfare, sustainability initiatives, community engagement and conservation outcomes. We live by the kaupapa of **Me tiaki, kia ora!** This means that we **must** care for the planet so that life will thrive.

Wellington Zoo is the most sustainable zoo in the world. The World Association of Zoos and Aquariums inaugural Environmental Sustainability Award was awarded to Wellington Zoo in 2018. We believe that sustainability is an integral part of being an iconic organisation in our livable city. Our success as a cause-related business continues through prudent management and we work hard to connect to our diverse community of all ages. The animals who are cared for at Wellington Zoo are given the best lives possible and we take pride in being an Animal Welfare Accredited zoo - we received another three year accreditation in April 2019.

Future capital investment through upgrades and renewals will ensure the Zoo remains leading edge and we believe acquisition of animals, such as snow leopards, allows us to tell both local and global conservation stories which will drive positive action for the environment within our community. We see our capital investment and asset planning **as a response to community** expectations of a progressive and professional zoo and to create **ongoing resilience** for one of our city's most iconic places.

Wellington Zoo Trust Incorporated is incorporated under the Charitable Trusts Act 1957 and is a not for profit organisation.

COVID-19 Impact

Wellington Zoo Trust is a people based conservation organisation. Our operational excellence relies on people. Our work as a progressive zoo is important – we don't want to lose what we have built as that would affect our credibility and our ability to engage with the community, partners and funders into the future. Even though we are faced with uncertainty in the next two years we want to deliver our strategic priorities albeit with newly shaped time frames. The COVID-19 situation has created a number of challenges but may also create opportunities.

This has been a time to urgently grapple with immediate revenue loss and financial viability impacts in the 2020-21 year; the immediate safety of staff and animals; threats to business security; and the impacts on partners and supply chains. The positive for us going forward is to see the potential for us to make agile shifts in how we do business. We are taking inspiration from the resilience and perseverance of people in our teams and our networks and continue to have these ongoing conversations as we lean into what's coming. We should recognise that nobody in living memory has had to manage through a pandemic, let alone in a world as interconnected and interdependent as it is today. But Wellington Zoo has come through the Spanish Flu Pandemic of 1918, two world wars, the Great Depression and the GFC. We are resilient. The attractions industry is resilient and all new research indicates this is the case. We can take the lessons from past experience by reinvesting in the quality of the product and visitor experience, maintaining investment in imaginative marketing campaigns and events and deepening customer relationships, especially through the staging of relevant digital experiences.

Refocusing on purposeful leadership will help our Zoo obtain clarity on individual and organisational choices and direction. Refining and strengthening our purpose can help us all to create the new business opportunities as that becomes possible, and shape success from this crisis. In December 2019, Bina Venkataraman, author of *The Optimist's Telescope: Thinking Ahead in a Reckless Age*, suggested one of the most useful tools of the future thinker is to use prospective hindsight. That is, to imagine one or two potential desired scenarios and work backwards from the future to identify a plan that would lead to those points. We may have to allow our team time to accept that the new normal can no longer follow the old normal, and that preconceptions around work and connection have been altered for good. He says this overcomes our tendency to ask, 'OK, which future is more likely?'... He says 'it helps us to see the ways in which we have agency and choice to shape particular futures'.

We have tried to take an optimistic view as far as possible to protect our reasons for being and to live by our values. We do not want to lose our carbonzero status, we still want to care for wildlife, we want to support field conservation partners, we want excellent animal care for the Zoo's animals, engaging visitor experience for our community and we want to retain good people and be safe.

We are currently discussing what each alert level means for us in the new future but trying to take a long view. We don't want to waste the crisis by not assessing new ways of doing things, embracing technology and process improvement but we also want to stay true to our values and strategy. We are a people-based business with 71% of budget in salaries. We want to retain our excellent people.

Some of the reasons for an optimistic view for the future are that we have had much interest in our new catering EOI and also in the Snow Leopard project. Architecture Workshop is progressing with the Snow Leopard design phase and Story Inc are now on board for the interpretive design. Opening Snow Leopards will be a boon for us in 2021-22 and the project itself will provide more jobs for our city. Our social media uptake during Alert Level 4 has shown that people are still engaged with us and we can build on that community of support into the future. Staff morale is holding well.

In response to the letter from Councillor Jennie Condie on 13 May 2020 this final SOI will address, and provide an assessment of, the Trust's financial position and the approach planned for the year in light of the circumstances we all face as a result of COVID-19. Wellington Zoo is still in response mode to the pandemic but we are taking a *rebuild* and *regenerate* approach for our business planning over the coming eighteen months. We have taken a realistic approach to the COVID-19 impacts. As a fixed cost business we have very little room to move in operational expenditure. For the COVID-19 impact discussion we have used the parameters as requested by WCC.

We have discussed COVID-19 in the Operating Environment section (pp 10-14) of this final SOI. A COVID-19 budget and financial position is further expanded in the Financials section (pp 35-38). We have reviewed our Risk Matrix – we have included a risk for an extreme or prolonged event such as pandemic, terrorism or climate change (pp 25-28).

We plan to hold to our strategy as a place for people's wellbeing and the mission critical outcomes such as conservation, sustainability and community engagement. Our values as an organisation remain unchanged and we have ensured that our people and animals have been well cared for throughout the COVID-19 crisis.

We are grateful for the WCC support during this time and we have found that that opening the Zoo for free as part of the WCC pandemic plan has been very beneficial for our community. We have been overwhelmed by the community support for the Zoo while we have provided free entry with over half the pre-booked tickets (until the end of June) snapped up in the first 18 hours of being available. Our community love their Zoo and could not wait to come back and visit.

We have not changed the SOI measures in the COVID-19 related information as the financial realities make some of these, particular the financial measures, redundant. The non-financial measures remain as per the draft SOI. This area of the SOI will require further conversations with WCC over the coming year. We will update WCC in our quarterly reports as the coming year unfolds.

We acknowledge the WCC Grants as expressed in the Annual Plan as outlined in the 13 May 2020 letter.

2. CONTRIBUTION TO OUR CITY

Wellington Zoo is a strong contributor to our city, focusing on knowledge, collaboration, innovation and positive action. It contributes to the vibrancy and forward thinking of our city. We aim to be a reflection of our city and contribute, as a cutting edge cause-related business with talented people, to the thriving cultural and natural heritage of Wellington as a liveable city. The Zoo contributes strongly to liveability outcomes by being an integral part of the well-being of people that Wellington is renowned for amongst New Zealand cities.

We are working with WellingtonNZ and other partners to ensure economic growth for our city. As winners of the World Association of Zoos and Aquariums inaugural Environmental Sustainability Award, Green Gold and Vibrant Gold in the Wellington Gold Awards and the supreme winner of the Wellington Region Business Awards, we believe we are perfectly placed to add value to the economy of our region.

Wellington Zoo will be seen as:

- A leader in the city in shaping the community's views on and action for conservation and sustainable living.
- A valued and valuable member of the Wellington regional community that adds to the prosperity of our city through business activity, events, connections, inclusivity and engagement for children and their families and other members of our society.
- A substantial player in the drive to position Wellington as a centre for learning about and expertise in conservation and sustainability.
- A key contributor to helping the city become internationally competitive, entrepreneurial and innovative by attracting investment in education, research, tourism and employment and contributing to the provision of a vibrant city attracting a creative working population.
- An important part of Wellington's history as New Zealand's first zoo and the most visited paid cultural attraction in Wellington.
- An important part of the regional fabric that stimulates overall wealth creation, social stability and connects people to conservation and environmental issues. As our region's only zoo we are a unique asset for a vision for a sustainable city.

3. STRATEGIC DIRECTION

Wellington Zoo has renewed its strategy for 2019-23. The strategy integrates te ao Māori, the Global UN Sustainable Development Goals (SDGs) and the key strategic focus areas for the Zoo over the next five years. The strategy outlines the strategic why, how, what approach we have taken, the SDG materiality undertaken with Toitū and the te ao Māori approach completed with Neavin Broughton from Taranaki Whānui ki Te Upoko o Te Ika. The Wellington Zoo strategy is in line with **Wellington City Council's Te Tauihu Te Reo Māori Policy and Te Mapihi Maurea Naming Policy** and we are working with WCC officers to ensure our process aligns with that of Council.

The five year strategy (below) blends the major outcomes for the Zoo into key areas - it embraces our role as a community organisation, the capital city Zoo and as an organisation that values its people. Using the inspiration of Atua and Māori concepts we are able to define our areas of focus over the coming five years. It is an exciting vision for the Zoo and creates a strategic context for our kaupapa.

Wellington Zoo's strategy is about the Wellington Zoo of the 21st century and seeks to take us into a new realm, building on our success of the past few years. We will be using the Zoo's rebuilt physical platform to unlock the potential for Wellington Zoo to be seen as a leader and trusted voice in the conservation of species, engagement with community, excellence in animal welfare and sustainability outcomes. We have combined a global vision with local action so that we can be change makers for a better planet. **This aligns with Council's Aho-Tina Strategy and vision for Wellington as a creative city.**



As a sustainable organisation and as a community forum we must consider the **UN Sustainable Development Goals (SDGs)** in our approach. These 17 global goals set the framework for global prosperity - the very things we all want for our city. While we would aspire to address all 17 goals we are realistic and feel that we are in the best position to address many but not all. Sustainability is more than environmental initiatives and the SDGs frame that bigger picture.

The materiality assessment indicated five major goals for us – SDGs 4, 12,13,14 and 15. SDGs 11 and 17 are also important (see Materiality Assessment below). The materiality assessment considered input from Zoo members, conservation partners, Zoo staff and the Trust Board. The SDGs are firmly embedded into the new strategy and our impact will be measured over 2019-23. For us sustainability is more than maintaining the status quo – we aim to restore the planet so it thrives. Me Tiaki, kia ora!

Your materiality matrix



Wellington Zoo has been recognised in a multitude of awards over the past few years, from holistic sustainability to business and environmental leadership. We will continue to strive for excellence across our organisation. To achieve our strategy we will be ensuring our commitment to sustainability and our Toitū carbonzero certification continues with projects such as the solar power installation in as many Zoo buildings as we can. We intend to increase our EV fleet by two additional vehicles (four in total) this financial year to support the Council’s intentions in this area and obtain our electricity from Ecotricity, the only Toitū carbonzero certified electricity provider in New Zealand. **As a Toitū carbon zero certified organisation since 2013** we will continue to reduce our waste to landfill and work with officers to meet the **Regional Waste Management and Minimisation Plan and the Te Atakura, the First to Zero plan.** While we seek to continually reduce waste to landfill and we have investigated better solutions we are bound by contractual agreements until 2021.

During the coming year we will be seeking new contracts to align with Council expectations and our own.

Our values remain the same and flow more readily with the new strategy. Our values underpin our strategy and structure and they resound with our approach to being a welcoming, happy place. Our iwi alignment is reflected in the iwi interpretation of the values and we have worked with Taranaki Whānui ki Te Upoko o Te Ika to ensure the correct te ao Māori concepts reflect our intentions.



Core Business

The Trust will continue to provide the core business services that the Zoo has historically delivered to Wellington. These can be summarised as follows:

- Strategic direction and operational management of the Zoo.
- Development and maintenance of animal habitats which offer engaging experiences to visitors and high quality living environments to the resident animals.
- Provision of engaging learning experiences for visitors and community involvement with the Zoo as a community asset.
- Educational curriculum delivery to develop children as contributing citizens.
- A safe and inspiring place for family engagement and community learning.
- Care of the Zoo's animals to achieve excellent levels of health and emotional/psychological well-being according to the Five Domains of Animal Welfare.
- Contribution to conservation through advocacy, support for field conservation programmes and sustainable management practices.
- Participation in collaborative inter-zoo, and other conservation agency, programmes.
- Contribution to conservation, scientific, learning and management research projects in the field and on site.
- Fundraising for the organisation's future sustainability, development and conservation projects.

Trust Deed

Wellington Zoo Trust Deed states the objects of the Trust as follows:

"7.1 The objects for which the Trust is established, to the extent that they are a charitable purpose within New Zealand, are as follows:

7.1.1 To manage, administer, plan, develop, maintain, operate and promote Wellington Zoo as a zoological park for the benefit of the Wellington community and as an attraction for visitors to Wellington;

7.1.2 To educate the community by building an awareness of plant and animal species and the actions required to promote conservation;

7.1.3 To promote species conservation;

7.1.4 To support and complement the conservation and learning activities undertaken by other organisations;

7.1.5 To develop, manage and plan animal species management programmes;

7.1.6 To promote and coordinate the raising of funds to assist the management, administration, maintenance, planning, promotion and further development of Wellington Zoo;

7.1.7 To acquire additional plant and animal species; and

7.1.8 Generally to do all acts, matters and things that the Trustees think necessary or conducive to further or attain the objects of the Trust set out above for the benefit of the Wellington community."

Operating Environment

As New Zealand's capital city zoo we believe we should be providing a uniquely Wellington experience for families, school groups and other visitor groups - innovative, fun, professional, creative and personal.

We face challenges as a fixed cost organisation, especially in areas such as annual salary increases, cost increases from suppliers and the increasing need for commitment to conservation projects nationally and globally. However, **we support the Living Wage ethos and all Wellington Zoo employees are paid at, or above, the Living Wage. This will be part of our ongoing remuneration strategy for the Trust.**

The operating environment is supportive but also challenging in view of ongoing renewals of physical assets, ensuring the utmost safety for our people and the provision of current thinking on animal welfare. We have just recently passed our second three-year Animal Welfare Accreditation through the Zoo and Aquarium Association Australasia and this area of science continues to change rapidly so we must ensure we are meeting or exceeding current standards.

COVID-19 Impact

While WZT has been severely impacted by COVID-19 we plan to hold to our strategy and the mission critical outcomes such as conservation, sustainability and community engagement. Our values as an organisation remain unchanged and we have ensured that our people and animals have been well cared for throughout the COVID-19 crisis.

We are currently in **respond** mode to COVID-19. However, we are taking a **rebuild** and **regenerate** approach for our business planning over the coming 18 months. Our plans are to introduce new animal-related experiences for locals and domestic tourists, diversify our funding strategy from Trusts and Foundations to individual and corporate giving, changing the catering model to have an exclusive caterer who can drive business, ensuring our existing relationships stay solid and that our processes support our local and domestic focus. The percentage impacts we have outlined below reflect these changes to our business over the coming 18 months.

We are taking the opportunity to assess the data we have regarding visitors who have visited the Zoo during the free period. We are working with *DOT loves data* to understand those visitors more deeply. Interestingly, the results so far in this free period indicate that approximately 50% of visitors are from Wellington city, 35% from Greater Wellington and 15% from further afield such as Auckland and Invercargill. The redemption of booked tickets sits at approximately 80%. What has been clear is that all visitors have appreciated being able to visit for free and take their families to a safe, controlled environment during Alert Level 2. We are a place for community wellbeing and the reaction to us opening has proven that our community values the Zoo. All weekends through to June are booked out, and in the first 12 hours of bookings opening 21,504 bookings were made. We also had our first school booking at Alert Level 2, with Newtown School booking in for a visit in the first week of opening; and two schools that have booked in for virtual tours.

The response from the Wellington community to the Zoo re-opening has been outstanding, with engagement across all social media and online media outlets attracting thousands of comments.

When the Zoo website opened for bookings for the free entry tickets, demand temporarily crashed not only the NZ booking site, but the international supplier booking system. Our team provided quick and concise instructions and feedback for the community during the outage and the overwhelming feedback from the community has been extremely positive.

Retail sales are above what we would normally see during the week with visitors, anecdotally, using retail as a way to support the Zoo financially. We reached half of our May retail target in nine days.

COVID-19 Business Impacts and Financial Forecasts

Impacts 2019-2020

Wellington Zoo is still in response mode to COVID-19 until the end of the 2019-20 financial year. We are currently forecasting an operating **deficit to 30 June of \$703,034** against a break-even budget. We were forecasting a deficit of \$213,541 prior to COVID-19 and the impact of COVID-19 has given us no opportunity to pull this back through March to June. We had several initiatives in play for that period, which were side lined by COVID-19.

The impact on Wellington Zoo, without additional support, would be that the Trust would use all reserves and untagged operational reserves that have taken over ten years to accumulate. We have done this over this time as many of these programmes are 'lumpy' and do not allow us to manage these costs in an annual expenditure budget. These funds are for conservation programmes, international animal acquisitions such as chimpanzees, staff training and development and other strategic priorities such as the Te Ao Māori programme. Any tagged funds on hand cannot be touched as they were received for specific programmes or projects from various funders.

Revenue Lost due to COVID-19

- Visitor Revenue loss from 23 March to 30 June 2020 of \$999,729. Some schools cancelled before 23 March but they have not been included in this number.
- Operational Grants/Fundraising loss of \$53,840 against budget.
- Interest revenue reduction of \$5,853.
- Personnel expenditure is above budget by \$67,624 due mainly to increase in leave liability provision due to staff not taking leave over this period.

Revenue Received due to COVID-19

- Wage Subsidy received to 30 June 2020 of \$581,191. Cash received for the subsidy for permanent and casual staff was \$598,620 but \$17,429 of this subsidy covers casual wages in the new financial year 2020-2021.
- Other expenditure is below budget by \$75,547 mainly due to reduction in travel and training and reduction of cost of sales expenditure in line with retail revenue decrease.

The table below shows the full year forecast incorporating our financial results including the impact of COVID-19.

	Forecast 2019/20	Budget 2019/20	Variance Forecast vs Budget 2019/2020	% Variance Forecast vs Budget 2019/2020
Wellington Zoo Trust				
Revenue				
Total Visitor Revenue	3,198,849	4,407,038	(1,208,189)	(27)
WCC and MOE Grants	3,490,135	3,490,136	(2)	(0)
Other Revenue	450,042	477,673	(27,631)	(6)
Total Operating Revenue	7,139,026	8,374,847	(1,235,822)	(15)
Government Wage Subsidy	581,191	-	581,191	n.a
Total Revenue	7,720,217	8,374,847	(654,630)	(8)
Expenditure				
Total Personnel Expenditure	6,130,878	5,942,896	(187,982)	(3)
Other Expenses	2,292,373	2,431,951	139,578	6
Total Operating Expenses	8,423,251	8,374,847	(48,404)	(1)
Operating Surplus/Deficit	(703,034)	0	(703,034)	

Cash Flow Forecast April – June 2020

This table below shows what our cash position would have been without the impact of COVID-19, the impact it has had on our cash receipts and then the resulting impact of receiving the cash from the wage subsidy. This table shows the impact on our available funds. Our cash balance is shown net of reserves, tagged and untagged reserved funds of \$2,323,963. These funds are not available to be used as cash flow.

Cashflow Forecast April-June 2020	Pre COVID-19	COVID-19 impact	COVID-19 impact (with receipt of wage subsidy)
	\$	\$	
Cash was provided from :			
Receipts from customers	1,159,006	40,250	40,250
Wage Subsidy	0	0	598,620
Total Receipts	1,159,006	40,250	638,870
Cash was applied to:			
Payments to employees and suppliers	(2,180,558)	(2,180,558)	(2,180,558)
Total Payments	(2,180,558)	(2,180,558)	(2,180,558)
Movement	(1,021,552)	(2,140,308)	(1,541,688)
Cash balance at beginning	1,502,114	1,502,114	1,502,114
Cash balance at end	480,562	(638,194)	(39,574)

Business Planning 2020-2021 with COVID-19 Impact

This budget and business plan has been developed based on the following assumptions from WCC and our own view of the impacts on WZT from COVID-19. We have taken a realistic view based on what we know at this point in time. The uncertainty regarding recovery makes any further analysis difficult.

WCC Assumptions:

- Operating under Alert Level 2 from 1 July to 30 September 2020;
- Operating under Alert Level 1 from 1 October 2020 to June 2021;
- Trans-Tasman travel recommences for Q4 2020;
- If applicable, Council rents and charges continue as normal;
- No further financial assistance from NZ Government (wage subsidies); and
- Council grants unchanged from those currently in the 2020-2021 Annual Plan consultation document as per table below:

Operating Grant	\$3,494,475
Renewals Funding	\$910,991
Snow Leopards Funding	\$1,677,720

Based on these assumptions we have looked at potential revenue impacts and based revenue projections as a percentage of the previously approved SOI budget for 2020-2021 as shown in table below:

Revenue %	July-Sept 2020	Oct-Dec 2020	Jan-Mar 2021	Apr-June 2021
General Visitors	60%	70%	80%	80%
Membership	-	70%	80%	80%
Close Encounters	-	70%	80%	80%
Venues	-	30% (Nov/Dec only)	30%	30%
Learning	-	70%	80%	80%
Retail	25%	70%	80%	80%
Café Commission	50%	100%	100%	100%
Catering Commission	-	30%	30%	30%

We have also forecast a reduction of **50%** for operational grant revenue (ie, all grants other than WCC and LEOTC) for the full year and interest revenue to **33%** of budget due to lower funding available and the impact of low interest rates.

The full impact of assumptions from Wellington City Council and our assessment of the impact of revenue show a draft COVID-19 **revenue reduction of \$1,687,007**. We have based our revenue on standard pricing maintained for the full year. We have, at this stage, assumed expenditure to be in line with previously approved budget with reductions in travel and cost of sales in line with retail revenue reduction. These reduce expenditure by \$111,452.

- The Zoo has no ability to fund this deficit in 2020-2021.
- Extension of wage subsidy eligibility is questionable due to the Zoo being free for month of June in that we have foregone possible revenue. The impact from not being able to apply for this for our full time staff is approximately \$340k.
- Impact on future visitation due to Zoo entry being free from 16 May-30 June 2020 is unknown. Additionally there may be an impact on the Zoo's ability to source third-party grant funding to support the Zoo's work programme. These funders have traditionally been through organisations such as Lotteries or Pub Charity and other gaming trusts. The impact of Covid-19 on global charities is expected to significantly reduce their ability to generate revenue and we are unsure how this will affect the Zoo's funding streams.

This results in a COVID-19 budget deficit of \$1,575,555 as per table below:

	COVID-19 Budget 20/21	Board Approved Budget 20/21	Variance COVID- 19 Budget vs Board Approved Budget 20/21	% Variance COVID-19 Budget vs Budget 2019/2020
Wellington Zoo Trust				
Revenue				
Total Visitor Revenue	3,007,520	4,557,356	(1,549,836)	(34)
WCC and MOE Grants	3,578,690	3,578,690	-	0
Other Revenue	130,400	285,000	(154,600)	(54)
Total Operating Revenue	6,716,610	8,421,046	(1,704,436)	(20)
Government Wage Subsidy	17,429	-	17,429	n.a
Total Revenue	6,734,039	8,421,046	(1,687,007)	(20)
Expenditure				
Total Personnel Expenditure	5,987,114	5,987,114	0	0
Other Expenses	2,322,480	2,433,932	111,452	5
Total Operating Expenses	8,309,594	8,421,046	111,452	1.3
Operating Surplus/Deficit	(1,575,555)	(0)	(1,575,555)	

Aligning with Council Strategy

The work of the Zoo supports the four pillars of the Towards 2040 Strategy: eco city, people-centred city, connected city and dynamic city centre. The Zoo is an iconic asset for our city and as our city population grows there will be an even greater desire for the Zoo to be a sophisticated and accessible attraction which delivers 21st century conservation programmes and actions.

Wellington Zoo Trust's strategic areas are aligned to:

Connected City, Eco City, People Centred City

The Zoo is perfectly positioned, as a multi award winner in visitor experience, business leadership, vibrancy, sustainability and conservation, to take an active role in delivering conservation and sustainability messages to a large audience of 250,000 visitors on-site and many more online. We create compelling stories with clear calls to action and we craft community campaigns that move beyond simply raising awareness of an issue to driving lasting change and building a better world.

Wellington Zoo will continue to build its reputation as a creative and innovative zoo by including more opportunities for our visitors to experience multi-layered and multi-sensory learning experiences. We have rich content for storytelling and engagement with communities. We design creative and profound visitor experiences which connect people and animals in ways which inspire communities to take positive action for the environment.

Our commitment is to ensure continual improvement in visitor experience to achieve wider engagement within the community. We offer a range of events, discount days and other visitor programmes which ensure we engage our whole community in the work of the Zoo. **Accessibility is important to us as we believe that the Zoo belongs to everyone.**

We have achieved Be:Accessible Gold rating and we continue to improve the Zoo experience for all visitors, so that many more people have access to the Zoo in the ways that best suit them. We have embraced accessibility for the whole community by investing in recommendations from Be:Accessible to improve the experience for all people. **This aligns with Accessible Wellington, The Accessible Journey Action Plan 2019.**

Programmes such as The Warehouse Zoofari to support **low decile schools** in our region to have free transport costs and Zoo admission; LEOTC school discounted entry; free Neighbour's Night for our Newtown and Melrose locals in conjunction with City Housing and Newtown New World; discounted entry on Winter Wednesdays and Open Weekend ensure accessibility for a wider segment of the community. Over 50,000 people were able to visit the Zoo last year through these community accessibility initiatives.

Zoo Crew membership is continually increasing and this is a strategic aim for us as Zoo Crew provides an excellent value proposition for Wellington city ratepayers and residents who visit the Zoo often throughout the year. We know that Zoo Crew members visit on average four to five times per year (many individuals visit more often) so this offering makes a Zoo visit far more possible for many people.

As a child friendly city it's important for Wellington to cater for young people and their families, and for the Council this means providing safe, accessible and enjoyable places for recreation and play, and offering community events and activities that are suitable for all. **Our school holiday programmes are well attended and many other external holiday programmes visit the Zoo as part of their offering to the community.**

Eco City

Our end game is to save animals in the wild, locally and globally. We have a global conservation remit. We strive to show thought leadership in global conservation and sustainability by involvement with global partners and by taking leadership roles in the world and regional zoo professional community. We are respected in the zoo profession for our success in sustainability and we are a leading example of conservation investment and on ground conservation outcomes.

We are a key stakeholder in collaborative conservation breeding as well as science and veterinary research programmes within the zoo community, with other conservation agencies and higher learning organisations in Wellington, across New Zealand and beyond.

Our Species Plan focuses on the number of critically endangered, endangered and vulnerable species we have in human care at the Zoo and those we support through our conservation programmes in the animal's range state. This 20 year plan process is reviewed annually and redefined as we better align the animals we care for to the critical need in the wild.

The field conservation programmes for critically endangered and endangered species in their range state that we support are: Sumatran Tigers through Wildcats Conservation Alliance; Tasmanian Devils through Save the Devil Program; Malayan Sun bears through Free the Bears South East Asia; Cotton Top Tamarins through Proyecto Titi; Black and White Ruffed Lemurs through Madagascar Fauna and Flora Group; Chimpanzees through the Jane Goodall Institute; White-cheeked Gibbons through Fauna and Flora International, Vietnam; Kea through Kea Conservation Trust; North Island Kākā through breed for restoration programmes; Grand and Otago Skinks with DOC; Kororā and Tawaki through West Coast Penguin Trust and Golden Lion Tamarins through Associação Mico-Leão Dourado. The planned acquisition of Snow Leopards, Ring-tailed Lemurs and endangered Southern Hairy-nosed Wombats in the future will provide further opportunities for our community to engage with global conservation issues for endangered species.

The Nest Te Kōhanga, our state of the art veterinary hospital, works with a variety of native species. Native wildlife cases now make up 70% of the veterinary medicine case load – including many who are critically endangered. Our success in this area of successfully releasing injured native wildlife back to the wild is above world standard for zoo veterinary hospitals and we take great pride in this achievement.

People-Centred City, Connected City, Dynamic Central City

The Zoo's contribution to the economic development of our city is through its financial results, creating a place Wellingtonians can feel proud of, by the employment of over 100 people (80 FTE) and by being one of the largest employers in Newtown.

The Trust will continue to drive for results in its commercial imperatives this year to ensure financial sustainability. As a social enterprise we seek to ensure our financial sustainability so that our social and environmental goals can be achieved.

Wellington Zoo is inclusive for all sectors of our community – our visitor mix is diverse and we ensure that all visitors feel safe and respected. Our visitor numbers continue to grow. Our visitor feedback is positive and people are enjoying the continual change in the Zoo.

Connected City, Dynamic Central City

As one of the key environmental education providers in Wellington, the Zoo has a Learning Experience Outside the Classroom (LEOTC) contract with the Ministry of Education (MOE). Over **10,000 school children** annually experience a learning session with our conservation education experts at Wellington Zoo.

The MOE measures the success of the learning programmes at Wellington Zoo and we continue to receive positive feedback on our educator-led learning sessions and our innovative programmes that align with the Ministry's target areas, including improving education outcomes for Māori and Pasifika learners, special education learners and those from low socio-economic backgrounds.

Our partnership with The Warehouse continues to bring **low decile schools** from across the Wellington region to the Zoo for learning sessions as part of *The Warehouse Zoofari (Zoofari)*. Last year over 2,000 children from low decile schools, along with their parents and teachers, visited the Zoo as a result of *Zoofari* so the Zoo continues to build links to communities around the region.

Wellington Zoo's *Bush Builders* is a unique environmental literacy programme that helps children to discover for themselves the wonder of the world around them, in their own schools and homes, and to empower them to take positive action in their own communities. This successful programme has influenced over 4,000 students in our region.

Bush Builders emphasises the importance of building habitats for animals. The importance of plants within the animal habitats as well as in the visitor space is reflected in the beautiful gardens and native plants throughout the Zoo.

4. PERFORMANCE MEASUREMENTS

For the next three years the following table indicates the measures for WCC to monitor. These are linked to our strategic areas. These will be confirmed early in 2020-21 financial year. The out years may have become meaningless for financial measures given the COVID-19 impact. We will know more for the 2021-22 year.

WCC Performance Measures					
Measure	Frequency of Measure	Target 20-21	Target 2021-22	Target 2022-23	Notes
Visitors	Quarter*	254,000	255,000	256,000	To be reassessed over 20-21
Student and education visits	Annual	20,000	21,000	21,500	Conservation education programmes and student self-guided visits. COVID-19 impacts still to be determined
Council operating grant per visitor	Annual	\$13.76	\$14.10	\$14.45	To be reassessed over 20-21
Full cost to Council	Annual	<i>Not available from Council for Draft SOI</i>	<i>Not available from Council for Draft SOI</i>	<i>Not available from Council for Draft SOI</i>	This target is generated by Council and is not controlled by the Trust. It includes depreciation and shared services costs, CCO team costs, insurance, CAPEX interest and the OPEX grant.
Trading Revenue per visit (excl. grants & interest)	Annual	\$17.77	\$18.66	\$19.17	To be reassessed over 20-21
Non-Council donations and funding	Annual	\$324k	\$324k	\$324k	Non-Council operational grants, donations, sponsorships and bequests. This target does not include any capital funding. Most likely to be affected by COVID-19 impacts.
Percentage of operating costs generated by the Trust	Annual	59%	59%	59%	To be reassessed over 20-21
Trust generated income as percentage of the Council grant	Annual	144%	142%	142%	To be reassessed over 20-21

*Target Visitor Numbers by Quarter 2020-21 - will be affected by Covid-19 impacts

Q1	Q2	Q3	Q4	Total
49,304	66,626	68,451	69,619	254,000

Additional Zoo Performance Measures					
Measure	Frequency of Measure	Target 2020-21	Target 2021-22	Target 2022-23	Notes
Measure visitor feedback and satisfaction	Annual	8.5	8.5	8.5	This target is based on the overall experience rating which is measured out of ten.
Number of vulnerable, endangered or critically endangered species (IUCN Red List and DOC National list) at the Zoo	Annual	25	25	25	
Percentage of native animals released to the wild after triage and treatment by the Nest Te Kōhanga (TNTK)	Annual	50	50	50	Post 72 hour triage period.
Percentage of OPEX directly contributed to field conservation	Annual	7%	7.5%	8%	This measure uses the Zoo Aquarium Association (ZAA) Australasia Framework to measure direct contributions to field conservation.
Number of field conservation projects supported for vulnerable, endangered or critically endangered species (IUCN Red List and DOC National list) at the Zoo	Annual	12	12	12	
Participate in zoo-based research projects, scientific papers and presentations	Annual	10	10	10	These projects are directly related to conservation medicine, animal husbandry, animal welfare science and visitor engagement research.
Maintain Zoo and Aquarium Association animal welfare accreditation	Annual	Achieved	Achieved	Achieved	
Maintain Toitū carbonzero certification	Annual	Achieved	Achieved	Achieved	
Safety Improvement Team meeting attendance	Annual	80%	80%	80%	Measured against those staff available to attend meetings.
Successful emergency drill/incident debriefs held	Annual	8	8	8	Includes emergency drills, trial evacuations and real incidents occurring which require debriefing.
Volunteer engagement survey	Annual	1	1	1	This annual survey measures the satisfaction levels of those volunteering across the organisation.
Staff recognition programme	Annual	1	1	1	This measure refers to the year-long recognition of staff excellence at full staff meetings and culminates in the annual staff awards event in August.
Staff learning and development sessions held	Annual	10	10	10	In house learning opportunities from both internal and external speakers

5. APPROACH TO GOVERNANCE

Wellington Zoo Trust is a Council-Controlled Organisation (CCO) having been established in 2003 by the Wellington City Council to develop and manage Wellington Zoo.

Relationship with Council

The Trust ensures the ongoing viability of the organisation is maintained through the monitoring of Key Performance Measures. Governing policies have been developed by Trustees to ensure the business of the Trust is managed consistently with its Deed and stated direction.

As part of the ongoing relationship with the Wellington City Council, the Chair and Chief Executive meet with the Mayor and Wellington City Council Chief Executive on a regular basis. The Wellington Zoo Chief Executive meets regularly with Council officers for CCOs and other Council management when appropriate. The Chair and Chief Executive attend the CCO Performance Committee meetings as required.

The Trust's Statement of Financial Performance and audited accounts will be presented to Council within 60 days of financial year end. **These statements include the budget from the SOI for the same period as per the Letter of Expectation and our usual approach to the accounts.**

The Trust will disclose any material or potentially contentious transactions that are planned within its annual business plan. Where this is not possible, the earliest practicable notice will be given to Council of such transactions.

Wellington Zoo always publicly acknowledges Council's contribution to the Zoo as much as possible. We are grateful for Council support and seek to acknowledge this at events, animal habitat openings and other appropriate opportunities.

The principles governing the relationship between the Trust and Council will include:

- A "no surprises" approach;
- Open communications which acknowledge each partner's objectives and constraints;
- Mutually respectful negotiation of resolution of differences;
- Reciprocal recognition of the requirements of each other's processes; and
- Provision of quarterly reports against agreed KPMs and an annual report within three months of balance date.

Board Membership

Name	Term Expires
Craig Ellison (<i>Chair</i>)	31 December 2020
Raewyn Bleakley	31 December 2020
Nina Welanyk Brown	31 December 2021
Fleur Fitzsimons	20 October 2022
Michael Potts	31 December 2022
Ben Bateman	30 June 2023

All Board members are non-executive.

Board Committees

The Board operates one committee - the Finance, Audit and Risk Committee.

Board Development

The Board conducts an annual review of overall Board performance which determines individual and chair development needs and any other actions required to ensure best practice governance and performance standards are met. The Trust promotes Board development for corporate governance and spends at least ten hours a year on this at Board meetings and additional workshops and discussions. **A report will be tabled to the Wellington City Council Chief Executive on the Board review and outcomes by 30 September 2020.**

6. RESILIENCE, ASSETS AND RISK

Wellington Zoo Trust has a Board Finance, Audit and Risk Committee which meets quarterly throughout the year. The Board monitors our Risk Analysis and Mitigation Plan at least annually and this document is updated as required. Health and Safety (H&S) is currently managed via the GM Safety, Assets and Sustainability who is a direct report to the Chief Executive. The H&S Advisor works with our Safety Improvement Team to ensure safe practices in the Zoo for animals, staff and visitors. All Health and Safety incidents are monitored weekly by the Strategic Management Team (SMT) and by the Board at their regular meetings. An Annual H&S action plan is developed with the SMT and progress is reviewed against these actions at each Board meeting.

As with all our H&S responsibilities the Board (and other officers of the Trust) acknowledges and understands its accountability. We have made the appropriate improvements to ensure the new H&S legislation is well managed and that the Trust meets the required reporting, monitoring and reviewing of H&S objectives. We have regular conversations with relevant WCC officers in regard to H&S activities where we have overlapping duties to ensure WZT and WCC are aligned in our approaches.

The renewals budget allows us to maintain a resilient asset for the city. **Future CAPEX investment** will ensure the Zoo continues to meet expected zoo standards of animal care, visitor experience and staff welfare. Significant investment from WCC for the Zoo Capital Plan (ZCP) has meant many of the older areas have been upgraded and elevated Wellington Zoo to be a world-leading progressive zoo. We need to continue to build on this and provide for our visitors, staff and animals.

The completion of the ZCP has seen the Zoo transform itself into a vibrant attraction with facilities that meet modern standards. Further improvements to Zoo facilities to house snow leopards is in the first half of the current LTP and cheetahs/lions redevelopments in the later half. Investment of \$3.702 million of capital expenditure in year two to four is planned to upgrade facilities at the Zoo to accommodate Snow Leopards. Wellington Zoo will fundraise \$925,500 towards the Snow Leopard project. **This fundraising target may be affected by Covid-19 pandemic impacts.**

The Trust has been successful in obtaining grants from Trusts and Foundations for capital works, and we plan to seek this type of funding for the Snow Leopards project alongside other funding opportunities as appropriate. We have had success in fundraising for both smaller and larger capital projects, including raising more than the required 25% of the total capital expenditure for the ten year ZCP project through to 2015/2016. More recently we additionally fundraised \$500,000 for the \$1.3 million Chimpanzee Park renewal project in 2017/2018, \$400,000 for the Giraffe habitat project renewal in 2019/2020, and \$100,000 for the Wellington Green Gecko Visitor experience and Tuatara Management facility in 2019/2020. We are confident the on-going development of the Zoo through the LTP and our engagement with Trusts and Foundations, in addition to the support of our broader community, will ensure this fundraising success continues.

The Snow Leopard project is currently in its early concept phase, with the design consultant team, Architecture Workshop, appointed in late February. The interpretive designer, Story Inc, has also been appointed now. The Zoo's intention is to complete the design and resource/building consent phase of the project by late 2020, with construction starting in early 2021. Construction is projected to take up to 12 months, so Snow Leopards can be expected to be seen by Zoo visitors in early 2022.

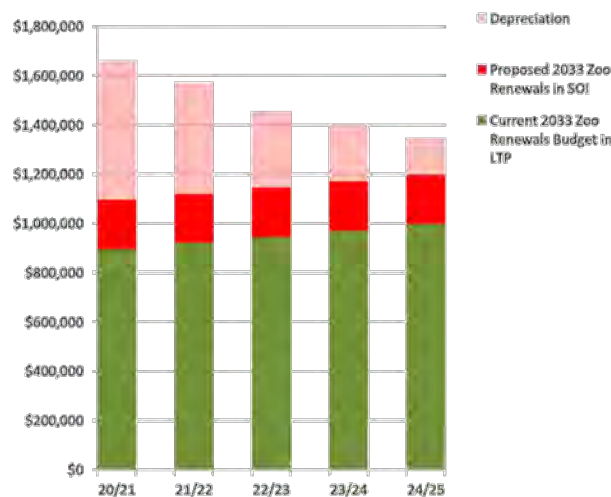
The Zoo is developing a detailed Asset Management Plan (AMP) linked to WCC AMP processes to ensure the ongoing maintenance and renewal of the Zoo asset and that we are executing our obligations under the Contract for Services. The AMP will enable the Zoo to manage asset lifecycles for a whole-of-life approach with due consideration given to WCC and Zoo joint objectives, provide assurance of funding required to cover existing and future asset renewals and

avoid critical failure of ageing infrastructure assets, update any assets not fit for purpose from an animal welfare standard and resolve any potential Health and Safety issues and the associated reputational risk these issues could bring

To date, we have completed a realignment of the Zoo's existing assets into the WCC asset structure which will improve ongoing detailed financial reporting for the Zoo asset for WCC officers. We will continue to work with WCC officers to develop our detailed asset management plan in line with Council processes for asset renewals, business continuity and earthquake resilience in readiness for the Council Long-Term Plan development.

One of the challenges of maintaining the Zoo asset is the variable lifecycle ages of structures and animal habitats. As our knowledge of the animals in Zoo care increases, previous habitats and animal care and welfare practices can become outdated. Zoos' internationally now consider 20 years to be too long and in global experience it is more realistic to plan for a **ten year life expectancy** for zoo animal habitat assets.

The Zoo's position is that the current infrastructure renewals budget is insufficient to cover existing asset renewals. In the 2017/18 SOI we estimated additional funding of \$200k per annum was required to assist a programme of asset renewals, including animal habitats, visitor areas and pathways, buildings and essential plant and equipment.



The shortfall in the graph (above in red) indicates the propensity of the Zoo to achieve a total AMP result. In terms of maintaining current levels of service, this shortfall could result in a failure of ageing infrastructure assets, meaning assets are not fit for purpose, and could create potential H&S and animal welfare issues. The development of a detailed AMP, along with the revaluation and condition rating of the current asset, will allow the Zoo and WCC to interrogate this shortfall in greater detail, focusing on critical assets as a priority.

Working with WCC officers, we intend to carry out revaluation and condition rating of all Zoo assets to provide an objective assessment of the Zoo condition and more accurate depreciation figures. By working with WCC officers, this data can feed into the proposed WCC modelling programme, and will enable visibility and improved reporting across the Zoo asset for WCC and the Trust Board.

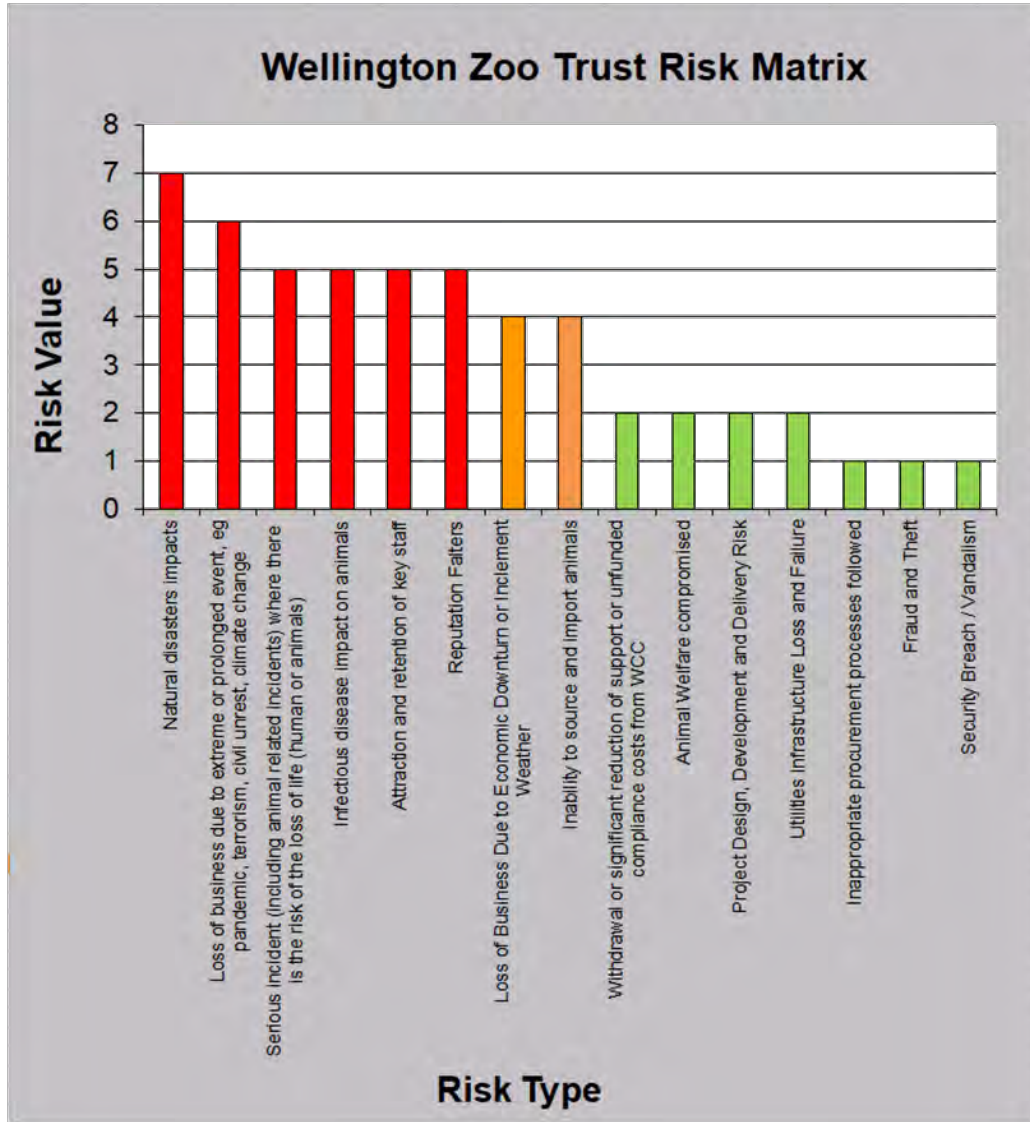
The Zoo's Risk Matrix highlights the criticality of maintaining a resilient asset for the City. Impacts of a natural disaster, serious incidents and reputational falters are all potential risks if we are not able to adequately manage or resource the asset management programme and appropriately fund the renewals programmes sufficiently.

Proposed New Capital Projects	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	TOTAL
<p>Snow Leopards</p> <p>Snow Leopards are endangered in the wild, with a population of less than 4,000 thought to exist in their mountainous range state.</p> <p>International research shows that big cats are the biggest draw card for visitors attending zoos. As the only zoo in New Zealand with Snow Leopards, we would be part of the international commitment to protect this species via home range direct conservation action.</p> <p>The design consultant team is now being selected.</p>	308,000	1,677,000	1,717,000							\$3.702m Included in the LTP

Risk Analysis & Mitigation Plan for Wellington Zoo Trust

Risk Identification	Probability	Impact	Risk Value	Risk Mitigation	Accountability	Responsibility
Natural disasters impacts	0	7	7	Business Continuity Plan, Emergency Management Plans. All documents reviewed annually. Regular practice drills carried out. Once emergency is over then a tactical marketing and communications plan will be implemented.	CE & Board	Board SMT
Loss of business due to extreme or prolonged event, eg pandemic, terrorism, civil unrest, climate change	-1	7	6	In the event of an extreme or prolonged event that results in a major impact on our business, we would implement tactical marketing and pricing and a targeted communications plan. Emergency logistics, animal management and procurement plans will be put into effect as required due to the nature of the event. Aspects of the planned recovery from such an extreme one off event are also covered in the Business Continuity Plan. Review and revise budgets, reduce spending as appropriate and investigate new revenue raising initiatives. Strong relationship with WCC, as owner, is paramount.	CE & Board	Board SMT
Serious incident (including animal-related incidents) where there is the risk of the loss of life (human or animals)	-2	7	5	Emergency Management Plans, Health & Safety Management System, Communications Plans reviewed annually. Regular practice drills carried out. Monitored Fire Alarms in all people occupied buildings and where possible in animal housing depending on risk. Building WOFs. Annual MPI audit and Containment Standards maintained. Inductions (staff and contractors), Monitor competency of staff and contractors. Two keeper system in place. Board and SMT site reviews.	CE & Board	Board SMT
Infectious disease impact on animal	-1	6	5	Health & Safety Management Plan, EPA/MPI policies, Infectious Diseases Policy, veterinary protocols and pre-import screenings.	CE & Board	Board GMAC&S, GMSAS
Attraction and retention of key staff	-1	6	5	Learning and Development strategy and opportunities. Career progression initiatives such as the Keeper development programme. HR policies. Remuneration Policy. Engagement through shared values. Employee Experience Journey protocols, eg advertising, induction	CE & Board	Board SMT
Reputation falters	-1	6	5	Communications protocols to communicate with key stakeholders, media and community in event of reputational risk. Strong relationship management with partners and stakeholders, eg DOC, MPI, WCC. Mitigations in place to avoid this happening include: Animal Welfare Accreditation, Euthanasia Policy, Code of Conduct, Media Relations Policy, Electronic Communications and Internet Usage Policy, Use of Social Media Policy, Disciplinary Policy, H&S Policy. Seek appropriate and timely advice.	CE & Board	Board SMT
Loss of business due to economic downturn or inclement weather	-1	5	4	As part of the annual planning process the operating environment is evaluated. In the event of an unexpected sharp economic downturn, tactical marketing and pricing will be put into effect and tempered by prudent financial management.	CE & Board	SMT Board
Inability to source and import animals	-1	5	4	Zoo Species Plan is continually updated. The Animal Science Manager position is responsible for sourcing animals. ZAA and WAZA members and have relationships with other zoos around the world to source animals through programmes such as ASMP. Strong relationship management with DOC, MPI and EPA.	CE & Board	Board GMAC&S

Risk Identification	Probability	Impact	Risk Value	Risk Mitigation	Accountability	Responsibility
Withdrawal or significant reduction of support or unfunded compliance costs from WCC	-2	4	2	Statement of Intent, Contract for Services, relationship plans where appropriate and regular meetings with key contacts at WCC such as The Mayor, Deputy Mayor, Portfolio leaders, Councillors, Chief Executive and ELT Presentations at relevant Committee meetings, inclusion of WCC partners at all events, regular reporting on Zoo-based activities, relationships developed between relevant officers across WCC and related Zoo portfolios managers.	CE & Board	CE Board
Animal Welfare compromised	-3	5	2	Through ZAA Accreditation the Zoo's animals' welfare state is evaluated. Husbandry Manuals which are regularly reviewed and updated so that all animal needs are met. Staff attending national and international conferences as part of development policies ensures their knowledge stays current. Governed by WZT Animal Welfare Committee.	CE & Board	Board GMAC&S
Project design, development and delivery risk	-3	5	2	Project Management Process as agreed with the Board, following procurement processes for engaging consultants and contractors, regular progress meetings to maintain projects on time and within budget, regular reporting the Board on capital and renewals projects	CE & Board	Board GMSAS
Utilities Infrastructure Loss and Failure	-1	3	2	Business Continuity Plan, WCC Business Continuity Plan. Minor Works programme ensure maintenance up to date. Connection to WCC systems where appropriate to utilise WCC back-up systems.	CE & Board	Board SMT
Inappropriate procurement processes followed	-3	4	1	Procurement Policy, Delegations Policy, Register of Interests, delegations for approvals, Board approval process for capital procurement and WCC signoff for Capital Procurement for major capital projects	CE & Board	Board CFO
Fraud and Theft	-2	3	1	CCTV at front entrance which is monitored weekly by SMT members and also monitored by Sales and Services Manager, Code of Conduct. Financial management procedures. Daily banking checks by Finance and Administration Advisor with written procedures for following up variances. Annual audit by Audit NZ. Pre-employment Criminal checks.	CE & Board	Board GMBP/CFO
Security Breach/Vandalism	-2	3	1	CCTV System and Security Alarms in all our buildings and where applicable in animal areas. Weekly perimeter checks. Maintenance of Perimeter Fence. Routine nightly security checks. After hours doors and security gate monitoring.	CE & Board	Board GMSAS







Risk Analysis Scale

Risk Analysis Scale

Score	Probability that the Event will Occur
1	Almost Certain and / or could occur frequently
0	Very likely to occur and / or could occur more than once
-1	Moderately likely to occur and / or could occur at least once
-2	Unlikely to occur and / or might occur once
-3	Very unlikely to occur

Score	Level of Impact of the Event Occurring
7	Catastrophic Damage value greater than 50% of the project value, or Major delay to the project completion, or Major impact on this and other business opportunities
6	Very High Impact Damage value about 20% - 50% of the project value, or Significant delay to project completion, or Significant impact on this and other business opportunities
5	Major Damage value about 5% - 20% of the project value, or Project completion affected, or Some impact on this or other business opportunities
4	Minor Damage value less than 5% of the project value, or Project completion not impacted (although a phase of the project may be), or This business opportunity could be impacted
3	Negligible Damage value covered by contingency, any delays barely noticeable and client unaffected
2	Minimal

These two scores are added together to give a "Risk Value". This will be in the range zero to eight.

-  All risks with a Risk Value of 5 - 8 must have a mitigation plan developed and agreed with the Board.
-  All risks with a Risk Value of 3 or 4 shall have a mitigation plan so they can be managed by SMT.
-  All risks with a Risk Value of 0 - 2 can just be recorded and accepted as such until such time as they produce a higher score.
-  Any risk that has a Probability Value of one (1) or an Impact Value of five (5) or more must still have a mitigation plan even if the overall Risk Value is less than five.

7. ADDITIONAL INFORMATION

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

Not applicable.

b) Ratio of shareholders' funds to total assets

Please refer to the Balance Sheet and Accounting Policies included.

c) Estimate of amount intended for distribution

Wellington Zoo Trust does not make a distribution to the Settlor.

d) Acquisition procedures

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

e) Activities for which the Board seeks compensation from a Local Authority

The Board acknowledges the **\$3,494,475 in 2020-21 operational funding in the Long Term Plan.**

The Board acknowledges the **\$910,991 included in the Long Term Plan** for Zoo Asset renewals for 2020-21. However, we note that in the full cost of the Zoo measure calculated by WCC, depreciation for the Zoo asset is running at \$1.66m pa in 2020/21. This is considerably more than the renewals funding we receive. We discussed this issue with Officers during 2017-18 in time for LTP decisions; however a decision on this was deferred pending development of the detailed asset management plan. We believe that uplift in renewals would enable the Trust to better maintain the Zoo asset and would reduce the need for large capital investment in the coming 20 years (excluding the projects already indicated).

The Board acknowledges the **\$1,677,720 included in the Long Term Plan** for the Snow Leopard Project in 2020-21.

f) Estimate of commercial value of shareholders investment

Not applicable.

g) Other matters (if applicable), eg water supply services LGA requirements

Not applicable.

h) Supplementary information the entity wishes to include

Not applicable.

8. ACCOUNTING POLICIES

Reporting Entity

The Wellington Zoo Trust (the Trust) is a charitable trust registered under the Charitable Trusts Act 1957 domiciled in New Zealand and is also a council-controlled organisation as defined under Section 6, Part 1 of the Local Government Act 2002, by virtue of the Council's right to appoint the Board of Trustees. The Trust was established on 1 July 2003 by the Wellington City Council.

The financial statements have been prepared in accordance with the requirements of the Charitable Trusts Act 1957 and section 69 of the Local Government Act 2002.

The Trust is reliant on the Wellington City Council (the Council) for the majority of its income and operates under a Contract for Services with the Council. The Contract for Services was re-negotiated to 30 June 2021. Ongoing funding for the Trust has been approved in the 2018/2028 Long Term Plan.

The primary objective of the Trust is to manage, administer, plan, develop, maintain, operate and promote the Wellington Zoo for the benefits of the inhabitants of Wellington and as an attraction to visitors to Wellington, not to make a financial return. Accordingly, the Trust has designated itself as a public benefit entity for the purposes of New Zealand PBE IPSAS.

Under this framework, the Trust is eligible to apply the reduced disclosure regime (Tier 2 entity) of the Public Benefit Entity Accounting Standards.

The reporting period for these financial statements is for the year ended 30 June 2019. The financial statements were authorised for issue by the Board of Trustees on 30 August 2019.

Statement of Compliance

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.

Prior Year Comparatives

Certain prior year comparative figures have been restated for comparability purposes.

Standard issued and not yet effective and not early adopted

Financial instruments

In January 2017, the External Reporting Board issued PBE IFRS 9 Financial Instruments. This replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for financial years beginning or after 1 January 2021, with early adoption permitted. The main changes under the standard relevant to the Trust are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses.

The Trust plans to apply the new standard in preparing the 30 June 2022 financial statements and has not yet assessed the effects of this new standard.

Critical Accounting estimates and assumptions

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future. The Trust has assessed the financial records and there are no significant critical accounting estimates. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Grants

Grants received from the Wellington City Council are the primary source of funding to the Trust and are restricted for the purposes of the Trust meeting its objectives as specified in the trust deed. The Trust also receives other assistance for specific purposes, and these grants usually contain restrictions on their use.

Grants are recognised as revenue when they become receivable unless there is an obligation to return the funds if the conditions of the grant are not met. If there is such an obligation the grants are initially recorded as grants received in advance, and recognised as revenue when the conditions of the grant are satisfied.

Revenue

Revenue comprises revenue from operating activities, investment revenue, grants and donations and other revenue and is measured at the fair value of consideration received or receivable.

Revenue may be derived from either exchange or non-exchange transactions.

Most of the services that the Trust provides for a fee are subsidised by grants therefore do not constitute an approximately equal exchange. Accordingly most of the Trust's revenue is categorised as non-exchange.

Donated, subsidised or vested assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Such revenue is recognised when control over the asset is obtained.

Interest

Interest revenue is recognised using the effective interest rate method.

Volunteer Services Recognition

The Trust benefits from the service of dedicated volunteers in the delivery of its activities. Due to the difficulty in determining the value of these donated services with sufficient reliability, donated services are not recognised in these financial statements.

Taxation

The Trust is registered as a Charitable Trust and is exempt from income tax under the Income Tax Act 2007. The Trust is not exempt from indirect tax legislation such as Goods and Services Tax and accordingly is required to comply with these regulations.

Goods and Services Tax (GST)

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

Debtors and other receivables

Debtor and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of less than three months.

Investments

Term deposits are initially measured at the amount invested.

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Inventory

Inventories are recorded at the lower of cost (determined on a first-in first-out basis) or net realisable value. This valuation includes allowances for slow moving and obsolete stock. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Property, Plant and Equipment

Recognition

Property, plant and equipment consist primarily of operational assets. Expenditure is capitalised when it creates a new asset or increases the economic benefits over the total life of an existing asset. Costs that do not meet criteria for capitalisation are expensed. The Trust also manages the construction and development of buildings, structures and 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 and time off in lieu) is calculated on an actual entitlement basis at the greater of the average or current hourly earnings in accordance with sections 16(2) & 16(4) of the Holidays Act 2003.

Other Contractual Entitlements

Other contractual entitlements include termination benefits. Termination benefits are recognised in the Statement of Financial Performance only when there is a demonstrable commitment to terminate employment. Termination benefits settled within 12 months are reported at the amount expected to be paid, otherwise they are reported as the present value of the estimated future cash outflows.

Provisions

The Trust recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

Revenue in Advance

The Trust has received non-exchange funds for specific purposes with conditions that would require the return of the monies if the Trust is not able to fulfil the agreement. The revenue from these agreements will only be recognised as the conditions are fulfilled over time.

The Trust has received non-exchange funds which apply to periods beyond the current year with conditions that would require the return of the monies if the Trust is not able to fulfil the obligation.

Contingent Assets and Liabilities

Contingent liabilities and contingent assets are disclosed in the notes to the financial statements. Contingent liabilities are disclosed if the possibility that they will crystallise is not remote. Contingent assets are disclosed if it is probable that the benefits will be realised.

Animal Collection

In accordance with customary practice among Zoological organisations, animals are not recorded as there is no objective basis for establishing value. Additionally, animals have numerous attributes, including species, age, sex, relationship and value to other animals, endangered status and breeding potential whereby it is impracticable to assign value. Expenditure related to animal acquisitions is expensed in the period of acquisition.

Equity

Equity is the residual interest in the Trust and is measured as the difference between total assets and total liabilities. The components of equity are accumulated surpluses and deficits and restricted funds (special funds, trusts and bequests).

Restricted funds are those reserves that are subject to specific conditions of use whether under statute or accepted as binding by the Trust because of the specific reason for which the funds were provided. Transfers from these reserves may be made only for specified purposes or when certain specified conditions are met.

Statement of Cash Flows

The statement of cash flows is prepared using the direct approach. Operating activities include cash received from all revenue sources of the Trust and record the cash payments made for the supply of goods and services. Investing activities relate to the acquisition and disposal of assets. Financing activities relate to transactions that change the equity and debt capital structure of the Trust.

Related Parties

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include Wellington City Council, key management personnel and the governing body (Trust Board).

Trustees' remuneration is any money, consideration or benefit received receivable or otherwise made available, directly or indirectly, to a trustee during the reporting period. The disclosures for the Trust include the remuneration of the Trustee board as they occupy the position of a member of the governing body of the Trust.

Changes to Accounting Policies

There have been no changes in accounting policies this year.

9. FORECAST FINANCIAL STATEMENTS

COVID-19 impact budget

CCO: Wellington Zoo Trust COVID-19 Business Plan 2020/21		\$NZ000's						
Estimate 30-Jun-20	EARNINGS STATEMENT	Qtr to 30-Sep-20	Qtr to 31-Dec-20	Qtr to 31-Mar-21	Qtr to 30-Jun-21	Total YE 30-Jun-21	Total YE 30-Jun-22	Total YE 30-Jun-23
	Revenue							
3076	Trading Income	312	836	989	775	2,912	4,608	4,758
3406	WCC Grants	874	874	873	874	3,495	3,596	3,700
666	Other Grants	38	21	22	21	102	84	84
211	Sponsorships and Donations-Operational	60	20	0	40	120	240	240
680	Sponsorships and Donations-Capital	0	0	0	0	0	-	0
26	Investment Income	3	2	3	2	10	30	30
336	Other Income	11	32	27	26	96	150	150
8,401	Total Revenue	1,298	1,785	1,914	1,738	6,735	8,708	8,962
	Expenditure							
6,131	Employee Costs	1,497	1,497	1,497	1,497	5,988	6,158	6,330
2,288	Other Operating Expenses	557	590	591	585	2,323	2,550	2,632
5	Depreciation					0	0	0
0	Interest	0	0	0	0	0	0	0
964	Vested Assets/Restricted Funds spend					0	0	0
9,388	Total Expenditure	2,054	2,087	2,088	2,082	8,311	8,708	8,962
(987)	Net Surplus/(Deficit) before Taxation	(756)	(302)	(174)	(344)	(1,576)	0	0
0	Taxation Expense					0	0	0
(703)	Operating Surplus (Deficit)	(756)	(302)	(174)	(344)	(1,576)	0	0
(987)	Net Surplus/(Deficit)	(756)	(302)	(174)	(344)	(1,576)	0	0
-8.4%	Operating Margin	-58.2%	-16.9%	-9.1%	-19.8%	-23.4%	0.0%	0.0%

COUNCIL CONTROLLED ORGANISATIONS
SUBCOMMITTEE
16 SEPTEMBER 2020

Estimate 30-Jun-20	STATEMENT OF FINANCIAL POSITION	As at 30-Sep-20	As at 31-Dec-20	As at 31-Mar-21	As at 30-Jun-21		As at 30-Jun-22	As at 30-Jun-23
	Shareholder/Trust Funds							
0	Share Capital/Settled Funds	0	0	0	0		0	0
0	Revaluation Reserves	0	0	0	0		0	0
1,322	Restricted Funds	1,322	1,322	1,322	1,322		1,322	1,322
(461)	Retained Earnings	(1,217)	(1,519)	(1,693)	(2,037)		(2,037)	(2,037)
861	Total Shareholder/Trust Funds	105	(197)	(371)	(715)		(715)	(715)
	Current Assets							
1,832	Cash and Bank	1,843	667	1,261	43		41	61
150	Accounts Receivable	150	150	150	150		150	150
102	Other Current Assets	100	100	100	100		100	100
2,084	Total Current Assets	2,093	917	1,511	293		291	311
	Investments							
0	Deposits on Call	0	0	0	0		0	0
0	Other Investments	0	0	0	0		0	0
0	Total Investments	0	0	0	0		0	0
	Non-Current Assets							
0	Fixed Assets	0	0	0	0		0	0
0	Other Non-current Assets	0	0	0	0		0	0
0	Total Non-current Assets	0	0	0	0		0	0
2,084	Total Assets	2,093	917	1,511	293		291	311
	Current Liabilities							
551	Accounts Payable and Accruals	550	400	690	550		500	500
	Provisions						0	0
672	Other Current Liabilities	1,438	714	1,282	458		506	526
1,223	Total Current Liabilities	1,988	1,114	1,882	1,008		1,006	1,026
	Non-Current Liabilities							
0	Loans - WCC	0	0	0	0		0	0
0	Loans - Other	0	0	0	0		0	0
0	Other Non-Current Liabilities	0	0	0	0		0	0
0	Total Non-Current Liabilities	0	0	0	0		0	0
861	Net Assets	105	(197)	(371)	(715)		(715)	(715)
1.7	Current Ratio	1.1	0.8	1	0.3		0	0.3
41.3%	Equity Ratio	5.0%	-21.5%	-24.6%	-244.0%		-245.7%	-229.9%

Estimate 30-Jun-20	STATEMENT OF CASH FLOWS	Qtr to 30-Sep-20	Qtr to 31-Dec-20	Qtr to 31-Mar-21	Qtr to 30-Jun-21	Total YE 30-Jun-21	Total YE 30-Jun-22	Total YE 30-Jun-23
	<i>Cash provided from:</i>							
3,076	Trading Receipts	312	836	989	775	2,912	4,608	4,758
3,406	WCC Grants	1641	0	1641	0	3,282	3,596	3,700
666	Other Grants	38	21	22	21	102	82	82
891	Sponsorships and Donations	60	20	0	40	120	240	240
26	Investment Income	3	2	3	2	10	30	30
123	Other Income	11	32	27	26	96	150	150
8,188		2,065	911	2,682	864	6,522	8,706	8,960
	<i>Cash applied to:</i>							
6,131	Payments to Employees	1,497	1,497	1,497	1,497	5,988	6,158	6,330
3,124	Payments to Suppliers	557	590	591	585	2,323	2,550	2,610
	Net GST Cashflow					0	0	0
964	Other Operating Costs (VESTING)			0	0	0	0	0
	Interest Paid	0				0	0	0
10,219		2,054	2,087	2,088	2,082	8,311	8,708	8,940
(2,031)	Total Operating Cash Flow	11	(1,176)	594	(1,218)	(1,789)	(2)	20
	Investing Cash Flow							
	<i>Cash provided from:</i>							
	Sale of Fixed Assets					0	0	0
	Other					0	0	0
0		0	0	0	0	0	0	0
	<i>Cash applied to:</i>							
0	Purchase of Fixed Assets					0	0	0
0	Other -vesting Cash for Capital Projects	0			0	0	0	0
0		0	0	0	0	0	0	0
0	Total Investing Cash Flow	0	0	0	0	0	0	0

COUNCIL CONTROLLED ORGANISATIONS
SUBCOMMITTEE
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Estimate 30-Jun-20	STATEMENT OF CASH FLOWS (CONT)	Qtr to 30-Sep-20	Qtr to 31-Dec-20	Qtr to 31-Mar-21	Qtr to 30-Jun-21	Total YE 30-Jun-21	Total YE 30-Jun-22	Total YE 30-Jun-23
	Financing Cash Flow							
	<i>Cash provided from:</i>							
	Drawdown of Loans					0	0	0
	Other					0	0	0
0		0	0	0	0	0	0	0
	<i>Cash applied to:</i>							
	Repayment of Loans					0	0	0
	Other					0	0	0
0		0	0	0	0	0	0	0
0	Total Financing Cash Flow	0	0	0	0	0	0	0
(2,031)	Net Increase/(Decrease) in Cash Held	11	(1,176)	594	(1,218)	(1,789)	(2)	20
3,863	Opening Cash Equivalents	1,832	1,843	667	1,261	1,832	43	41
1,832	Closing Cash Equivalents	1,843	667	1,261	43	43	41	61

Estimate 30-Jun-20	CASH FLOW RECONCILIATION	Qtr to 30-Sep-20	Qtr to 31-Dec-20	Qtr to 31-Mar-21	Qtr to 30-Jun-21	Total YE 30-Jun-21	Total YE 30-Jun-22	Total YE 30-Jun-23
(987)	Operating Surplus/(Deficit) for the Year	(756)	(302)	(174)	(344)	(1,576)	0	0
	<i>Add Non Cash Items</i>							
5	Depreciation	0	0	0	0	0	0	0
(213)	Other (Restricted Funds movement)	0	0	0	0	0	0	0
(1,195)		(756)	(302)	(174)	(344)	(1,576)	0	0
	Movements in Working Capital							
(317)	(Increase)/Decrease in Receivables	0	0	0	0	0	0	0
10	(Increase)/Decrease in Other Current Assets	2	0	0	0	2	0	0
(8)	Increase/(Decrease) in Accounts Payable	(1)	(150)	200	(50)	(1)	(50)	0
(521)	Increase/(Decrease) in Other Current Liabilities	766	(724)	568	(824)	(214)	48	20
(836)		767	(874)	768	(874)	(213)	(2)	20
	Net Gain/(Loss) on Sale:							
	Fixed Assets	0				0		
	Investments	0				0		
0		0	0	0	0	0	0	0
(2,031)	Net Cash Flow from Operations	11	(1,176)	594	(1,218)	(1,789)	(2)	20



Craig Ellison
 Board Chair, Wellington Zoo Trust