
6. Committee Reports

REPORT OF THE COUNCIL CONTROLLED ORGANISATIONS SUBCOMMITTEE MEETING OF 5 JUNE 2019

Members: Mayor Lester, Councillor Fitzsimons, Councillor Lee, Councillor Marsh, Councillor Woolf (Chair), Councillor Calvert, Councillor Gilbert .

The Committee recommends:

Final Statements of Intent for Council Controlled Organisations

Moved Councillor Woolf, seconded Councillor Marsh

Resolved

That the Council Controlled Organisations Subcommittee:

1. Receive the information.
2. Note that following the Council Controlled Organisations Subcommittee meeting on 3 April 2019 and the subsequent City Strategy Committee meeting held on 11 April 2019, officers requested changes to be made to the Statements of Intent and that these changes have been included in the final Statements of Intent.
1. 3. Agree to recommend to the City Strategy Committee that it accepts the 2019/20 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.

Carried

Attachments

Attachment 1. Draft Statement of Intent for Council Controlled Organisations Page 642

**COUNCIL CONTROLLED ORGANISATIONS
SUBCOMMITTEE**
5 JUNE 2019Absolutely Positively
Wellington City Council
Me Heke Ki Pōneke**FINAL STATEMENTS OF INTENT FOR COUNCIL CONTROLLED
ORGANISATIONS****Purpose**

1. To receive and consider the final 2019/20 Statement of Intent (SOI) for the following Council Controlled Organisations (CCOs).
 - Basin Reserve Trust
 - Karori Sanctuary Trust
 - Wellington Cable Car Limited
 - Wellington Museums Trust
 - Wellington Regional Stadium Trust (not a Council Controlled Organisation)
 - Wellington Zoo Trust

Summary

2. Officers received draft SOIs and reported on these at the Subcommittee meeting on 3 April 2019. The report included any issues with the draft SOIs that were expected to be addressed in the final SOIs.
3. The City Strategy Committee considered the draft SOIs at its meeting on 11 April 2019 and identified some issues for each entity to address in its final SOI.
4. Officers highlighted the relevant issues and recommendations of the City Strategy Committee to the CCOs and requested that they be addressed in the final SOI.
5. Officers have reviewed the final SOI for each CCO and assessed that each SOI has addressed the issues raised.

Recommendations

That the Council Controlled Organisations Subcommittee:

1. Receive the information.
2. Note that following the Council Controlled Organisations Subcommittee meeting on 3 April 2019 and the subsequent City Strategy Committee meeting held on 11 April 2019, officers requested changes to be made to the Statements of Intent and that these changes have been included in the final Statements of Intent.
3. Agree to recommend to the City Strategy Committee that it accepts the 2019/20 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

6. 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

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Council precedes this with a Letter of Expectation which outlines the Council's expectations in respect of the SOIs it will receive.

7. The final SOIs are included in this report for referral to the City Strategy Committee for its 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.
8. The 2019/20 SOI for Wellington Regional Development Agency Limited will be considered by the Wellington Regional Strategy Committee and provided to this Subcommittee under a separate covering report.
9. The 2019/20 SOI for Wellington Water Limited will be considered by the Wellington Water Committee.

Discussion

10. Officers have reviewed the SOI received from each entity and acknowledge that they respond constructively to the comments from this Subcommittee and the City Strategy Committee.
11. Final SOIs are appended to this report.

Basin Reserve Trust

12. 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 the SOI.
13. The Trust's SOI confirms it will develop and present a compelling bid to New Zealand Cricket to secure a key hosting role for the ICC Women's World Cup 2021.
14. The Trust has acknowledged the points raised by the City Strategy Committee and will work with Council to support its initiatives for waste minimisation and Council's goals outlined in Te Atakura, The First to Zero Plan.
15. The Trust will also work with Council to address resilience challenges and the SOI responds to the Committee's feedback accordingly.
16. Officers recommend that the Subcommittee recommend that the City Strategy Committee approve the Basin Reserve Trust 2019/20 SOI.

Karori Sanctuary Trust

17. The Trust's SOI has been updated with less conservative visitation figures which are now appropriate given its steady run of hosting over 100,000 visitors in each of the past three years.
18. The SOI describes the Trust's commitment to developing a suitable asset management strategy that sets out its long term approach to asset management including key principles and how the Trust will manage its infrastructure going forward.
19. The Trust has acknowledged the points raised by the City Strategy Committee with regard to waste minimisation and Council's goals outlined in Te Atakura, The First to Zero Plan.
20. The Trust will work with Council to address resilience challenges and the SOI responds to the City Strategy Committee feedback accordingly.

**COUNCIL CONTROLLED ORGANISATIONS
SUBCOMMITTEE**
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21. The Trust has included the forecasted Full Costs to Council as requested and officers recommend that the Subcommittee recommend that the City Strategy Committee approve the Karori Sanctuary Trust 2019/20 SOI.

Wellington Cable Car Limited

22. The Company will develop and/or implement a waste plan to contribute to the Regional Waste Management and Minimisation Plan goal of reducing waste to landfill by 1/3. It is also committed to develop further strategies to manage its resilience challenges and is currently focussing its efforts on the tunnels and bridges on its network.
23. The Company will work with Council to identify how it can contribute to Council's goals outlined in Te Atakura, The First to Zero plan.
24. The Company has included the forecasted the Key Performance Indicators as requested and officers recommend that the Subcommittee recommend that the City Strategy Committee approve the Wellington Cable Car Limited 2019/20 SOI.

Wellington Museums Trust

25. The Trust's SOI acknowledges the closure of the Central Library and the challenges and opportunities this presents, and commits to working closely with Council and the Library Services Team to support efforts to continue library services while the building is closed.
26. The Trust will work with Council to address resilience challenges in terms of its built assets and the SOI responds to the City Strategy Committee feedback accordingly.
27. The Trust are putting measures in place to reduce its waste output and will work with Council to develop and implement a waste minimisation plan which contributes to Council's goals outlined in Te Atakura, The First to Zero plan.
28. Officers recommend that the Subcommittee recommend that the City Strategy Committee approve the Wellington Museums Trust 2019/20 SOI.

Wellington Regional Stadium Trust

29. The Trust is working to increase the seismic resilience of the stadium and the SOI responds to the City Strategy Committee feedback accordingly.
30. The Trust's SOI confirms its commitment to supporting a Regional Waste Management and Minimisation Plan goal of reducing waste to landfill by 1/3rd while also developing ways to reduced, recover, recycle or re-use was in all aspects of its business.
31. Officers recommend that the Subcommittee recommend that the City Strategy Committee approve the Wellington Regional Stadium Trust 2019/20 SOI.

Wellington Zoo Trust

32. The Trust is working with Council to address resilience challenges in terms of its built assets and the SOI responds to the City Strategy Committee feedback accordingly.
33. The Trust has acknowledged the points raised by the City Strategy Committee with regard to waste minimisation and Council's goals outlined in Te Atakura, The First to Zero plan.

**COUNCIL CONTROLLED ORGANISATIONS
SUBCOMMITTEE**
5 JUNE 2019

Absolutely Positively
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34. The Trust has included the forecasted Full Costs to Council as requested.
 35. Officers recommend that the Subcommittee recommend that the City Strategy Committee approve the Wellington Zoo Trust 2019/20 SOI.

Attachments

- Attachment 1. Basin Reserve Trust 2019/20 Statement of Intent
- Attachment 2. Karori Sanctuary Trust 2019/20 Statement of Intent
- Attachment 3. Wellington Cable Car Ltd 2019/20 Statement of Intent
- Attachment 4. Wellington Museums Trust 2019/20 Statement of Intent
- Attachment 5. Wellington Regional Stadium Trust 2019/20 Statement of Intent
- Attachment 6. Wellington Zoo Trust 2019/20 Statement of Intent

Author	Warwick Hayes, Project Manager Economic & Commercial
Authoriser	Danny McComb, Manager Economic & Commercial

**COUNCIL CONTROLLED ORGANISATIONS
SUBCOMMITTEE**
5 JUNE 2019Absolutely Positively
Wellington City Council
Me Heke Ki Pōneke**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

2019-20 Statement of Intent



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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 2019 to June 2020. 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. 2019-20 Activities

In-line with the objectives of the Trust Deed and in response to Wellington City Councils expectations, the BRT will focus on the following initiatives in 2019-20;



Redevelopment

The BRT will continue to work with Wellington City Council on the redevelopment of the Basin Reserve and its infrastructure. The planning, design and consenting work for the restoration of the Old Pavilion (commonly known as the Museum Stand) is underway. The Old Pavilion will be seismically strengthened and refurbished so that the 1,000-seat grandstand can be returned to service in February 2020. The building will also provide a base for the New Zealand Cricket Museum and Cricket Wellington administration offices.

The BRT has engaged Philips Lighting and Musco Lighting to provide initial proposals for floodlights at the ground.

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 (outside of its normal operational closures).

Sponsorship and Fundraising

The BRT is committed to making a contribution of \$1M towards the Museum Stand project as well as securing the funds required to install replacement floodlights.

The Trust will report on progress each quarter.

Events and Functions

The Basin Reserve is New Zealand's most used international sporting venues, providing 96 event days, 100 practise days and 25 functions per annum. An overview of the wide range of events that are planned for 2019-20 are outlined below:

Community and other Sport Events

21 community events are planned for 2019-20, key events include;

- Rugby and Football - the partnership with Wellington Rugby and Capital Football will continue. During the 2019 winter the Basin will host up to 120 games on junior rugby and girls' junior football
- Athletics – neighbouring schools cross country events and the Scottish Night of Miles will feature again in 2019-20
- 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
- Beers at the Basin – the popular festival that showcases Wellington's craft beer industry will continue to be a summer feature on the Basin's busy event calendar
- Music Concert – the BRT is in discussions regarding hosting a music concert on Wellington Anniversary weekend



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, 25 functions are planned for 2019/20.

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 50 days of cricket events, with 100 days of use planned for the practice facilities.

International Cricket

Cricket Wellington aims to secure a blockbuster summer of international cricket matches and is holding discussions with New Zealand Cricket regarding hosting Test Matches vs England in November 2019 and India in February 2020 at the Basin Reserve.

ICC Women's World Cup

New Zealand Cricket is hosting the ICC Women's World Cup in February 2021. With a broadcast audience in excess of 180 million people in 2017, 2021 is set to see the worldwide reach of the tournament grow even further with all matches to be broadcast live globally. The Basin Reserve aims to be a key host venue for this tournament and will work with Cricket Wellington and WREDA on a compelling bid document.

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 Museum that records the history of cricket and tells the story of the Basin.

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.

William Wakefield Memorial

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

Te Taihū Te Reo Māori Policy



The BRT will identify ways the Trust can appropriately support Wellington City Councils, Te Taihū Te Reo Māori Policy and Mana whenua.

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. All event terms and conditions of entry to the venue outline the expected behaviours of event goers. Signs promoting a safe environment are displayed on event days and the BRT continues to work with Fiona McNamara (General Manager, Sexual Abuse Prevention Network) to ensure best practise is implemented and staff are provided with the correct training.

Other

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

- Regional Waste Management and Minimisation Plan with the goal of reducing waste to landfill by 1/3 – the BRT will develop a waste plan
- Te Atakua, the First to Zero plan – the BRT will work with WCC to identify how we can continue the goals of this plan
- We will also work with WCC to develop further strategies to manage resilience challenges

4. Performance Targets

In-line with Wellington City Councils 2018-28 Ten Year Plan, the BRT aims to deliver the following performance measures for 2019-20:

Measure	2018/19 Forecast	2019-20 Q1	2019-20 Q2	2019-20 Q3	2019-20 Q4	2019-20	2020/21	2021/22
Quarterly Targets								
Community Events Days	20		5	15	1	21	21	21
Cricket Events Days	44	6	23	21		50	50	50
Other Sports Events Days	20	12	1	0	12	25	25	25
Practice facility usage (Days)	104	15	45	40		100	100	100
Functions	31	6	8	5	7	25	25	25
Annual Targets								
Numbers attending events	39,500	--	--	--	--	41,000	41,000	41,000
Event Income (\$)	328,100	--	--	--	--	290,200	263,100	266,700



Measure	2018/19 Forecast	2019-20 Q1	2019-20 Q2	2019-20 Q3	2019-20 Q4	2019-20	2020/21	2021/22
Council Operating Grant [^] (\$)	666,900	--	--	--	--	672,250	683,750	692,400
Cash subsidy (grant) per attendance (\$)	16.88	--	--	--	--	16.50	16.67	16.89

[^] includes turf management fee.

5. 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 Fleur Fitzsimons (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.



6. Finance

The budget for 2019-20 has been developed on the basis of breaking even, exclusive of a \$350k capital grant for replacing the turf. The budget is generally conservative and in line with the activity outlined in this document.

Analysis

The following are the key details and assumptions for the budget that results in a budgeted surplus of \$387,620. Note, this surplus includes receipt of a \$350k grant to renew the turf which is required in the 2020 winter. It's spend is budgeted as capital expenditure.

Revenue - \$1,392,110

Revenue	Budget 2018-19	Forecast 2019-20	% Change	Comment
Grants	\$702,086	\$1,025,250	32%	Includes \$350K grant to fund turf renovation
Ground Hire	\$328,100	\$290,200	-13%	Noodle Night markets not held in 2019-20
Other	\$34,000	\$76,500	56%	Increased signage sponsorship secured
Interest	\$160	\$160		N/A
Total	\$1,064,346	\$1,392,110	24%	

Expenses - \$1,004,490

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

Expense	Forecast 2018-19	Budget 2019-20	% Change	Comment
Building Expenses	\$41,900	\$48,800	-16%	Inflation adjustments
Ground Expenses	\$371,000	\$391,100	-5%	Inflation adjustments
Occupancy Expenses	\$133,200	\$137,350	-3%	Inflation adjustments
Event Running Expenses	\$162,500	\$175,000	-8%	Reflects costs of increased community events
Administration Expenses	\$111,080	\$116,500	-5%	N/A
Other Expenses	\$39,000	\$7,000	82%	Noodle Night Markets not budgeted
Depreciation Expenses	\$120,000	\$128,650	-7%	Increased capex costs
Total	\$978,680	\$1,004,490	-3%	



Capital Expenditure

Capital expenditure of \$470K is included within the budget, which includes \$350K turf upgrade.

Cashflow

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

Risks

The main financial risks are as follows:

- Sponsorship / Signage income may not be secured
- An external grant for the turf renovation may not be secured
- Significantly increased repairs and maintenance are required

Ratio of trustee equity to total assets

0.89 : 1.00 at 30 June 2020

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

7. Additional Grants

The BRT will be seeking additional capital grants totalling \$350,000 to replace the Basin Reserve turf.



Appendices



- Appendix 1 – 2019-20 Statement of Financial Performance

FORECAST FINANCIAL STATEMENTS**BASIN RESERVE TRUST****STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEARS ENDING**

	30 June 2019 Forecast	30 June 2020	30 June 2021	30 June 2022
	\$'s	\$'s	\$'s	\$'s
Revenue				
Council funding	666,900	675,250	683,750	692,400
Grants other	35,186	350,000	30,000	40,000
Sales of goods and services	362,100	366,700	337,100	340,700
Interest revenue	160	160	180	180
Total Revenue	1,064,346	1,392,110	1,051,030	1,073,280
Expenses				
Depreciation of property, plant and equipment	120,000	128,650	173,750	178,750
Costs related to providing goods and services	708,600	752,250	744,650	758,000
Other expenses	150,080	123,590	123,595	129,595
Total Expenses	978,680	1,004,490	1,041,995	1,066,345
Surplus/(Deficit) for the Year	85,666	387,620	9,035	6,935

BASIN RESERVE TRUST
STATEMENT OF FINANCIAL POSITION AS AT

	30 June 2019 Forecast	30 June 2020	30 June 2021	30 June 2022
	\$'s	\$'s	\$'s	\$'s
Assets				
Current Assets				
Bank accounts and cash	168,194	183,354	141,434	175,694
Debtors and prepayments	161,360	135,400	210,700	186,880
Total Current Assets	329,554	318,754	352,134	362,574
Non-Current Assets				
Property, plant and equipment	547,749	889,099	895,349	910,349
Total Non-Current Assets	547,749	889,099	895,349	910,349
Total Assets	877,303	1,207,853	1,247,483	1,272,923
Liabilities				
Current Liabilities				
Creditors and accrued expenses	181,103	124,033	154,628	173,133
Income received in advance	10,000	10,000	10,000	10,000
Unearned income	-	-	-	-
Total Current Liabilities	191,103	134,033	164,628	183,133
Total Liabilities	191,103	134,033	164,628	183,133
Total Assets less Total Liabilities	686,200	1,073,820	1,082,855	1,089,790
Trust Equity				
Contributed capital	100	100	100	100
Accumulated surpluses	686,100	1,073,720	1,082,755	1,089,690
Total Trust Equity	686,200	1,073,820	1,082,855	1,089,790

BASIN RESERVE TRUST
STATEMENT OF CASH FLOWS FOR THE YEARS ENDING

	30 June 2019 Forecast	30 June 2020	30 June 2021	30 June 2022
	\$'s	\$'s	\$'s	\$'s
Cash Flows from Operating Activities:				
Receipts of council funding	646,900	665,600	678,600	674,100
Receipts of grants other	35,186	350,000	30,000	40,000
Receipts from sale of goods and services	345,200	326,700	307,100	325,100
Interest receipts	160	160	180	180
Payments to suppliers and employees	(837,430)	(845,300)	(865,800)	(845,120)
GST (net)	(12,000)	(12,000)	(12,000)	(10,000)
Net Cash Flows from Operating Activities	178,016	485,160	138,080	184,260
Cash Flows from Investing and Financing Activities:				
Payments to acquire property, plant and equipment	(101,300)	(470,000)	(180,000)	(150,000)
Net Cash Flows from Investing and Financing Activities	(101,300)	(470,000)	(180,000)	(150,000)
Net Increase/(Decrease) in Cash for the Year	76,716	15,160	(41,920)	34,260
Add opening bank accounts and cash	91,478	168,194	183,354	141,434
Closing Bank Accounts and Cash	168,194	183,354	141,434	175,694

BASIN RESERVE TRUST
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEARS ENDING

	30 June 2019 Forecast \$'s	30 June 2020 \$'s	30 June 2021 \$'s	30 June 2022 \$'s
Income				
Grant Income				
Grant Wellington City Council	666,900	675,250	683,750	692,400
Grant Other	35,186	350,000	30,000	40,000
	<u>702,086</u>	<u>1,025,250</u>	<u>713,750</u>	<u>732,400</u>
Ground Hire Income				
Ground Hire International Cricket	170,600	170,600	144,100	144,100
Ground Hire Domestic Cricket	62,500	62,500	62,500	62,500
Ground Hire Winter Sports	1,200	3,600	-	3,600
Ground Hire Other Events	93,800	53,500	56,500	56,500
	<u>328,100</u>	<u>290,200</u>	<u>263,100</u>	<u>266,700</u>
Other Income				
Concession Income	32,500	35,000	32,500	32,500
Sponsorship	-	40,000	40,000	40,000
Picket Fence Income	1,500	1,500	1,500	1,500
	<u>34,000</u>	<u>76,500</u>	<u>74,000</u>	<u>74,000</u>
Interest Income				
Interest income	160	160	180	180
Total Income	<u><u>1,064,346</u></u>	<u><u>1,392,110</u></u>	<u><u>1,051,030</u></u>	<u><u>1,073,280</u></u>

BASIN RESERVE TRUST
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEARS ENDING

	30 June 2019 Forecast \$'s	30 June 2020 \$'s	30 June 2021 \$'s	30 June 2022 \$'s
Expenditure				
Building Expenses				
Repairs & Maintenance	10,000	15,000	17,500	17,500
Cleaning	2,000	2,000	3,000	3,000
Electrical Services	4,000	4,500	5,000	5,000
Fire System	10,000	10,500	11,000	11,500
Painting	2,000	2,000	2,500	3,000
Pest Control	7,600	8,000	8,200	8,500
Plumbing	6,000	6,500	6,500	7,000
Other	300	300	350	350
	<u>41,900</u>	<u>48,800</u>	<u>54,050</u>	<u>55,850</u>
Ground Expenses				
Electrical Services	2,000	3,500	3,500	4,000
Equipment Hire		400	400	500
Cleaning	4,000	4,500	4,500	5,000
Irrigation	1,000	1,200	1,200	1,400
Painting	2,000	2,000	2,500	2,500
Plumbing	5,000	7,500	8,000	8,000
Rubbish Removal	12,000	14,000	15,000	16,000
Structures Repairs & Maintenance	25,000	28,000	28,000	35,000
Turf	320,000	330,000	330,000	330,000
	<u>371,000</u>	<u>391,100</u>	<u>393,100</u>	<u>402,400</u>
Occupancy Expenses				
Gas	7,000	7,500	7,500	8,000
Electricity	24,000	24,500	25,000	25,000
Rates	33,100	34,000	34,500	35,000
Security	13,300	13,600	14,000	14,500
Telephones	6,200	7,350	7,350	7,350
Water Rates	28,000	28,500	28,500	29,000
Television	2,900	3,000	3,100	3,200
Insurance	1,100	1,200	1,250	1,300
Consumables Laundry & Toilet	17,600	17,700	17,800	17,900
	<u>133,200</u>	<u>137,350</u>	<u>139,000</u>	<u>141,250</u>

BASIN RESERVE TRUST
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEARS ENDING

	30 June 2019 Forecast \$'s	30 June 2020 \$'s	30 June 2021 \$'s	30 June 2022 \$'s
Expenditure				
Event Running Expenses				
Event Running	145,000	145,000	128,500	128,500
Casual Staff	17,500	30,000	30,000	30,000
	<u>162,500</u>	<u>175,000</u>	<u>158,500</u>	<u>158,500</u>
Administration Expenses				
Audit	14,000	14,500	14,500	15,000
Accounting	12,000	12,000	12,000	12,000
Bank Fees	80	90	95	95
Consultants	15,000	20,000	20,000	25,000
Management Fee	70,000	70,000	70,000	70,000
	<u>111,080</u>	<u>116,590</u>	<u>116,595</u>	<u>122,095</u>
Other Expenses				
Interest Expense	-	-	-	-
Marketing	38,000	6,000	6,000	6,500
Miscellaneous	500	500	500	500
Picket Fence Expenses	500	500	500	500
	<u>39,000</u>	<u>7,000</u>	<u>7,000</u>	<u>7,500</u>
Depreciation Expense				
Depreciation Expense	120,000	128,650	173,750	178,750
	<u>120,000</u>	<u>128,650</u>	<u>173,750</u>	<u>178,750</u>
Total Expenditure	<u><u>978,680</u></u>	<u><u>1,004,490</u></u>	<u><u>1,041,995</u></u>	<u><u>1,066,345</u></u>
Net Surplus (Deficit) for the Year	<u><u>85,666</u></u>	<u><u>387,620</u></u>	<u><u>9,035</u></u>	<u><u>6,935</u></u>

Statement of Intent 2019-2020
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 its launch in December 2016, 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 our work. It articulates our vision 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.

As for the 2018/19 Statement of Intent (SOI), this SOI document is structured to reflect our activities and programmes against each of the key strategic themes contained in *Living with Nature*.

ZEALANDIA continues to demonstrate a strong, positive trend in performance across all areas of its operations. The 2017/18 Annual Report provides data from the past 3-5 years and tells a continued story of growth and transformation, as a business and social enterprise, as a leader in conservation and restoration practice, and as a visionary influencer at local, national and international levels.

As always, our continued conservation and restoration work within the sanctuary remains a core element of all we do. In 2018/19 we completed a review and update of the ZEALANDIA Restoration Strategy, looking forward to the next 20 years of restoration work. In 2019/20 we will conduct a similar review of the Valley Management Plan which looks at the maintenance and development of all infrastructure including tracks and trails.

The increasingly strong and expanding reputation of our work in the sanctuary continues to provide ZEALANDIA with extraordinary opportunities for impact and influence 'beyond the fence'. Our Centre for People and Nature (launched in early 2018), the Sanctuary to Sea project, leadership roles in Predator Free Miramar and Predator Free Wellington, and speaking invitations at local and national conferences and events are all examples.

As stated in our introduction to the 2017/18 SOI:

In all our work, partnerships remain of critical importance and our relationship with Wellington City Council (WCC) is an essential and central component of all our activity as we aim to enhance our contribution to Wellington's reputation as a liveable and living city.

Next steps in 2019/20

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. As the majority of ZEALANDIA's work is long-term, 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 strategic and operational direction remains closely aligned with a significant number of the Council's environmentally focussed strategic plans, as we have indicated in section 2 below.

As mentioned above, our conservation and restoration activities in the sanctuary are fundamental to all our work and will continue in 2019/20.

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 is already making significant impact and is an example of a long-term project that will continue to be an important element of our plans year-by-year, contributing to the achievement of many of the Council's objectives.

In a similar vein, the Centre for People and Nature remains a key strategic initiative for ZEALANDIA and the contribution we are able to make to Wellington as a whole.

As in previous years, our work across all levels of education and learning remains one of our core areas of activity and through strong and growing partnerships we will continue to develop and grow opportunities at all levels. Our provision of programmes for lower decile schools will continue to develop, along with other school-age programmes.

Having made important advances in our built environment in 2018/19, we will continue to develop plans for future capital projects to ensure our infrastructure is brought up to standard and is fit-for-purpose and well maintained. As always, we welcome the Council's support in assisting ZEALANDIA in developing and maintaining this fit-for-purpose infrastructure.

As our work continues to attract significant national and international attention, we remain very mindful of the strong partnerships that contribute to the exciting story of transformation we are now able to tell. Through the work outlined in this SOI we will continue to highlight the pivotal role of partnerships and the key strategic relationship with Council.

Phillip Meyer
Chair, Karori Sanctuary Trust,

Paul Atkins
Chief Executive, Karori Sanctuary

2. The Strategic Partnership with Wellington City Council

Wellington City Council (WCC) remains a key strategic partner of the Trust and we will continue to align our priorities with the Council's strategic direction, and make a strong contribution towards advancing the Council's aims as signalled through a range of strategy documents including the 2018-28 Ten Year Plan. We are a significant contributor to the success of Wellington's Outer Green Belt Management Plan and will continue to work with WCC colleagues to support the delivery of its objectives.

ZEALANDIA's 2017/18 Annual Report highlighted once again our position as a high performing contributor to the liveability of our city and the wider Wellington region, working effectively with partner organisations to drive Wellington's position as a unique natural capital. We are grateful for the City's continuing support for our operations and development.

In 2017/18 we further strengthened our financial position with overall revenue exceeding \$5m for the first time. We also experienced a record number of visitors to ZEALANDIA (132,337) and, combined with the growth in our tours, retail, café sales and overall fundraising, we delivered a year-end net operating surplus (before extraordinary items) of \$174,099. This is the third consecutive year-end surplus. Our financial strength in 2017/18 enabled us to fully repay the Wellington Community Trust loan which supported the building of the ZEALANDIA fence. Overall, in 2017/18 we self-generated more than 83% of the funds required to run ZEALANDIA.

In response to feedback from the City Strategy Committee, during the year we will work with the Council to:

- develop and/or implement a waste plan to contribute to the Regional Waste Management and Minimisation Plan goal of reducing waste to landfill by a third
- identify how we will contribute to the goals outlined in Te Atakura, the First to Zero plan, once it has been finalised.
- develop further strategies to manage resilience.

In 2019/20 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.

There are several Council plans and strategy documents to which ZEALANDIA's work is particularly closely aligned, as indicated below. In all our work, ZEALANDIA has paid close attention to recognising the partnership with Council and we will continue to ensure this visibility in 2018/19.

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:

	2018-19 forecast	2019-20	2020-21	2021-22
ZEALANDIA visitors	116,914	118,100	119,300	120,500

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, teaching and learning
- 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 will involve 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 leadership roles in this project; coordination of the research programme, and coordination and delivery of the schools programme. Leadership of the research programme involves coordinating social and ecological research across universities and Manaaki Whenua Landcare Research, a role which began in 2017/18 and will continue to grow into 2018/2019 as key milestones for the Predator Free Wellington programme are reached.

ZEALANDIA also successfully developed and delivered a pilot Predator Free Wellington Schools programme in 2017/18, which has been extended and expanded into a two-year programme until October 2020. The expanded programme involves ZEALANDIA educators working with Miramar Peninsula schools to take conservation action in their own environments and build their connection and engagement with a nature-rich future.

2.6 The Wellington Regional Economic Growth Agenda

WREDA's 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 2017/18 ZEALANDIA:

- Attracted over 132,000 visitors to the sanctuary.
- Featured consistently in the top 10 Wellington tourist attraction by Trip Advisor and as a key destination for international visitors coming to Wellington.

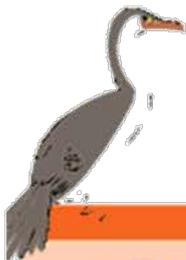
The Wellington Regional Economic Development Agency (WREDA) remains a key strategic partner and in 2019/20 we will continue to advance this increasingly close relationship.

Summary of achievements in 2017/18

Some highlights of the year

Social Capital		Environmental Capital	
 <p>SANCTUARY TO SEA KIA MAUIORORA TE KAIWHARAWHARA</p> <p>Aerial view of the valley. Photo credit: Roo Sulisted.</p> <p>Our whole-of-catchment urban restoration project, Sanctuary to Sea - Kia Mauriora te Kaiwharawhara, is bringing together community groups, schools, and companies in a shared vision for the restoration of the entire Kaiwharawhara catchment. This water catchment is of regional significance and the restoration model we are developing could offer an important approach for other catchments around the country in future years.</p>	 <p>His Excellency Frank-Walter Steinmeier, the President of Germany visited with his wife in November. Photo credit: Tessa Sinclair.</p> <p>We have welcomed ever greater numbers of international visitors year-by-year. This year, close to 53,000 international visitors experienced ZEALANDIA and learned about the importance of the natural world and how, here in Wellington, we are modelling ways of integrating the natural world into places where people live. We work closely with various arms of government including the Visits and Ceremonial Office to provide a unique and memorable experience for the many guests of government who now request a visit to ZEALANDIA to be included in their itinerary.</p>	 <p>Our new ambassador takahē Orbell ventures out of his introductory enclosure. Photo credit: Lynn Freeman.</p> <p>This year the Department of Conservation's Takahē Recovery Programme worked with us to coordinate the translocation of a pair of takahē from Mana Island. Nio and Orbell were welcomed to ZEALANDIA by mana whenua Taranaki Whānui, and farewelled from Mana Island by the Friends of Mana Island and Ngāti Toa. Takahē are a key species that people can see at ZEALANDIA. These birds are still within breeding age, so we are hopeful for a successful nesting attempt in 2018/19. This will even further enhance the contribution of ZEALANDIA to the conservation of this precious taonga.</p>	 <p>Green mistletoe (<i>Ileostylus micranthus</i>). Photo credit: ZEALANDIA.</p> <p>Green mistletoe (<i>Ileostylus micranthus</i>) was translocated into Te Māra a Tāne this year after a host tree in the Hutt valley died and was threatening the existence of a specimen of this semi-parasitic plant attached to it. This is an example of a project involving a range of partner organisations including Ngā Manu, the Botanical Society, Greater Wellington Regional Council, Forest & Bird, and Otari-Wilton's Bush.</p>

Some highlights of the year

Human Capital		Financial Capital	
  <p>Open Weekend held in May. Photo credit: Pete Monk.</p> <p>Open Weekend 2018, held in May, was the biggest yet, with over 8,000 people visiting ZEALANDIA over the two days. The planning and coordination by a large team of staff and volunteers was a great example of the ZEALANDIA whānau working together to deliver a successful event that saw large numbers of first-time visitors to the sanctuary having a wonderful experience.</p> <p>We are grateful for our partnership with Wellington Zoo in this popular Open Weekend event each year.</p>	 <p>ZEALANDIA staff volunteering in the valley. Photo credit: ZEALANDIA.</p> <p>This year we launched a new volunteering initiative for all ZEALANDIA staff, giving any staff member the opportunity to develop their skills in, and understanding of, conservation and restoration approaches, and specifically of the species in Te Māra a Tāne. Staff wishing to participate spend a day in the sanctuary working under expert guidance on a restoration project. This year the focus was on the restoration of our upper dam wetland and proved to be very popular with all involved.</p>	 <p>Minister Megan Woods, Paul Atkins, and Andrew Ceseley. Photo credit: ECCA.</p> <p>Through an important partnership with Meridian Energy, and a grant from EECA's Low Emission Vehicles Contestable Fund, we have purchased two new fully electric minibuses to replace the ageing diesel minibus. These will operate 364 days a year as a free shuttle service between ZEALANDIA and the city centre, providing an outstanding example of the use of EV technology for passenger minibus applications – a first in New Zealand.</p>	 <p>Lower lake. Photo credit: ZEALANDIA.</p> <p>The professional and prudent management of budgets has resulted in ZEALANDIA delivering a third consecutive year-end net operating surplus (before extraordinary items), and building a healthy balance of working capital. This represents an increase of 40% over the previous year-end balance.</p> <p>This is of considerable significance in demonstrating the sustainability of our organisation, and enabling ZEALANDIA to reinvest our own capital in key areas of priority.</p>

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 2019/20

The following sections set-out our high-level objectives, scope of business, key performance indicators and the budget for 2019/20. It is supported by the ZEALANDIA business plan for 2019/20 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 2019/20.

4.1 Objectives

The 2019/20 work programme is presented in the following sections, grouped according to our key objectives:

- Restoring Te Māra a Tāne and its extending halo of biodiversity.
- Building our organisation's capacity to drive transformation.
- Creating inspiring, accessible experiences.
- Forming strong and enduring local, national and international partnerships based on shared goals.
- Embracing Mātauranga Māori and other knowledge frameworks.
- Being a hub where people of all ages can learn, create new knowledge and share their insights and understanding.
- Equipping people with experience and skills for a nature-rich future.

4.2 Restoring Te Māra a Tāne and its extending halo of biodiversity

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

Current (ongoing) programmes

- Maintain the perimeter fence so that it ensures the area within the fence is secure from mammalian threats.
- 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.

Strategic Initiatives

- Continue to grow the Sanctuary to Sea project through the development and implementation of a three-year strategic plan.
- Carry out perch removal in the lower lake.
- Establish a cultural health monitoring programme with mana whenua.

Key performance indicators 2019/20

- Lower lake perch removal completed, pending appropriate weather conditions.
- Mana whenua beginning active monitoring in the sanctuary.
- A minimum of 10 community groups active in restoring the Kaiwharawhara catchment.

4.3 Building our organisation's capacity to drive transformation.

Careful financial management has allowed us to build a healthy and appropriate working capital balance of \$1,167,000 as at 30 June 2018, representing an increase of 49% from the previous year's position of \$782,000. We will continue to manage an appropriate level of working capital to enable us to reinvest in crucial projects including the Centre for People and Nature, and other strategically important investments across the organisation. Overall our balance sheet position is healthy not wealthy.

In November 2018 we moved into our new staff building, named Pukeahu House (formerly the Brierley Pavilion). Pukeahu House provides essential office space for our people and is already transforming our work environment.

With work starting in 2018/19, we aim to create a purpose-built Hub for the Centre for People and Nature, named Tanglewood House, that meets the future needs of our people working in the generation of new knowledge across conservation, education, research, volunteering, and all aspects of community engagement. Tanglewood House will create a vibrant and value-adding hub for our people and everyone engaged with our knowledge generation programmes, and will be a physical manifestation of ZEALANDIA's Centre for People and Nature

In 2018/19 we completed the implementation of a major IT project that included moving our document management system to the cloud and upgrading our computers to Windows 10. This project has future-proofed our IT system by removing our dependence on an ageing and high-cost server, as well as enabling significantly greater flexibility in the way we work, with staff now able to access our system from anywhere in the world

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 involved.

Current programmes

We will:

- Continue to develop plans to utilise the Visitor Centre and our other buildings to maximum effect to support visitors, and our research and education programmes, our visitor experiences, our strategic partnerships, and our commercial activities.
- Establish new avenues for people to volunteer
- 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

- Develop smart initiatives to grow our people (staff, volunteers and interns), support systems and enduring financial vitality.
- Maintain our Carbon Zero accreditation.
- Deliver good sustainability practices across the whole of the organisation
- Continue to identify and implement opportunities to reduce waste through initiatives to reduce, reuse and recycle and to reduce our carbon footprint.
- Glaze in the Rata Café balcony through a WCC funded capital project to improve café utilisation and create a year-round space suitable for corporate and community functions and events.
- Continually improve our IT systems to ensure they are fit for purpose, so we can operate efficiently and effectively including on digital platforms

Key performance measures/indicators 2019/20

- A net surplus before depreciation and tax of \$331,100
- Non-WCC grant revenues equating to >75% of overall income
- 11,000 members
- Membership subscriptions of \$318,300
- Full cost per visitor (including WCC costs) \$14.95
- Average WCC subsidy per visitor of no more than \$8.54
- Average revenue per visitor of no less than \$26.74
- Non-Council Donations/Funding of \$275,000
- Maintain > 470 volunteers, with the establishment of new avenues for people to volunteer
- > 80% of volunteers are satisfied with their relationship with ZEALANDIA

4.4 Creating inspiring, accessible experiences and change through example and shared passion for action.

We want all our audiences to engage and connect with nature, whether they are members, volunteers, partners or visitors. We will continue to develop the range of experiences that we can offer to meet the needs of all our audiences. By giving visitors an experience of robust and healthy native wildlife within an urban setting, they are more likely to value the work that we do, take action in their own environments, and act as ambassadors for our message. In 2018 we successfully piloted a tactile tour for those with vision impairments and will now expand this into our regular scheduled public programmes for those with a range of disabilities. Our goal is that all visitors have opportunities to experience ZEALANDIA regardless of accessibility needs.

In 2019/20, 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 a greater te ao Maori perspective into our tours.

Current programmes

- Provide experiences that increase people's understanding of New Zealand's natural heritage, and conservation challenges and successes here and elsewhere.
- Reshape and expand our communications channels to actively support our conservation and research programmes, visitor experiences, programmes, partnerships and audience impacts
- Provide regular events and activities that enrich visitors' connection with conservation and a nature-rich future
- Provide high quality volunteering experiences that increase our connections and engagement with the community.
- 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).
- Work in partnership with Be.Accessible and through a process of continuous improvement make ZEALANDIA as accessible as possible to any visitor regardless of ability.
- We will continue to provide high quality commercial services that connect visitors with nature through:
 - Highly attractive visitor experiences
 - Premium and custom tours
 - Annual membership
 - Exhibitions and events

Strategic Initiatives

- Continue development and delivery of signage and interpretation upgrades alongside overall visitor experience planning.
- Continue to develop and grow 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
- Develop new tours experiences that enable visitors to build a deeper understanding of our conservation and restoration activities, and our natural heritage.
- Participate in the Council's review of the Leisure Card programme with the aim to improve accessibility to ZEALANDIA when price might otherwise be a barrier, subject to operational and commercial considerations.

Key performance measures/indicators 2019/20

- Visitor numbers – 118,100 separate visitations with breakdown of visitor demographics
- 8,800 education visitors
- Visitor experience – ZEALANDIA achieves a satisfied visitor rating of 95% or greater
- Continue to improve accessibility and achieve Be.Accessible Gold rating.

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

ZEALANDIA works increasingly closely to mutual benefit with a wide range of partners, with Wellington City Council 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 Tenths Trust, other mainland sanctuaries, and many others.

Integrating our plans with the vision and plans of others is essential to the achievement of our vision.

Current programmes

- We will continue to recognise the strategic priorities of the Council as an important part of the strategic context for ZEALANDIA, and to align our strategies and priorities closely with those of the Council (see Section 2: The Strategic Partnership with Wellington City Council).
- We will continue to recognise the central importance of our members and volunteers and provide opportunities for them to contribute to, and benefit from, a close relationship with ZEALANDIA.

- 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 provide support to the Karori Predator Free community (KAKA) and those working to restore Birdwood Reserve.
- We will continue to work closely with our many research partners to develop evidence-based practice across our organisation and further afield.

Strategic Initiatives

- We will identify key ways through which our partnership with Wellington City Council can deliver greater gains for biodiversity across the region.
- We will grow our leadership roles in Predator Free Wellington, contributing to the delivery of school-based programmes in Miramar and through leading research coordination.
- We will participate in international research gatherings (e.g. conferences) to share our knowledge and solidify partnerships.
- We will continue to liaise with all our CCO colleagues and especially with Experience Wellington and The Cable Car to contribute where possible to further improving the overall experience in the Kelburn precinct at the top of the cable car.

Key performance indicators

- Delivery of education programmes as agreed as part of the Predator Free Wellington partnership.
- Research coordination for Predator Free Wellington as developed and agreed.
- Identification and delivery of a range of avenues for communicating our learnings to other sanctuaries and other conservation/restoration initiatives
- A growing number of partnerships and programmes that enable us to work with and through others in community restoration projects.
- Participation in an increasing number of events (eg conferences, workshops, speaking engagements) that enable the broader communication of our knowledge for use in other locations.

4.6 Embracing Mātauranga Māori and other knowledge frameworks.

We will continue to grow our relationship with mana whenua, Taranaki Whānui ki Te Upoko o Te Ika and Ngāti Toa Rangatira as key strategic partners and maintain existing and build new partnerships with the many iwi who maintain kaitiakitanga for the species that have now found a home in the sanctuary. We are proud to be working with such important partners as we continue to integrate mātauranga Māori into our restoration, conservation and 'beyond the fence' work. Our goal for 2019/20 is to continue to increase organisational capacity in te reo and tikanga Māori and develop and deliver public content and activities that bring a Māori world view into ZEALANDIA's work. This work will enable ZEALANDIA to more effectively increase engagement with Māori audiences, as well as invite all ZEALANDIA's visitors to learn more about the Māori world.

This work will support the delivery of the Council's Te Tauihu Te Reo Māori policy. Our goal is that our staff, volunteers and visitors understand the importance of te reo Māori and feel supported in learning and using it.

Current programmes

- We will continue to plan and action activities aimed at increasing competency and capability amongst staff and volunteers, including te reo sessions, a waiata group, and targeted training opportunities.
- 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.

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.
- Develop and deliver public programmes and initiatives that increase connection to te ao Māori
- Develop and deliver learning opportunities for staff and volunteers to increase their capacity and capability in te reo Māori and te ao Māori
- Increase bilingual content in signage and interpretation materials

Key performance indicators for 2019/20

- Improved visitor experience through new public programmes and activities for Matariki and Māori Language Week 2019
- Delivery of activities and opportunities for staff and volunteers to increase their knowledge and confidence in te ao Māori.
- Bilingual content incorporated in all new signage and interpretation materials developed.

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

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 expand our engagement with schools by enabling them to experience ZEALANDIA's variety of ecosystems and species, empowering them to explore the wildlife in their own environments, and by helping them to understand the steps needed to start their own backyard or community restorations.

Current programmes

- Deliver education programmes to schools under our LEOTC contract with the Ministry of Education
- Deliver in-school and sanctuary nature connection programmes for low decile and low engagement schools
- Carry out enrichment opportunities through school holiday activities for young people and their families
- Deliver seminars and other opportunities for Wellingtonians to engage with developing knowledge in nature-rich cities.
- Provide school-based programmes to Miramar schools as a partner in Predator Free Wellington.
- Provide schools and individuals with information and resources that enable them to learn about and actively contribute towards nature-rich communities.

- 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

- Implement a communications strategy to grow the impact of the Centre for People and Nature.
- Carry out research focussed on understanding how changes to Wellington's biodiversity is affecting people.
- 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 measures/indicators 2019/20

- Research programme on the relationship between people and nature in Wellington underway.
- Maintain (and grow where possible) the number of peer-reviewed science publications emerging from the ZEALANDIA team.
- Deliver agreed school-based conservation education in Wellington as part of the Predator Free Wellington partnership.
- Continue to deliver valley-based and outreach programmes under our Ministry of Education LEOTC contract
- Continue to expand the range of programmes and activities offered to schools
- Continue to expand the range of activities for children, young people and families during school holiday periods
- Continue to grow the number of school holiday programmes visiting ZEALANDIA

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

As birdlife spills beyond ZEALANDIA's fences and backyard wildlife flourishes in Wellington, we will continue to be a place where people learn about nature and what can be achieved with a successful restoration programme, and work with and through other groups to expand community knowledge and conservation action.

We work with Wellington City Council, Predator Free Wellington and other community groups to educate and inform about creating nature-rich and pest-controlled areas, thereby creating safer areas for native wildlife. Our goal is that Wellingtonians value our nature-rich environment and take active steps to protect and support it, and that visitors are inspired to take positive action in their own backyards.

We will continue to develop the initiatives and programmes begun in 2017/18. Through volunteering opportunities, public programmes and workshops, the public will be offered opportunities to learn how to minimise backyard threats and provide safe habitat for native biodiversity, 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, visitor experiences and public programmes 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 an annual programme of events and workshops on conservation, restoration and environmental topics.

Strategic initiatives

- Develop a long-term visitor experience plan aligned with the restoration and valley management plans.
- 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.
- Develop and deliver visitor programmes and events that appeal to both current and potential new audiences.

Key performance indicators for 2019/20

- Long-term visitor experience plan developed and implemented
- Diversity of learning opportunities and programmes offered to volunteers increased.
- Programmes and events that enable a wider diversity of people to engage with ZEALANDIA developed and delivered
- Signage and interpretation within the sanctuary continued to be upgraded as funding allows.

5. Performance Measurements

5.1 KPI Scorecard 2019/20

<p>Restoring Te Māra a Tāne and its extending halo of biodiversity (4.2)</p> <ul style="list-style-type: none"> Lower lake perch removal completed, pending appropriate weather conditions. Mana whenua beginning active monitoring in the sanctuary. A minimum of 10 community groups active in restoring the Kaiwharawhara catchment. 	<p>Building our organisation's capacity to drive transformation (4.3)</p> <ul style="list-style-type: none"> A net surplus before depreciation and tax of \$331,100 Non-WCC grant revenues equating to >75% of overall income 11,000 members Membership subscriptions \$318,300 Full cost per visitor (including WCC costs) \$14.95 Average WCC subsidy per visitor \$8.54 Average revenue per visit \$26.74 Non-Council Donations/Funding \$275,000 Maintain > 470 volunteers, with the establishment of new avenues for people to volunteer > 80% of volunteers are satisfied with their relationship with ZEALANDIA
<p>Creating inspiring, accessible experiences and change through example and shared passion for action (4.4)</p> <ul style="list-style-type: none"> Visitor numbers – 118,100 separate visitations with breakdown of visitor demographics 8,800 education visitors Visitor experience – ZEALANDIA achieves a satisfied visitor rating of 95% or greater <p>Continue to improve accessibility and achieve Be.Accessible Gold rating.</p>	<p>Forming strong and enduring local, national and international partnerships based on shared goals (4.5)</p> <ul style="list-style-type: none"> Delivery of education programmes as part of the Predator Free Wellington partnership. Lead the research coordination for Predator Free Wellington. Identify the range of avenues available for communicating our learnings to other sanctuaries and other conservation/restoration initiatives Continue to grow partnerships and programmes that enable us to work with and through others in community restoration projects. Support the ZEALANDIA team in giving talks and participating in other initiatives such as workshops that enable the broader communication of our knowledge for use in other locations

<p>Embracing Mātauranga Māori and other knowledge frameworks (4.6)</p> <ul style="list-style-type: none"> ▪ Improve visitor experience through new public programmes and activities for Matariki and Māori Language Week 2019 ▪ Delivery of activities and opportunities for staff and volunteers to increase their knowledge and confidence in te ao Māori. ▪ Incorporate bilingual content in all new signage and interpretation materials developed. 	<p>Being a hub where people of all ages can learn, create new knowledge and share their insights and understanding (4.7)</p> <ul style="list-style-type: none"> ▪ Research programme on the relationship between people and nature in Wellington underway. ▪ Maintain (and grow where possible) the number of peer-reviewed science publications emerging from the ZEALANDIA team. ▪ Deliver agreed school-based conservation education in Wellington as part of the Predator Free Wellington partnership. ▪ Continue to deliver valley-based and outreach programmes under our Ministry of Education LEOTC contract ▪ Continue to expand the range of programmes and activities offered to schools ▪ Continue to expand the range of activities for children, young people and families during school holiday periods ▪ Continue to grow the number of school holiday programmes visiting ZEALANDIA
<p>Equipping people with experience and skills for a nature-rich future (4.8)</p> <ul style="list-style-type: none"> ▪ Develop and implement a long-term visitor experience plan. ▪ Increase the diversity of learning opportunities and programmes offered to volunteers. ▪ Develop and deliver programmes and events that enable a wider diversity of people to engage with ZEALANDIA ▪ Continue to improve signage and interpretation within the sanctuary as funding allows. 	

5.2 Non-financial Performance Measures

Measure	2018-19 forecast	2019-20	2020-21	2021-22
Visitation	116,914	118,100	119,300	120,500
Members (Individuals)	11,245	11,000	11,200	11,400
Volunteers	>450	>470	>490	>510
Percentage of Satisfied Visitors	>95%	>95%	>95%	>95%

Measure	2018-19 forecast	Q1	Q2	Q3	Q4	2019-20	2020-21	2021-22
Visitation	116,914	17,028	38,300	38,919	23,853	118,100	119,300	120,500
Education visits ¹	8,722	1,882	3,468	1,216	2,234	8,800	8,800	8,800

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

In the Quarterly Performance Reports for the Council we will provide:

- Geographic information on visitors to ZEALANDIA.
- A summary of visitor satisfaction metrics and comments from GetSmart online survey forms, TripAdvisor feedback and information from any internal customer satisfaction surveys.

5.3 Financial Performance Measures

Measure	2018-19 forecast	2019-20	2020-21	2021-22
Full cost per visitor (including WCC costs)	\$12.80	\$14.95	\$15.29	\$15.63
Average subsidy per visit (total WCC operating grant/all visitors)	\$8.80	\$8.54	\$8.28	\$7.99
Average revenue per visit (excludes Council & Government grants)	\$26.48	\$26.74	\$27.01	\$27.28
Non-Council Donations/Funding	\$324,865	\$275,000	\$280,000	\$285,000

5.4 Conservation Measures

Measure	2018-19 Forecast	2019-20	2020-21	2021-22	Explanation
Restore missing species to the wild in accordance with the Conservation and Restoration Strategy					
% transferred animal species regarded as self-sustaining	70%	70%	70%	65%	14/20 species regarded as self-sustaining (assuming ongoing current management); 2 transfers failed (tomtit, weka) and 2 (bellbird, Long-fin eels) not regarded as self-sustaining and 2 kākahi are recently transferred. Note: it usually takes several breeding seasons before a transfer can be regarded as self-sustaining (successful breeding, population stable or increasing) so % will reduce with new transfers eg to 70% (14/20) after a transfer in 2019/20
Number of fauna species transferred, released or 'topped up'	2	0	1	1	Transfers could include the release of Wellington barking gecko, and a top up of tīeke. Note: Transfers also undertaken in these years to Cape Sanctuary (kaka).
Maintain or improve the population status of nationally threatened species present					
# threatened fauna species present and breeding successfully	4	4	4	4	Hīhi, Maud Island frog; Cook Strait Giant Weta; tuatara; excludes takahē held primarily or temporarily for advocacy purposes
Manage species held for captive breeding purposes to ensure they remain healthy and breed successfully					
# species breeding in captivity	2	2	1	1	Maud Island frogs and barking geckos. The number will reduce to 1 if we are able to progress to releasing the barking geckos.
Monitor animal pest status, control mice and successfully respond to any incursions					

Measure	2018-19 Forecast	2019-20	2020-21	2021-22	Explanation
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	100%	100%	100%	100%	Assumes any incursions successfully eradicated
Monitor plan pest status and reduce distribution of environmental weeds (currently 123) within and near the perimeter fence					
# pest plant species actively controlled or surveyed	52	44	44	44	44 environmental weeds identified as priorities
# pest plant species where control has achieved a decline to low levels of infestation in the sanctuary	120	53	53	53	Control also undertaken outside the perimeter fence for key species to improve feasibility of ongoing suppression inside the fence

5.5 Conservation Activities

Activities [note, some activities are dependent on successful permits and translocation operations]	2019-20	2020-21	2021-22
Begin restoration of the lower valley streams, wetland and lake			
- initiate development and agreement of an overarching multifaceted strategic plan	Update	Update	Update
- Research underway according to a research plan	Ongoing	Ongoing	Ongoing
- Obtain necessary permits	Complete		
- Implementation of plans	Ongoing	Ongoing	Ongoing
Translocations			
Wellington green gecko		Implement	
Tieke/saddleback			Implement
Activities	2019-20	2020-21	2021-22
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</i> var. <i>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 from 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, 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 Environment Committee 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 (Chair), 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 revised Karori Sanctuary Trust Deed signed in October 2016 outlines the roles of the Trust and the Guardians. All trustees may receive an honorarium set by the Council and Guardians.
- 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. The terms of reference for this committee require that it meets at least four times a year. Members of the Audit and Risk Committee are Phillip Meyer and Iain Craig (an independent member).
- 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 2019/20 year and may from time to time contribute to working groups established by the Chief Executive.
- In December 2018 Denise Church completed her second term as Chair of the Board. Phillip Meyer, former Deputy Chair, took over as Board Chair from 1 January 2019. Wellington City Council appointed Dr Libby Harrison to the Board from 1 January 2019.
- Stephen Thompson's term as a trustee on the Board ended in July 2018. Following a collaborative process involving the Guardians, Wellington City Council appointed Jo Breese as a new trustee from August 2018.

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 early 2019/20.

The Board will undertake a review of the Chief Executive's performance in July 2019.

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 2018 AGM was held on 14 October and was well attended.

The next AGM will be held in October 2019 (date to be confirmed).

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 2019/20.

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 Officer
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 EnviroGold and the EnviroMark carbonZero accreditation.

The Rata Café has been accredited with all Conscious Consumer badges.

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 now 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 now recorded on-line and this new reporting allows mitigations to be applied in a timely manner.
- Incident reports are now not only reviewed on a regular basis but a new procedure of sign-off that ensures the officers are happy with the investigations and outcomes has been implemented.
- The CEO is 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 have instigated an Employee Support Programme through EAP Services which provides free and confidential support to all employees.
- We have introduced a new Health and Safety dashboard for our Board to provide 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 2019/20 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.

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 have a Fence Management Plan that is under the final stages of review. The plan details how we will manage this critical infrastructure.

In our business planning process we will review the management of new strategic assets such as Tanglewood House and our new staff office accommodation building, Pukeahu House.

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, Combined Liability (Public, Employer, Statutory, Fidelity Guarantee and Lawsafe) and Trustee Liability.

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).

A process to review and update the framework for the risks register is currently underway and will be completed and applied during the first quarter of the 2018/19 financial year. The new format will employ 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 will be included in the first quarterly report to Council in 2018/19.

Probability of Risk	Impact of Risk					
	2	3	4	5	6	7
1	3	4	5	6	7	8
0	2	3	4	5	6	7
-1	1	2	3	4	5	6
-2	0	1	2	3	4	5
-3	-1	0	1	2	3	4

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 10 year sustainable 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, the Karori Sanctuary Trust. The Trust is a charitable trust registered under the Charities Act 2005 which requires compliance with generally accepted accounting practice (GAAP) in New Zealand.

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

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

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

Basis of preparation

The financial statements have been prepared in accordance with PBE RDR for not-for-profit organisations as required by the Financial reporting Act 2013.

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, other grants and donations (received for specific projects) and some 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	10-50 years
Predator fence	25-50 years
Fixtures, Plant and Equipment	5-25 years
Vehicles	5-14 years
Other Assets	3-25 years
Computer Software	3 years

vi. Accounts 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 and food and beverages. They are stated at the lower of cost and net realisable value. Cost is determined on a weighted average cost basis.

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 recognized 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 2019/20

As in past years, ZEALANDIA will continue to drive revenue and contain costs in 2019/20 and will aim to complete the year with an operating surplus.



ZEALANDIA - KARORI SANCTUARY TRUST

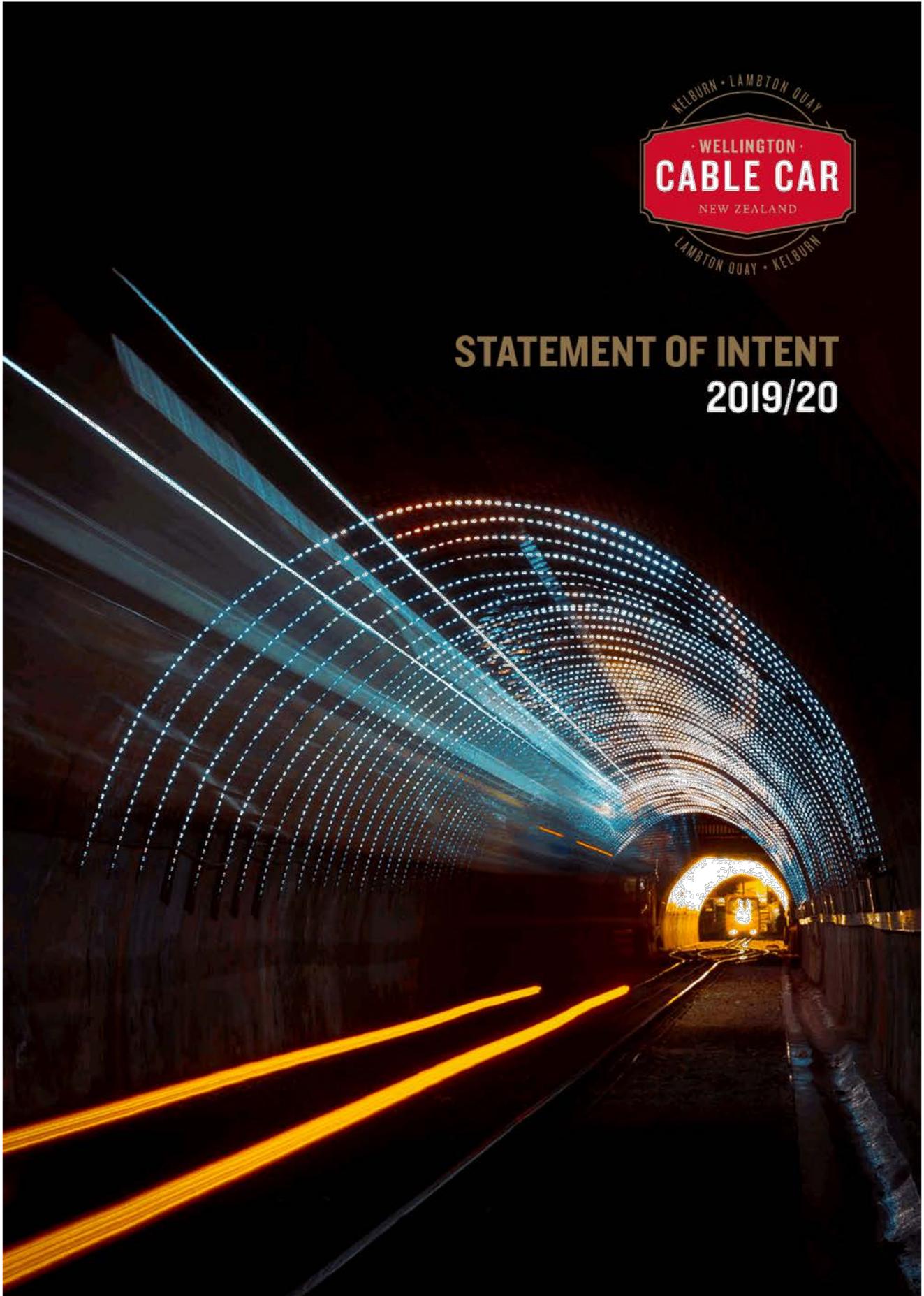
Forecast 30-Jun-19	STATEMENT OF COMPREHENSIVE INCOME	Qtr to 30-Sep-19	Qtr to 31-Dec-19	Qtr to 31-Mar-20	Qtr to 30-Jun-20	FYE 30-Jun-20	FYE 30-Jun-21 **	FYE 30-Jun-22
	Trading Revenue							
854,760	Admissions	120,000	229,000	313,000	198,000	860,000	877,000	895,000
341,176	Membership Subscriptions	71,000	98,000	97,000	74,000	340,000	347,000	354,000
	Other Operating Revenue							
	Sales of Goods							
2,497,209	Other trading revenue	374,000	730,000	903,000	474,000	2,481,000	2,546,700	2,612,500
	Other Operating Revenue							
858,000	Shareholder grants	214,500	214,500	214,500	214,500	858,000	858,000	858,000
149,000	Living wage fund from WCC	38,368	38,368	38,368	38,368	153,470	158,000	163,000
	WCC Centre for People & Nature Hub						700,000	
672,007	Sponsorships, grants and donations	123,750	123,750	123,750	123,750	495,000	505,000	515,000
	Other operating income							
	Non-operating Revenue							
	Sub-lease and other non-operating income							
32,846	Interest income	3,000	7,000	3,000	7,000	20,000	20,000	20,000
700,000	Other income CPN Hub Donation Funding							
6,104,998	Total Revenue	944,618	1,440,618	1,692,618	1,129,618	5,207,470	6,011,700	5,417,500
	Operating Expenses (overheads)							
3,374,747	Salaries and wages	827,000	859,000	862,000	827,000	3,375,000	3,443,000	3,512,000
630,631	Cost of goods sold	134,000	157,000	174,000	134,000	599,000	611,000	623,000
504,692	Other operating expenses	120,000	130,000	130,000	120,000	500,000	510,000	520,000
100,031	Trustee expenses	25,750	25,750	25,750	25,750	103,000	105,000	107,000
303,473	Administration costs	74,843	74,843	74,843	74,841	299,370	305,000	311,000
4,913,574	Total Operating Expenditure	1,181,593	1,246,593	1,266,593	1,181,591	4,876,370	4,974,000	5,073,000
1,191,424	Net Surplus/(Deficit) before Depreciation and Tax	(236,976)	194,025	426,025	(51,974)	331,100	1,037,700	344,500
	Interest expense							
	Loss on Visitor Centre transfer to WCC							
346,323	Depreciation	96,000	96,000	116,000	116,000	424,000	474,000	474,000
845,101	Net Surplus/(Deficit)	(332,976)	98,025	310,025	(167,974)	(92,900)	563,700	(129,500)

ZEALANDIA - KARORI SANCTUARY TRUST

Forecast 30-Jun-19	STATEMENT OF FINANCIAL POSITION	As at 30-Sep-19	As at 31-Dec-19	As at 31-Mar-20	As at 30-Jun-20	As at 30-Jun-20	As at 30-Jun-21 **	As at 30-Jun-22
	Equity							
4,026,807	Trust Funds	4,871,908	4,538,933	4,636,957	4,946,982	4,871,908	4,779,008	5,342,708
845,101	Current year earnings	(332,976)	98,025	310,025	(167,974)	(92,900)	563,700	(129,500)
<u>4,871,908</u>	Total Shareholder/Trust Funds	<u>4,538,933</u>	<u>4,636,957</u>	<u>4,946,982</u>	<u>4,779,008</u>	<u>4,779,008</u>	<u>5,342,708</u>	<u>5,213,208</u>
	Current Assets							
500,000	Cash and cash equivalents	471,841	430,865	621,890	404,916	404,916	356,616	306,116
50,000	Accounts receivable	50,000	50,000	50,000	50,000	50,000	51,000	51,000
	Prepayments							
50,000	Inventory	50,000	50,000	50,000	50,000	50,000	55,000	60,000
	Other current assets							
<u>600,000</u>	Total Current Assets	<u>571,841</u>	<u>530,865</u>	<u>721,890</u>	<u>504,916</u>	<u>504,916</u>	<u>462,616</u>	<u>417,116</u>
	Investments							
1,350,000	Term deposits	1,760,000	1,510,000	1,260,000	1,010,000	1,010,000	1,300,000	1,600,000
	Other investments							
<u>1,350,000</u>	Total Investments	<u>1,760,000</u>	<u>1,510,000</u>	<u>1,260,000</u>	<u>1,010,000</u>	<u>1,010,000</u>	<u>1,300,000</u>	<u>1,600,000</u>
	Non-current Assets							
3,438,092	Fixed assets	3,767,092	4,096,092	4,405,092	4,714,092	4,714,092	4,340,092	3,966,092
	Intangible assets							
	Other non-current assets							
<u>3,438,092</u>	Total Non-current Assets	<u>3,767,092</u>	<u>4,096,092</u>	<u>4,405,092</u>	<u>4,714,092</u>	<u>4,714,092</u>	<u>4,340,092</u>	<u>3,966,092</u>
<u>5,388,092</u>	Total Assets	<u>6,098,933</u>	<u>6,136,957</u>	<u>6,386,982</u>	<u>6,229,008</u>	<u>6,229,008</u>	<u>6,102,708</u>	<u>5,983,208</u>
	Current Liabilities							
150,000	Accounts payable	120,000	210,000	150,000	230,000	230,000	230,000	230,000
150,000	Income in advance	1,210,000	980,000	1,110,000	910,000	910,000	220,000	230,000
110,000	Employee entitlements	100,000	100,000	110,000	120,000	120,000	120,000	120,000
106,184	Provisions and accruals	130,000	210,000	70,000	190,000	190,000	190,000	190,000
	Other current liabilities							
<u>516,184</u>	Total Current Liabilities	<u>1,560,000</u>	<u>1,500,000</u>	<u>1,440,000</u>	<u>1,450,000</u>	<u>1,450,000</u>	<u>760,000</u>	<u>770,000</u>
	Non-current Liabilities							
	Shareholder advances							
	Other non-current liabilities							
	Total Non-current Liabilities							
<u>516,184</u>	Total Liabilities	<u>1,560,000</u>	<u>1,500,000</u>	<u>1,440,000</u>	<u>1,450,000</u>	<u>1,450,000</u>	<u>760,000</u>	<u>770,000</u>
<u>4,871,908</u>	Net Assets	<u>4,538,933</u>	<u>4,636,957</u>	<u>4,946,982</u>	<u>4,779,008</u>	<u>4,779,008</u>	<u>5,342,708</u>	<u>5,213,208</u>

ZEALANDIA - KARORI SANCTUARY TRUST

Forecast 30-Jun-19	STATEMENT OF CASH FLOWS	Qtr to 30-Sep-19	Qtr to 31-Dec-19	Qtr to 31-Mar-20	Qtr to 30-Jun-20	Total YE 30-Jun-20	Total YE 30-Jun-21 **	Total YE 30-Jun-22
	Cash Flows From Operating Activities							
	<i>Inflows</i>							
4,043,145	Trading Receipts	595,398	1,079,868	1,266,868	798,868	3,741,000	4,479,700	3,871,500
858,000	Shareholder grants	429,000		429,000		858,000	858,000	858,000
149,000	Living wage fund	153,470				153,470	158,000	163,000
	WCC Centre for People & Nature Hub	700,000				700,000		
672,007	Sponsorships and donations	123,750	123,750	123,750	123,750	495,000	(195,000)	515,000
	Other Income							
	<i>Outflows</i>							
3,374,747	Payments to Employees	837,000	859,000	852,000	817,000	3,365,000	3,443,000	3,512,000
1,595,747	Payments to Suppliers	360,777	217,593	604,593	154,591	1,337,554	1,536,000	1,566,000
	Net GST Cashflow							
	Other Operating Costs							
751,658	Net Cash Flows From (Used In) Operating Activities	803,841	127,025	363,025	(48,974)	1,244,916	321,700	329,500
	Cash Flows From (Used In) Investing Activities							
	<i>Inflows</i>							
	Sale of fixed assets							
	Sale of investment assets							
100,000	Other - Term Deposit cash-out		250,000	250,000	250,000	750,000		
	<i>Outflows</i>							
924,850	Purchase of fixed assets	425,000	425,000	425,000	425,000	1,700,000	100,000	100,000
	Purchase of investments							
	Other - Term Deposit cash-in	410,000				410,000	290,000	300,000
(824,850)	Total Investing Cash Flow	(835,000)	(175,000)	(175,000)	(175,000)	(1,360,000)	(390,000)	(400,000)
	Cash Flows From (Used In) Financing Activities							
	<i>Inflows</i>							
	Drawdown of loans							
32,846	Investment income	3,000	7,000	3,000	7,000	20,000	20,000	20,000
	Other							
	<i>Outflows</i>							
	Repayment of loans							
	Interest paid							
	Other							
32,846	Total Financing Cash Flow	3,000	7,000	3,000	7,000	20,000	20,000	20,000
(40,346)	Net Increase/(Decrease) in Cash Held	(28,160)	(40,976)	191,025	(216,974)	(95,084)	(48,300)	(50,500)
540,346	Opening Cash Equivalents	500,000	471,841	430,865	621,890	500,000	404,916	356,616
	Adjustments (rounding)							
500,000	Closing Cash Equivalents	471,841	430,865	621,890	404,916	404,916	356,616	306,116
**	Includes WCC Funding for Centre for People and Nature, expect							





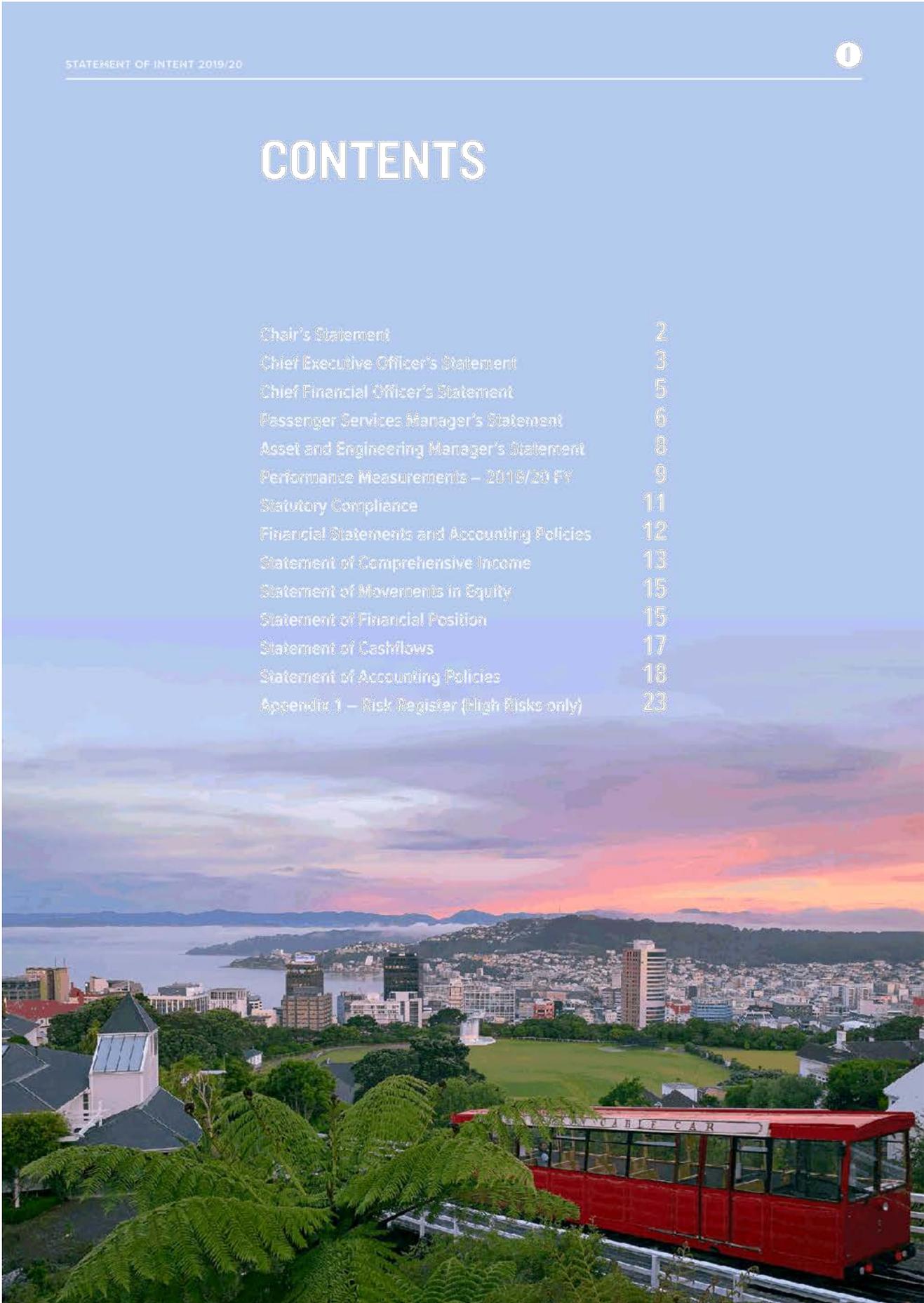
Presented to the Council Controlled Organisations Sub-Committee.
Pursuant to Schedule 8 of the Local Government Act (2002)

STATEMENT OF INTENT 2019/20

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WELLINGTON CABLE CAR LIMITED

CHAIR'S STATEMENT



The Wellington Cable Car is proudly owned, operated and maintained by Wellington Cable Car Limited (WCCL), and has successfully transported residents and visitors between Lambton Quay and Kelburn since 1902.

WCCL is a Council Controlled Organisation (CCO) proudly owned by Wellington City Council, and the Cable Car is widely perceived as an icon and symbol of Wellington. As the Cable Car enters its 117th year of service, its market comprises local residents as well as visitors to the Capital City.

The ongoing tourist boom in New Zealand has led to a significant increase in total passenger trips over the past two years, and patronage is now in excess of 1.2 Million per annum. As an aside, the Cable Car is the second most visited attraction in Wellington after Te Papa Tongarewa. This ongoing success has led to an increase in passenger revenue that has assisted in building a solid financial foundation to fund the ongoing asset management plan and capital works required to continue operating safely and efficiently for the foreseeable future.

WCCL used to comprise two operating divisions – the Cable Car and the Trolley Bus Overhead Electrical

Network. Trolley Buses ceased operating in October 2017, and WCCL has now successfully decommissioned the Overhead Electrical Network and disposed of all remaining network infrastructure and assets. Looking forward, future Statements of Intent will refer solely to the Cable Car operating division.

As the Chair of WCCL since 2014, I am proud to present WCCL's Statement of Intent (SOI) for 2019/20, which covers 2019/20 in detail, and the following two financial years in outline. This SOI outlines WCCL's strategy and financial statements to continue to operate the Cable Car safely and efficiently in support of local residents and visitors to Wellington. The SOI is consistent with the Wellington City Council Letter of Expectation and fulfils WCCL's requirements under Section 64 and Schedule 8 of the Local Government Act 2002.

Anthony Wilson
Chair

“The ongoing tourist boom in New Zealand has led to a significant increase in total passenger trips over the past two years, and patronage is now in excess of 1.2 million passenger trips per annum.”

CHIEF EXECUTIVE OFFICER'S STATEMENT

“Strong passenger growth over the last two years has alleviated much of the financial pressure associated with the replacement of the Cable Car midway through the next decade”



Wellington's Cable Car is the only funicular railway in New Zealand's, and the iconic image of the Cable Car ascending towards Kelburn with a view of the harbour in the background is synonymous with the Capital City.

The current generation of Cable Car is nearing the end of its design life (it commenced operating in 1979) and previous Statements of Intent have focused heavily on a strategy for funding the replacement of the Cable Car midway through the next decade. Strong passenger growth over the last two years has alleviated much of the financial pressure associated with this undertaking, and current projections indicate that this replacement can be funded internally, combined with some debt funding, commencing in 2024 (completing in 2026).

When asked to describe the most important characteristic of the Cable Car, my instant reply is always that being customer focused and innovative in your approach to ensure that the

customer experience is a good one is the single most important attribute for an organisation such as Wellington Cable Car Limited. The quality of the staff is vitally important in achieving this ethos, and WCCL's Managers (Matthew Hardy – Passenger Services Manager, Stephen Ward – Asset and Engineering Manager, and Bruce Jensen – Chief Financial Officer) have a huge role to play in making this happen. Later sections of this Statement of Intent will include a section from each of these three key Managers where they describe what the Company is up to and what they will be working on to ensure that the Cable Car continues to grow and evolve to serve the Wellington population and visitors to the region.

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WELLINGTON CABLE CAR LIMITED

In addition to our business-as-usual activities, there are three main areas of focus for the management team for the 2019/20 financial year – Marketing, Technical Support, and Health & Safety:



MARKETING

The Cable Car is synonymous with Wellington and is an integral part of the city's proud history. The classic image of the Cable Car ascending over the Victoria University of Wellington's sports ground in Kelburn is often the first image that will be seen when undertaking a web search for Wellington. However, the tourism market is changing rapidly, and we need to be cognisant of these changes and react accordingly. In particular, we must make sure that we anticipate and interact with potential customers, using as many digital channels as possible, to ensure that our brand equity remains high and visitors to Wellington will automatically choose to visit the Cable Car. This is done in conjunction with WREDA and other key partners such as Zealandia and the Wellington Museums Trust (who operate the Cable Car Museum).



TECHNICAL SUPPORT

The current Cable Car was manufactured in 1978 and commissioned into service in 1979. Whilst it has served us well for 40 years, typically operating 600 trips per week, it is nearing the end of its design life. Some of the key systems that were already obsolete (including the electric drive and telemetry system) were replaced in 2016, however, the rolling stock (including the cars, bogies, and associated braking systems) will be up for replacement by 2026. Lots of effort goes into supporting and maintaining a much loved but venerable funicular railway, and this does present on an ongoing challenge to our technical support staff. More detail on the Cable Car's future plans for a technical support perspective are outlined in a later section of this SOI.



HEALTH & SAFETY

Contemporary legislation places a significant onus upon organisations such as WCCL to work collaboratively with all other relevant organisations (PCBU is the term used in the Health and Safety at Work Act, 2015) to ensure the safety and wellbeing of our passengers, employees, and any other personnel who work our site. The Cable Car is also regulated by the New Zealand Transport Agency (NZTA) and is required to operate under licence, whilst conforming to a Safety Case approved by the Rail Safety Regulator. Our philosophy is to work proactively and in conjunction with NZTA and WorkSafe New Zealand, to ensure that Cable Car operations are as safe as they can possibly be. Our aim is a zero harm work place and we strive to ensure that our passengers and employees can travel and work in an environment that is risk-free, wherever practicable. During 2019/20, WCCL will review its Safety Management System and associated Safety Case to ensure that we continue to adhere to this philosophy.

In line with Wellington City Council and associated entities, WCCL will investigate the addition of Te Reo names for all five stations after consultation with local Iwi, along with incorporating into the Company logo if possible. The Company has already incorporated Te Reo into marketing material including its website which is translated and also other promotional material. WCCL is

also committed to work with entities to identify how they will contribute to the goals outlined in Te Atakura, the First to Zero plan once it has been finalised.

In summary, 2018/19 proved to be one of the most successful years for the Cable Car in terms of passenger trips in recent history, and WCCL is optimistic that 2019/20 will be even better. This,

combined with more collaboration between WREDA and the various Wellington City Council Council CCOs and Trusts, will ensure that the customer experience continues to evolve and develop, and will stand us in good stead for the future.

Simon Fleisher
Chief Executive

CHIEF FINANCIAL OFFICER'S STATEMENT

Having been with the Company for 10 years now, it still amazes me the achievements and financial results that can be achieved by a small team.

I believe it is due to the passion and dedication of all staff across the business and because of this makes it a place that people want to be involved with, which is reflected by the length of service of key team members.

From a financial team perspective, we are a small team of two, but are always keen to look at where we can improve both from an efficiency and accuracy perspective but more importantly being able to provide relevant, real time reporting to the people that need it, both within the business but also our stakeholders and shareholder. With continuing advances in technology this provides the ability to do more and integrate with the various systems the Company utilises. The information technology responsibility for the business also sits within our team, which provides for further variety of work but also the ability to look at new and novel ways of doing things across the business as a whole.

Given the nature of the business, there are continuous reporting requirements, including the statutory reporting which is externally audited. As a small team and having to balance the daily

financial needs, we always try to have a proactive working relationship with our external audit team to ensure we are operating using best practices but also identifying issues and workflows that need to be addressed in advance. To this end, we are fortunate with the current Audit NZ team we have in place that this process works well.

Despite being a small business, there are some complex elements to it, including the infrastructure needs, which means insurance management and planning is an important aspect of what we do. These needs have changed over the recent years with the cessation of trolley bus services in Wellington, but equally with the further maintenance and infrastructure replacements in the Cable Car side of the business, there continues to be significant long term planning work which we are involved in and it is an exciting time to be part of the business.

The financial statements of the Company and highlights are included separately in this document, and these show healthy results, but our focus remains on being to build up the required funds for the replacement



of the rolling stock and associated tasks in the coming years. Ideally the planning and funding for this would have commenced 20-30 years ago, so we have had a truncated timeframe to accumulate the funds required. However, given the asset management planning now in place within the Company, after the replacement of the rolling stock, I believe the Company has a solid foundation to be able to fund the following cycles of infrastructure, which is a great achievement by a small organisation and team.

Bruce Jensen
Chief Financial Officer

“The financial statements of the Company and highlights are included separately in this document, and these show healthy results”

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WELLINGTON CABLE CAR LIMITED

PASSENGER SERVICES MANAGER'S STATEMENT



The Cable Car had one of its best every years in 2017/18, with over 1.14 Million passenger trips in 2017/18, and we anticipate further expected growth of approximately 5% in 2018/19, mainly due to ongoing growth in the tourism market.

Our aim is to continue with this success and ensure the Cable Car provides a high quality, safe and unique heritage travel experience to both tourists and the local community, and also plays its part in meeting Wellington's goal of becoming the

most prosperous, liveable and vibrant city in Australasia.

Our people are key to delivering the very best customer experience. We are fortunate to have a team of skilled and dedicated passenger service staff, made up of 14.6 FTE permanent staff and a number of seasonal and casual staff who provide relief cover and assistance during high visitor seasons and one-off events. Training is important, and for the past two years we have offered a tailored training course to all team members during the Annual Safety shutdown. These courses include customer service, dealing with difficult situations, resilience training and comprehensive first aid training.

Following the direction set by Wellington City Council, in July 2018 we expanded the living wage concept to include all staff, including casual members of staff. In 2019/20 we will continue to invest in our staff through customer service training, including the values of Manaakitanga. We will review other Health and Safety documentation and rewrite both the Health and Safety manual and the Drivers' manual in our efforts to become a zero harm workplace.

During 2018 we proudly gained the first Wellington Platinum rating from Be.Accessible for our ease of

accessibility to all. This was a great achievement for WCCL but also for our staff who were given particular mention in the report. Accessibility is a vitally important concept for us, and we will continue to strive to enhance and improve this for our passengers.

In July 2018 we changed our fare structure to take advantage of the strong Free and Independent Traveller (FIT) and cruise ship market with casual fares increased by an average of 21.73%. We also added additional Family pass products and increased the price of the existing family passes by only 5% to maintain affordability for family groups. Prices for students and local commuters were increased by less than 3% to keep our fares competitive with the subsidised Metlink bus network. This revised fare structure has been largely successful with revenue in the first 6 months of 2018/19 up 22.28% over the same period in 2017/18.

However, the local market remains under pressure with adult numbers static and student numbers continuing to drop, due mainly to the improved bus services to Kelburn campus and the introduction of a student concession fare in July 2018. In February 2019, we had a stall at the Orientation week at Victoria University. In 2019/20 we will continue with this direct contact with the University to try and build student engagement with the Cable Car.

“During 2018 we proudly gained the first Wellington Platinum rating from Be.Accessible for our ease of accessibility to all”

The SuperGold scheme remains problematic for WCCL with the schemes off peak usage period not relating to WCCL's off peak times. Furthermore, an inadequate capped payment system means that funding is exhausted halfway through the financial year.

From a Marketing perspective, we have worked hard over the last few years to increase WCCL's online presence and to build even stronger brand awareness. For 2019/20 we will be concentrating our efforts on the China – New Zealand Year of Tourism. We have continued to build our relationship with Chinese wholesalers and tour operators including China Travel Service, Fliggy, EYOUNZ and RRUU. We will also have the Alipay payment system and a verified Weibo account in place for this important year. We have several staff attending the WCC International Relations' team Chinese classes, and we also hope to have staff included in a tourism delegation to China in September 2019 to meet with operators who can market the Cable Car in the China market.

The Cable Car has maintained its excellent Tourism New Zealand Silver Qualmark rating, but during 2019/20 will investigate the options for an Enviro accreditation or award. Qualmark also noted that WCCL was the most responsive operator to online reviews in Wellington.

WCCL will continue to work closely with WREDA, WCC, Tourism New Zealand and our wider tourism partners to promote both the Cable Car and the wider Wellington region throughout 2019/20.

Matthew Hardy
Passenger Services Manager



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WELLINGTON CABLE CAR LIMITED

ASSET AND ENGINEERING MANAGER'S STATEMENT



There are two main areas of focus for the Cable Car's technical support team.

The first of these is undertaking regular periodic maintenance and inspections to ensure that Cable Car operations are safe, fit-for-purpose and complies with our obligations under the Railways Act and the Health & Safety at Work Act. These activities also include dealing with any outstanding defects that have arisen.

The second main area of focus involves us looking ahead to plan and prepare for future capital works necessary to enable the Cable Car to continue to operate safely into the future. Because the Cable Car is such a niche and highly specialist operation, having the requisite expertise and technical support available to help us to do this is a critical determinant in WCCL's success.

WCCL works closely in conjunction with Doppelmayr (the Cable Car's original equipment manufacturer and system design authority) to ensure that we have the right support measures in place to be able to undertake these capital works as and when required.

Good examples of significant work projects in hand at the moment include (a) a detailed investigation into the structural strength of the three tunnels that form part of the rail corridor, and (b) planning ahead for the design, manufacture and installation of the replacement rolling stock (scheduled to enter service in 2026).

Other capital works areas of investigation include (c) the potential rebuild of Salamanca Station on the

northern side of the railway corridor (this would allow much easier access to passengers with accessibility issues), and (d) participation in the Regional Integrated Ticketing Solution (when this comes to fruition).

Looking forwards, WCCL is lucky in that our technical support team is being enhanced by the addition of Andrew Cresswell as the Maintenance Technician, in support of the work already undertaken by the Asset and Engineering Manager. They will be busy planning all of these new works, in addition to the planned introduction of a new Maintenance Management System, and a re-write of the Cable Car's safety management system plus associated safety system.

In terms of wider community matters, the Company will be working with the applicable entities to develop and/or implement a waste plan to contribute to the Regional Waste Management and Minimisation Plan goal of reducing waste to landfill by 1/3. It is also committed to develop further strategies to manage resilience charges.

Stephen Ward
Asset and Engineering Manager

“Because the Cable Car is such a niche and highly specialist operation, having the requisite expertise and technical support available is a critical determinant in WCCL's success”

STATEMENT OF INTENT 2019/20

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PERFORMANCE MEASUREMENTS 2019/20 FINANCIAL YEAR



PERFORMANCE
INDICATOR



TARGET/RESULT

2019/20

2020/21

2021/22

CABLE CAR PASSENGER SERVICE PERFORMANCE MEASURES

PERFORMANCE INDICATOR	2019/20	2020/21	2021/22
WCCL Customer Satisfaction Survey	Attain at least 85% good or very good reviews.	Attain at least 85% good or very good reviews.	Attain at least 85% good or very good reviews.
TripAdvisor Rating	Maintain at least a 4.0 rating out of 5	Maintain at least a 4.0 rating out of 5	Maintain at least a 4.0 rating out of 5
Customer Complaints	Receive fewer than 2 customer complaints per 100,000 passenger trips	Receive fewer than 2 customer complaints per 100,000 passenger trips	Receive fewer than 2 customer complaints per 100,000 passenger trips
Customer Trips	At least 1.20 Million passenger trips, split as follows: 1st Qtr: 216,763 2nd Qtr: 344,516 3rd Qtr: 403,617 4th Qtr: 241,737 Full Year: 1,206,633	At least 1.20 Million passenger trips, split as follows: 1st Qtr: 218,091 2nd Qtr: 347,243 3rd Qtr: 404,274 4th Qtr: 241,851 Full Year: 1,211,459	At least 1.20 Million passenger trips, split as follows: 1st Qtr: 220,125 2nd Qtr: 350,568 3rd Qtr: 408,444 4th Qtr: 244,643 Full Year: 1,223,780
Tri% of Service Trips starting on time	At least 99%	At least 99%	At least 99%
% of Service trips not run	Less than 1%	Less than 1%	Less than 1%

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PERFORMANCE INDICATOR



TARGET/RESULT

2019/20

2020/21

2021/22

WCCL CORPORATE ACTIVITIES PERFORMANCE MEASURES

Compliance with appropriate Legislation and regulations	Nil adverse comments	Nil adverse comments	Nil adverse comments
WCCL Corporate and Operational Risks are proactively managed	High Risks are proactively managed and eliminated or minimised	High Risks are proactively managed and eliminated or minimised	High Risks are proactively managed and eliminated or minimised

FINANCIAL PERFORMANCE MEASURES

Budgetary requirements approved by the WCCL Board are met	Within 10% of Board approved variance	Within 10% of Board approved variance	Within 10% of Board approved variance
Board delegations are adhered to	All approvals of financial and contractual commitments and expenditure are in accordance with the delegations' policy	All approvals of financial and contractual commitments and expenditure are in accordance with the delegations' policy	All approvals of financial and contractual commitments and expenditure are in accordance with the delegations' policy



STATEMENT OF INTENT 2019/20



STATUTORY COMPLIANCE

BOARDS APPROACH TO GOVERNANCE

The Board of Directors currently comprises two members. All are appointed by WCC according to WCC practices. The current Board consists of:

Chairman

Anthony Wilson – Independent Director

Director

Andy Matthew – WCC Chief Financial Officer

The Board currently meets formally every two months (typically five meetings per annum). Further detail on Board practices is outlined below.

The Board supports the principles of good governance as set out in "The Four Pillars of Governance Best Practice for New Zealand Directors" (incorporating the Code of Practice for Directors), issued by the Institute of Directors in New Zealand (Inc.) in 2012.

The Board is responsible for setting the strategic direction and approving the Statement of Intent and budget, however delegates the day-to-day management of the company to the CEO and their leadership team, who are required to act in accordance with the Board's approved delegations' policy.

The Board's practices include:

- The Chair and the CEO discuss current issues on a weekly basis
- The Directors and the CEO meet monthly for a formal catch-up to discuss governance issues.
- The Board meets bi-monthly or more frequently on an as-required basis

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 have been considered and the level of risk assessed, taking into account any controls that have been put in place. Risk mitigation actions and controls are determined such that the level of risk is considered to be As Low As Reasonably Practicable (ALARP) using the principles of eliminate, substitute, isolate or engineering controls.

WCCL regularly reviews and updates its WCCL Risk Register and currently has no risks that have an Extreme assessment. The Risk Register currently contains 2 risks that have a High Assessment and these are outlined in Appendix One.

INSURANCE PROGRAMME

The insurance programme is a fundamental aspect of the Company's operations to ensure that where economically and practically possible, the infrastructure is insured and the Company's public liability is protected.

Currently, and we envisage for the foreseeable future, the infrastructure assets are placed in the London market and covered by a policy with Lloyds of London.

The Company also continues to maintain cash reserves to cover our maximum insurance excess.

SHAREHOLDER DISTRIBUTIONS

The Company is always cognisant of the investment Wellington City Council, as shareholder has invested into the business when it commenced.

As such, where surplus funds permit after providing for future capital replacement programmes, the Company will consider the declaration of a dividend. As highlighted in this document, given the pending works in respect of the rolling stock replacement and associated works, and then a subsequent plan to build sufficient capital reserves for the next replacement programme, the Company does not envisage any dividends to be declared within this Statement of Intent period.

FINANCIAL STATEMENTS & ACCOUNTING POLICIES

The budgeted financial statements of the Company for the three years to June 2022 are presented below and show continued growth in terms of Cable Car revenue for the Company.

The prior two financial years have been 'transition' years with the cessation of Trolley Bus services in Wellington, the subsequent decommissioning of the overhead network, and transfer of the pole network to Wellington City Council. This operating division of the business always operated on a break-even basis, however with the allocation of common overhead costs, the costs to be borne 100% by the Company was lower than would ordinarily be

the case. The pole network which has been transferred to Wellington City Council also provided external pole user income of approximately \$250k per annum. With that division of the business having fully ceased for the 2019/20 year, it has the result of increasing the administrative/overhead cost burden on the business which is shown in the financial projections below, with an increase in overhead costs by \$150k for the year.

Despite this increase in the cost structure of the business, and the ongoing maintenance and capital works required on the Cable Car, we have forecast for the cash reserves of the Company to increase each year, with an increase of approximately \$1m in reserves over the next 3 years. Furthermore, the budgeting model that

Company adopts is a conservative one in terms of future cost increases and would therefore expect the future years (2020/21 and 2021/22) results to be higher than previous projections, based on current assumptions.

In terms of the capital improvements which have been provided for, the attached financial statements project a spend of \$880k over the next 3 year period on capital costs, with a significant portion of these for further design and physical works on the strengthening of the tunnel portals. Given the uncertainty at this time, no costs have been provided for in respect of implementing the new integrated ticketing solution for the Wellington region, however the Company is envisaging to be part of this when implementation occurs.

“Despite this increase in the cost structure of the business, and the ongoing maintenance and capital works required on the Cable Car, we have forecast for the cash reserves of the Company to increase each year, with an increase of approximately \$1m in reserves over the next 3 years”

STATEMENT OF INTENT 2019/20

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WELLINGTON CABLE CAR LIMITED – BUSINESS PLAN

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEARS ENDING 30 JUNE 2020, 2021 AND 2022

	Forecast 2019 \$000	2020 Qtr 1 \$000	2020 Qtr 2 \$000	2020 Qtr 3 \$000	2020 Qtr 4 \$000	2020 Total \$000	2021 \$000	2022 \$000
OVERHEAD DIVISION								
Income	1,500	-	-	-	-	-	-	-
Overhead Division Items Subject to Business Case to GWRC								
Network Decommissioning Costs	1,500	-	-	-	-	-	-	-
Total Maintenance Cost	1,500	-	-	-	-	-	-	-
Depreciation	225	-	-	-	-	-	-	-
Total Expenses	1,725	-	-	-	-	-	-	-
Overhead Overall Surplus / (Loss)	(225)	-	-	-	-	-	-	-
COMPANY ACTIVITIES DIVISION								
Cable Car Income	3,596	602	1,082	1,306	658	3,648	3,692	3,731
Cable Car Operations	1,288	321	321	321	321	1,284	1,332	1,381
Cable Car Maintenance	810	199	199	199	199	796	837	904
Depreciation	250	63	63	63	63	252	263	249
Cable Car Expenses Subtotal	2,348	583	583	583	583	2,332	2,432	2,534
Cable Car Operating Surplus / (Loss)	1,248	19	499	723	75	1,316	1,260	1,197

WELLINGTON CABLE CAR LIMITED – BUSINESS PLAN

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE YEARS ENDING 30 JUNE 2020, 2021 AND 2022

	Forecast 2019 \$000	2020 Qtr 1 \$000	2020 Qtr 2 \$000	2020 Qtr 3 \$000	2020 Qtr 4 \$000	2020 Total \$000	2021 \$000	2022 \$000
EXTERNAL ACTIVITIES								
3rd Party Services Net Contribution	-	-	-	-	-	-	-	-
Sundry External Income	244	36	36	36	36	144	144	145
External Activities Operating Surplus / (Loss)	244	36	36	36	36	144	144	145
Administration Expenses	614	191	191	191	191	764	788	813
External Activities Division Surplus / (Loss)	878	(136)	344	568	(80)	696	616	529
WELLINGTON CABLE CAR – TOTAL SURPLUS / (LOSS) BEFORE TAX	653	(136)	344	568	(80)	696	616	529
Income Tax Expense	205	(36)	98	161	(21)	202	180	156
WELLINGTON CABLE CAR – TOTAL SURPLUS / (LOSS) AFTER TAX	448	(100)	246	407	(59)	494	436	373
The Total Surplus / (Loss) After Tax Consists of:								
Total Income	5,340	638	1,118	1,342	694	3,792	3,836	3,876
Total Expenditure	(4,892)	(738)	(872)	(935)	(753)	(3,298)	(3,400)	(3,503)
	448	(100)	246	407	(59)	494	436	373

STATEMENT OF INTENT 2019/20

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WELLINGTON CABLE CAR LIMITED – BUSINESS PLAN

STATEMENT OF MOVEMENTS IN EQUITY

FOR THE YEARS ENDING 30 JUNE 2020, 2021 AND 2022

	Notes	Forecast 2019 \$000	2020 \$000	2021 \$000	2022 \$000
Opening Equity – 1 July		10,090	10,537	11,031	11,467
Net Surplus / (Loss) for the period		447	493	437	373
Total Recognised Revenue and Expenses		447	493	437	373
Distribution to Owners	3	-	-	-	-
Closing Balance – 30 June		10,537	11,031	11,467	11,840

Represented by:

WELLINGTON CABLE CAR LIMITED – BUSINESS PLAN

STATEMENT OF FINANCIAL POSITION

FOR THE YEARS ENDING 30 JUNE 2020, 2021 AND 2022

	Notes	Forecast 2019 \$000	2020 \$000	2021 \$000	2022 \$000
CURRENT ASSETS					
Bank	1	3,787	4,066	4,470	4,792
Inventory		-	-	-	-
Accounts Receivable		200	200	200	200
		3,987	4,266	4,670	4,992
FIXED ASSETS					
	2	7,650	7,840	7,717	7,768
TOTAL ASSETS					
		11,637	12,106	12,387	12,760
CURRENT LIABILITIES					
Accounts Payable / Accruals		350	325	170	170
Current Portion of Term Loan		-	-	-	-
		350	325	170	170

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WELLINGTON CABLE CAR LIMITED

WELLINGTON CABLE CAR LIMITED – BUSINESS PLAN

STATEMENT OF FINANCIAL POSITION (CONTINUED)

FOR THE YEARS ENDING 30 JUNE 2020, 2021 AND 2022

	Notes	Forecast 2019 \$000	2020 \$000	2021 \$000	2022 \$000
NON CURRENT LIABILITIES					
ANZ Bank Loan		-	-	-	-
Deferred Tax Liability		750	750	750	750
Employee Retirement Gratuity		-	-	-	-
		750	750	750	750
NET ASSETS					
		10,537	11,031	11,467	11,840
SHAREHOLDERS' FUNDS					
Represented by:					
Authorised Capital					
Ordinary Shares at \$1 fully paid		7,435	7,435	7,435	7,435
Retained Earnings		3,102	3,596	4,032	4,405
		10,537	11,031	11,467	11,840

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 2019 balance sheet is the forecast position as at the time of completing the 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.

STATEMENT OF INTENT 2019/20

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WELLINGTON CABLE CAR LIMITED – BUSINESS PLAN

STATEMENT OF CASHFLOWS

FOR THE YEARS ENDING 30 JUNE 2020, 2021 AND 2022

	Year Ended 30 June 2019 Forecast \$000	Year Ended 30 June 2020 \$000	Year Ended 30 June 2021 \$000	Year Ended 30 June 2022 \$000
Cash flows from operating activities				
<u>Cash was received from:</u>				
Operating receipts	5,412	3,695	3,786	3,827
Interest received	50	96	50	50
<u>Cash was disbursed to:</u>				
Payments to suppliers and employees	(5,212)	(2,870)	(3,112)	(3,099)
Net cash inflow / (outflow) from operating activities	250	921	724	778
Cash flows from investing activities				
<u>Cash was received from:</u>				
Investments	-	-	-	-
Sales of fixed assets	-	-	-	-
<u>Cash was applied to:</u>				
Purchases of fixed assets	(229)	(440)	(140)	(300)
Net cash inflow / (outflow) from investing activities	(229)	(440)	(140)	(300)
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	-	-	-	-
Subvention Payment	(356)	(202)	(180)	(156)
Net cash inflow / (outflow) from financing activities	(356)	(202)	(180)	(156)
Net increase / (decrease) in cash held	(335)	279	404	322
Opening cash balance	4,122	3,787	4,066	4,470
Closing cash balance	3,787	4,066	4,470	4,792

STATEMENT OF ACCOUNTING POLICIES

FROM JUNE 2018 FINANCIAL STATEMENTS

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 2018 and were approved by the Board of Directors on 1 October 2018.

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)

FROM JUNE 2018 FINANCIAL STATEMENTS

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:

- The net realisable value of inventory in respect of The Trolley Bus division has been estimated at salvage value using recognised market values existing at balance date.
- The value of the pole network has been estimated at its disposal value, being nil. The basis of this being the expected transfer value.

(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.

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

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WELLINGTON CABLE CAR LIMITED

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

FROM JUNE 2018 FINANCIAL STATEMENTS

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 years 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.

(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.

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

FROM JUNE 2018 FINANCIAL STATEMENTS

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

(g) Inventories

Wellington Cable Car Limited's inventory comprises of items held in respect of maintaining and operating the 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.

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.

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WELLINGTON CABLE CAR LIMITED

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

FROM JUNE 2018 FINANCIAL STATEMENTS

(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 is received from Greater Wellington Regional Council in relation to the operation of the Traction Network (to 31 October 2017) and thereafter to decommission the network. There are also pole occupancy licences in place in relation to third parties with equipment attached to the Traction Network.

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 ONE: RISK REGISTER

(HIGH RESIDUAL RISKS ONLY)

Risk ID #	0019	0029
Hazard Title	Damage to Cable Car by general public (anytime including after hours)	Physical violence to staff by general public
Risk Items	<ol style="list-style-type: none"> 1. Disruption to Cable Car services 2. Damage to property 3. Injuries to public 	<ol style="list-style-type: none"> 1. Mental and physical ill health of employees and passengers 2. Disruption to Cable Car services
Risk Causes	<ol style="list-style-type: none"> 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. 	<ol style="list-style-type: none"> 1. Public under the influence of drugs or alcohol
Risk Effects	<ol style="list-style-type: none"> 1. Vandalism/damage to Cable Car property 2. Disruption to Cable Car services 3. Injuries to general public 	<ol style="list-style-type: none"> 1. Stress and possible physical violence to driver and passengers 2. Disruption to Cable Car services 3. Minor damage to Cable Car and property
Risk Controls	<ol style="list-style-type: none"> 1. Cars locked at night 2. Monitored camera surveillance and alarms inside both Kelburn and Lambton Terminals 3. Both Kelburn and Lambton Terminals locked at night 4. Isolating transformer used to supply mains power to strip 5. Driver's pre-test run inspection conducted 6. Sprinkler system at Kelburn to deter trespassers 7. Fence installed at Kelburn (below the Control Room). 8. Trespass signage installed between Salamanca and Kelburn 9. Drivers have right to refuse entry on cars and lower station 10. Drivers have radio communications and access to Security staff 11. Security guards on site during events which may attract anti-social behaviour 12. Scenario training on how to manage challenging situations provided to staff bi-annually 13. A security camera has been installed on each cable car 	<ol style="list-style-type: none"> 1. Drivers have right to refuse entry on cars and lower station 2. Drivers have radio communications and access to Security staff 3. Security guards on site during events which may attract anti-social behaviour 4. Scenario training on how to manage challenging situations provided to staff bi-annually 5. A security camera has been installed on each cable car
Pre-Controls Probability	Almost Certain	Possible
Pre-Controls Impact	Major	Major
Pre-Controls Risk Rating	Extreme	High
Probability	Possible	Possible
Impact	Moderate	Moderate
Risk Rating	High	High
Categories	Plant and Equipment	Health & Safety

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WELLINGTON CABLE CAR LIMITED









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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 expectations as set out in its Letter of Expectations of 19 December 2018 (see pages 5-8), and outlines our strategic plans (page 4) and performance targets (pages 11-15) for the next three years with detailed focus on the financial period 1 July 2019 to 30 June 2020.

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.

Wellington City Council is our principal funder. They own the buildings that we operate our visitor experiences in, with the exception of Capital E which Council provides a rental subsidy for. Council will provide around 66% of our operational budget in 2019-20 with the other 34% coming from fundraising and trading revenues.

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: A young Gavin Hipkins fan at ‘This Is New Zealand’ opening, March 2018, City Gallery Wellington.



Engaged Curious Communities



We are:

Working with and for Wellington to create remarkable art, culture and science experiences that generate vitality: enriching the city we love.

Our Values are:



Connected: We work together to deepen our engagement with, and relevance to, the communities we serve.



Quality First: We set ourselves high standards prioritising what will make a real difference to Wellington.



Boldness: We are agile, proactive and use innovation and creativity to achieve the best outcomes for our city.



Leading: We commit to providing an environment in which a high performing organisation culture will flourish.



OUR INTENT IN 2019-20

OUR FOCUS is to continue to enrich the city we love by telling Wellington’s stories through the city’s amazing cultural assets and through every exhibition, public event, and children’s live or film production that we produce and present. We welcome Council’s focus on arts and culture and we will work closely with Council and other arts and culture organisations to make Wellington the undisputed cultural capital of New Zealand.

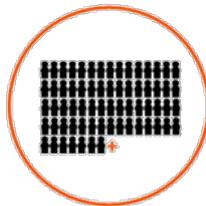
Our reach, organisation effectiveness and commitment to Te Tiriti o Waitangi priorities will be advanced in 2019-20 by:



- Securing a permanent home for Capital E Nōku Te Ao.
- Confirming the master plan for Wellington Museum Te Waka Huia o Ngā Taonga Tuku Iho and being ready for building works in 2020-21.
- Securing the rights for City Gallery Wellington Te Whare Toi to present our third high profile exhibition in 2020-21.
- Encouraging all staff to have basic competency in Te Reo and Tikanga Māori.
- Developing an organisation culture based on whanaungatanga.
- Continuing to improve business systems that support our business activities.
- Increasing revenue from fundraising.
- Achieving a break-even budget or better.
- Demonstrating our commitment to reducing our carbon footprint.

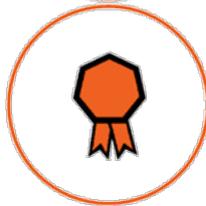
OUR PERFORMANCE is measured by our Key Result Indicators (KRI). In 2019-20 we expect to:

Attract over 660,000 on-site visitors to our experiences, 6% of which will be children and young people visiting for a learning experience.



Expand our reach via our websites and social media channels to engage with a further 280,000 visitors.

Raise \$3.9m (34%) of our operating costs from trading initiatives and fundraising.



Be highly rated by our visitors for the quality of their visitor experience at our institutions, with a 90% approval rating.

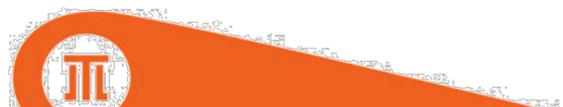
OUR FINANCIAL PERFORMANCE forecasts a break-even budget after fully-funding depreciation. The 2019-20 Budget is based on the following key assumptions:

- We will receive \$7,482,835 from Council (exclusive of cash underwrites) for the operation of Experience Wellington inclusive of Space Place Te Ara a Whānui Ki Te Rangī, representing a 2% increase on our base-line funding received in 2018-19.
- Our 2019-20 non-Council revenue target of just under \$3.9 million represents an increase on our 2018-19 forecast.
- We remain committed to achieving a break-even budget after fully-funding depreciation.

The Forecast Financial Statements are provided in Appendix 1 (pages 20-25). Accounting policies are provided in Appendix 2 (pages 26-30).

OUR CHALLENGES during 2019-20 are to achieve our budget and to resolve our accommodation uncertainties.

4 Experience Wellington – Statement of Intent 2019-20



COUNCIL'S EXPECTATIONS

Outlined in the left-hand column below are Council's expectations for Experience Wellington during 2019-20, as stated in the Letter of Expectations. The right-hand column below is drawn from our 2019-29 Strategic Plan, showing the alignment of our 2019-20 focus areas with Council's expectations.

Council's Expectations	Experience Wellington's Response
Support Council's Te Taihū Te Reo Māori Policy	<p>Our Priority Project, <i>ensuring a Māori dimension in all Experience Wellington plans and activities and in what visitors see, feel and experience</i>, contributes to Council's aspiration to be a Te Reo Māori city by 2040.</p> <p>In 2019-20 we will continue to build the Te Reo Māori capabilities of our staff through training and will progressively introduce Te Reo Māori signage and communication.</p>
Continue working closely with WellingtonNZ ¹ to promote Experience Wellington's activities.	We will continue to share information on future plans and to work closely with the team at WellingtonNZ to promote visitor experiences and to increase out-of-region visitation and reach.
Make a strong contribution towards the achievement of Council's aims as per the 2018-28 Long-Term Plan, the Capital of Culture, and relevant Council Strategies.	<p>Our purpose is to work with and for Wellington to create remarkable art, culture and science experiences that generate vitality, enriching the city we love. See page 10 for highlights from our 2019-20 visitor experience programme.</p> <p>In 2019-20 we will confirm plans for the Wellington Museum development, a project which has Council's support through a \$10m commitment in the Long-Term Plan. The project will complete earthquake strengthening and the redevelopment of the visitor experience which started in 2015 with the opening of <i>The Attic</i>. This project will build Wellington Museum's role within the region as the teller of Wellington's stories, including an authentic Māori dimension.</p> <p>A third exhibition in City Gallery's high value international contemporary art programme will be staged in 2020-21; the first two exhibitions in the programme were <i>Cindy Sherman</i>, presented in 2016-17; and <i>Eva Rothschild: Kosmos</i> and <i>Semiconductor: The Technological Sublime</i>, presented in 2018-19. Both were made possible with the assistance of 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.</p> <p>Space Place will mark its 10th anniversary as a dedicated visitor experience in April 2020. The 2017-18 review of Space Place has highlighted the need for visitor experience refreshment and we will work with Council to establish a programme of exhibition and asset renewal.</p> <p>Through our programme of activity at Capital E we are committed to working with Council to achieve a Child Friendly City.</p> <p>Our Children and Young People Strategy and our Access and Inclusion Strategy are integral to our organisation effectiveness.</p> <p>We will continue to progress our Environmental Sustainability goals as well.</p>

¹ Previously known as WREDA – the Wellington Regional Economic Development Agency. Rebranded in 2019 to WellingtonNZ.



Increase the visibility of the relationship with Council.	We will complete an audit of building signage and all external communication channels to ensure Council is credited appropriately as owner and principal funder. We will expect also to incorporate Council's Te Tauihu Te Reo Māori Policy as changes are implemented.
Performance Measures align with Council's own reporting framework.	Performance measures for the reporting period are provided on pages 11-15. By 30 June 2019 we will have completed a review of the way we monitor audience profile and developed new tools to help us programme and communicate more responsively with those who already engage with us and to enable us to build new audiences. This is part of our strategy to improve the effectiveness of our engagement with communities and to help assess the contribution we are making to Wellington's value proposition.
Participate in Council's review of the Leisure Card programme during 2019-20.	We welcome the opportunity to contribute to the review of the Leisure Card programme.
Consider expanding school holiday offerings to Wellington children and caregivers, subject to demand and commercial considerations.	We remain committed to our Children and Young People Strategy and our purpose is to make growing up in the capital city full of opportunities to play, create and interact, with access to facilities and experiences that are for, by, with and between children and young people. Our vision is that the children and young people who encounter us feel safe, welcomed, included and important. Our experiences are open during the school holidays, and in 2019-20 we will run engaging holiday programmes for children and young people at Capital E and Space Place as part of our wider offering of activities and experiences for this audience group. At Wellington Museum and City Gallery we will work closely with independently-organised holiday programmes.
Articulate the plans for delivering a programme of international art exhibitions, noting that these would likely require funding support from the City Growth or Major Event Funds.	During 2019-20 we will prepare the communications and secure the funding for the next high profile exhibition, which will be presented 2020-21. We will work closely with Council and WellingtonNZ to present a long-term programme of exhibitions and secure a long-term funding commitment from the City Growth and/or Major Event Funds to support this programme.
Seek to mitigate the impacts from the Te Ngākau Civic Square earthquake strengthening works to ensure that City Gallery maintains a strong programme and contribution to Wellington.	We have an exciting programme of exhibitions and events planned for City Gallery during 2019-20 with the aim of attracting visitation in spite of the construction activity happening on Te Ngākau Civic Square. We will continue to consult with Council about the Te Ngākau Civic Square works and our strategies for mitigating their impact on visitation to City Gallery.
Seek to mitigate the impacts from Council's decision to close the Central Library.	The closure of the Central Library building presents challenges and opportunities for Experience Wellington and we will work closely with Council and the Library Services Team to support efforts to continue Central Library services whilst the building is closed.
Seek opportunities to proactively contribute to the Decade of Culture including the cornerstone Matariki event.	We are committed to working with cultural sector colleagues to coordinate and leverage cultural celebrations including the annual Matariki festival and other cultural events that have helped to define Wellington's standing as the arts capital of New Zealand. The Wellington Museum development, City Gallery's international exhibition programme and the opening of a permanent home for Capital E will provide further opportunities to celebrate Wellington's love for the arts.



Discuss the key strategic findings of the review of Space Place and how these are being addressed.	Following the recommendations of the Space Place Review, we will work with Council to establish a programme of exhibition and asset renewal, to ensure that Space Place's business model continues to grow visitation and revenue, with a renewed visitor experience that widens the offer to more visitors.
Maintain alignment with Council's Living Wage remuneration policy.	We are committed to the Living Wage Policy and we implemented the 2018-19 Living Wage adjustment with Council's assistance. We also aligned relativity adjustments with Council's Remuneration Policy as it applied to the implementation of the Living Wage. We have assumed a 2% increase in personnel cost for the planning period.
Collaborate with the Wellington Cable Car Company and ZEALANDIA to continue to improve the overall visitor experience in the Kelburn Precinct at the top of the Cable Car.	<p>We will continue to liaise with all our Council Controlled Organisation (CCO) colleagues, and especially with ZEALANDIA and the Wellington Cable Car Company to contribute where possible to further improving the overall experience in the Kelburn precinct at the top of the cable car.</p> <p>Our priority project, <i>The Look Out! Pukehinau</i> (Cable Car Precinct and Surrounds), is a collaboration/partnership vehicle to engage with the other organisations operating in the Cable Car Precinct. So far through this initiative we have celebrated the 115th anniversary of the Cable Car's first journey with <i>Cable Car Hoopla</i>; with Council's Property Team, we refurbished the Thomas King Observatory for public use, including trialling an artist in residence programme; and contributed to the Botanic Garden's 150th Birthday celebrations.</p>
Update Council on its progress toward developing its business case for the proposed seismic strengthening and exhibition upgrades of Wellington Museum as signalled in the 2018-28 Long-Term Plan.	<p>A process has been agreed with Council regarding the development and presentation of the business case which we expect will confirm timing of Council's funding for the project.</p> <p>In 2019-20 we will confirm the master plan describing building fit-out, complete the building consent process, and award contracts to commence the building works in 2020-21.</p> <p>Fundraising for the development project will be a major focus of 2019-20.</p>
Contribute to the Regional Waste Management and Minimisation Plan goal of reducing waste to landfill by one third.	We are putting measures in place to reduce our waste output and 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.
Contribute to the goals outlined in <i>Te Atakura, the First to Zero</i> plan once it has been finalised.	We are committed to becoming a Carbon Zero certified organisation within the next ten years. During 2019-20 we will begin the process of attaining CEMARS accreditation and we will ensure we work with Council to contribute to the goals outlined in <i>Te Atakura, the First to Zero</i> once it has been finalised.
Work with Council to develop further strategies to manage resilience challenges.	We will work with Council to develop further strategies to manage resilience challenges during 2019-20. The completion of earthquake strengthening at Wellington Museum will be completed in early 2022.



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 and in particular 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 16) and Management, Organisational Health, Capability and Risk Assessment (pages 18-19) cover these expectations in more detail.



OPERATING ENVIRONMENT UPDATE**Access to our Visitor Experiences**

- We will work closely with Council to mitigate access issues to Te Ngākau Civic Square and to City Gallery Wellington Te Whare Toi as the earthquake strengthening of the Town Hall and other construction projects get underway.
- We will work closely with Council and the Library Services Team to mitigate the impacts from the closure of the Central Library building.
- We will plan to keep disruption to access to a minimum as we plan the redevelopment of Wellington Museum Te Waka Huia o Ngā Taonga Tuku Iho.
- We will work with Council on the inclusion of Capital E in a reimagined Te Ngākau Civic Square.

Funding Sources

- We expect to continue to diversify our revenue base and a key aspect of this is fundraising. While grant funding continues to be a significant funding source to meet programming costs we are committed to building our capability in personal giving through loyalty programmes including our legacy giving programme.
- The use of new technology, online fundraising options and ensuring that our business systems are fit for purpose are important aspects of our fundraising approach.
- We will continue to explore corporate sponsorship opportunities particularly in the context of high profile programming and major capital developments.

Stakeholders and Partners

- We continue to develop relationships with stakeholders and organisations particularly in the development of visitor experiences. The partnerships which result contribute to our organisation's 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

- We continue to strive to be in a position to take advantage of the growth in new technologies in order to improve organisation effectiveness including 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.



Capital E Nōku Te Ao responds to the need for Wellington and New Zealand to foster confident, creative, capable citizens who can be architects of their own future.

City Gallery Wellington Te Whare Toi leads the conversation about contemporary art in New Zealand.



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.



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

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



We will present a full visitor experience programme in 2019-20 which will include:

- City Gallery Wellington presenting the much awaited survey exhibition of the work of Theo Schoon; a partnership with the Ian Potter Gallery in Melbourne for an exhibition called *Eavesdropping*; and a new commissioned solo project with one of New Zealand's rising stars Fiona Connor.
- Commemorating *Tuia – Encounters 250* with a series of small exhibitions at City Gallery Wellington; and a national tour of a specially developed Capital E National Theatre for Children show featuring children's own stories of their first cultural encounters.
- Taking our Te Reo Māori Capital E/Taki Rua Theatre Company co-production of *Te Kuia me te Pungawerewere* on tour in the South Island.
- Building on the success of Capital E's inaugural *Maker Faire* with an increased focus on young makers' creativity, bringing their ideas to life.
- Joining with other city attractions in the celebration of Matariki which will include: Capital E presenting child-focussed programmes as part of Council's Matariki celebration; *Matariki Dawn* and star gazing at Space Place; the continuation of our partnership with Chamber Music New Zealand at Wellington Museum and other events aimed at showcasing Wellington during Matariki in June 2020.
- Four new planetarium shows at Space Place including: one focussed on the Moon – part of the 50th Anniversary of the first person to walk on the Moon in July 1969; and one comparing and contrasting traditional Māori and Pacific voyaging knowledge and practice with Western knowledge.

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; and a management agreement with the Hannah Playhouse Trust and Wellington City Council to operate the Hannah Playhouse.

*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 contribution or impact Experience Wellington makes to Wellington's prosperity and liveability. Any changes will be made in consultation with Council.

All financial statements and targets assume that the earthquake strengthening work on the Town Hall, and the closure of the Central Library building will continue to have a negative effect on visitation over the planning period.

The planned closure of Wellington Museum for earthquake strengthening and development over an 18-month period between 2020 and 2022 has also been taken into consideration in projecting visitation 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	2017-18 Actual	2018-19 SOI	2019-20	2020-21	2021-22
City Gallery Wellington	91%	95%	95%	95%	95%
Wellington Museum	93%	97%	95%	95%	95%
Capital E	81%	90%	90%	90%	90%
Cable Car Museum	95%	97%	95%	95%	95%
Space Place	90%	97%	92%	92%	92%
Nairn Street Cottage	50%	60%	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.

Visitor Numbers	2017-18	2018-19	2019-20	Q1	Q2	Q3	Q4	2020-21	2021-22
	Actual	SOI		Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun		
City Gallery Wellington	153,194	170,000	150,000	40,000	36,500	36,500	37,000	150,000	140,000
Wellington Museum	127,413	132,000	130,000	25,300	35,900	41,800	27,000	50,000	50,000
Capital E	113,414	157,500	70,500	21,638	19,120	12,013	17,729	115,500	80,000
Cable Car Museum	269,028	237,000	256,000	36,300	77,700	93,300	48,700	260,000	264,000
Space Place	60,441	55,000	57,000	12,800	12,700	13,800	17,700	59,000	61,000
Nairn Street Cottage	1,724	2,000	2,000	400	400	800	400	2,000	2,000
Experience Wellington Total	725,214	753,500	665,500	136,438	182,320	198,213	148,529	636,500	597,000

Capital E will host the National Arts Festival for Children in 2018-19 and again 2020-21.

Capital E visitation figures from 2019-20 onwards exclude the Hannah Playhouse.

City Gallery visitation is effected by earthquake strengthening on the Town Hall and the closure of the Central Library. In 2020-21 we plan to present a high-value art exhibition which we expect will boost in visitation numbers.

It is proposed that Wellington Museum Building will be closed for a period of 18 months for earthquake strengthening from 1 July 2020.



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

Virtual Visitor Numbers	2017-18 Actual	2018-19 SOI	2019-20	2020-21	2021-22
City Gallery Wellington	76,515	120,000	75,000	80,500	75,000
Museums Wellington	115,101	88,000	96,000	100,000	104,000
Capital E	40,719	45,000	45,500	46,000	47,000
Experience Wellington Total	232,335	253,000	216,500	226,500	226,000

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

Social Media Numbers	2017-18 Actual	2018-19 SOI	2019-20	2020-21	2021-22
City Gallery Wellington	34,724	26,000	35,000	36,000	36,000
Museums Wellington	10,401	10,000	12,000	12,250	12,500
Capital E	6,905	6,250	8,000	8,500	8,250
Space Place	9,224	11,500	10,000	10,500	11,000
Experience Wellington Total	61,254	53,750	64,500	67,250	66,750

First Time Wellington City Visitors: The number of visitors who are residents of Wellington visiting for the first time.

We are currently developing the tools to accurately measure this indicator and will have targets set for the 2020-21 Statement of Intent.

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	2017-18 Actual	2018-19 SOI	2019-20	2020-21	2021-22
City Gallery Wellington	88%	90%	90%	90%	90%
Wellington Museum	92%	90%	90%	90%	90%
Capital E	93%	90%	90%	90%	90%
Cable Car Museum	85%	90%	90%	90%	90%
Space Place	87%	90%	90%	90%	90%
Nairn Street Cottage	-	90%	90%	90%	90%

*There was no Visitor Satisfaction Survey completed at Nairn Street Cottage during 2017-18.
Capital E's Quality of Visit figures from 2019-20 onwards exclude the Hannah Playhouse.*



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.

Learning experience visitors	2017-18 Actual	2018-19 SOI	2019-20	2020-21	2021-22
City Gallery Wellington	3,355	4,500	4,500	4,500	4,500
Museums Wellington	7,819	7,000	7,000	7,000	4,000
Capital E	39,429	50,000	20,500	50,000	20,900
Space Place	8,192	8,250	8,250	8,250	8,250
Experience Wellington Total	58,795	69,750	40,250	69,750	37,650

Figures include LEOTC funded learning experiences as well as self-directed and outreach learning experiences.

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

Wellington Museum will be under construction during 2021-22 so Learning Experience opportunities will be reduced.

Capital E hosted the National Arts Festival for Children in 2018-19 and will do so again in 2020-21.

Capital E Learning Experience figures from 2019-20 onwards exclude the Hannah Playhouse.

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).

Trading (\$'000)	2017-18 Actual \$000	2018-19 SOI \$000	2019-20 \$000	2020-21 \$000	2021-22 \$000
City Gallery Wellington	310	307	296	300	300
Museums Wellington	909	845	837	152	250
Capital E	562	509	252	529	255
Space Place	531	542	566	578	590
Sub Total	2,312	2,203	1,951	1,539	1,395
Sub-letting, Interest & Other	236	275	206	230	230
Experience Wellington Total	2,548	2,478	2,157	1,789	1,625
Fundraising (\$'000)	2017-18 Actual \$000	2018-19 SOI \$000	2019-20 \$000	2020-21 \$000	2021-22 \$000
City Gallery Wellington	299	274	574	474	555
Museums Wellington	178	173	158	130	130
Capital E	756	1,051	858	1,058	865
Space Place	53	103	111	127	132
Experience Wellington Total	1,286	1,601	1,701	1,789	1,682

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

Capital E will host the National Arts Festival for Children in 2020-21. Capital E Non-Council Revenue figures from 2019-20 onwards exclude the Hannah Playhouse.

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



Spend per Visitor: Visitor related revenue.

Spend per Visit (\$)	2017-18 Actual \$	2018-19 SOI \$	2019-20 \$	2020-21 \$	2021-22 \$
City Gallery Wellington	2.02	1.90	1.87	1.88	2.07
Museums Wellington	2.28	2.28	2.16	3.04	5.00
Capital E	4.58	3.12	3.29	3.19	3.19
Space Place	8.74	9.85	9.93	9.60	9.36

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

Capital E will host the National Arts Festival for Children in 2018-19 and will do so again in 2020-21.

Capital E Non-Council Revenue figures from 2019-20 onwards exclude the Hannah Playhouse.

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	2017-18 Actual	2018-19 SOI	2019-20	2020-21	2021-22
Experience Wellington Total	1	0	0	0	0

Staff Satisfaction: At least 75% of staff are engaged with the organisation as indicated through the annual Staff Engagement Survey.

Staff Satisfaction	2017-18 Actual	2018-19 SOI	2019-20	2020-21	2021-22
Experience Wellington Total	71%	75%	75%	77%	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 SOI	2019-20	2020-21	2021-22
New to the Collection	45	100	200	100
Collection Assessment	1,875	1,000	800	200
Collection Accessibility	7.5%	10%	10%	2%

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.

Wellington Museum will be under construction during 2021-22 so there will be less of the collection on public display during this time.



Council's Subsidy per Visit

The Council subsidy per physical visitor 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 (\$)	2017-18 Actual \$	2018-19 SOI \$	2019-20 \$	2020-21 \$	2021-22 \$
City Gallery Wellington	15.10	12.65	14.96	13.46	14.41
Museums Wellington	4.67	5.00	5.01	6.36	6.41
Capital E	12.22	10.76	23.35	14.54	21.40
Space Place	8.05	9.72	9.48	9.50	9.52
Experience Wellington Total	-	-	11.24	11.99	13.04

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

Experience Wellington Executive Office – 17.1%

It is proposed that Wellington Museum Building will be closed for a period of 18 months for earthquake strengthening from 1 July 2020.

Capital E will host the National Arts Festival for Children in 2018-19 and again 2020-21.

Capital E visitation figures from 2019-20 onwards exclude the Hannah Playhouse.

The Experience Wellington Total is a new reporting measure for 2019-20 onwards.

Table 2: Full subsidy per visit inclusive of Council's ownership costs

Full Subsidy per Visit (\$)	2017-18 Actual \$	2018-19 SOI \$	2019-20 \$	2020-21 \$	2021-22 \$
City Gallery Wellington	15.10	16.05	16.06	16.10	17.05
Museums Wellington	6.91	7.42	7.41	8.78	8.83
Capital E	12.22	14.91	27.50	19.04	25.90
Space Place	14.94	14.22	10.93	10.84	10.75
Experience Wellington Total	-	-	19.64	20.39	21.44

Council's estimated ownership costs are supplied by Council.

Capital E will host the National Arts Festival for Children in 2018-19 and again 2020-21.

Capital E visitation figures from 2019-20 onwards exclude the Hannah Playhouse.

The Experience Wellington Total is a new reporting measure for 2019-20 onwards.



BOARD'S APPROACH TO GOVERNANCE

Governance

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 which review relevant matters prior to consideration by the full Board. These are the Audit and Risk (A&R) Committee, the Chief Executive Performance and Remuneration (CEP&R) Committee, and the People Performance and Safety (PPS) Committee. In addition, the Board will convene *ad hoc* working groups to consider specific issues. Guidance in specialist areas is also provided as appropriate.

Board Committees

Audit and Risk (A&R) Committee assists the Board in carrying out its duties in regard to financial reporting, risk management and legislative compliance.

Chief Executive Performance and Remuneration (CEP&R) Committee to advise the Chair in connection with the performance and remuneration of Experience Wellington's Chief Executive.

People, Performance and Safety (PPS) Committee provides guidance and support to the Chief Executive in a Human Resources context and assists the Board to meet its due diligence responsibilities regarding Experience Wellington's compliance with Health and Safety legislation.

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 2019	A&R
Rachel Farrant	30 June 2019	Chair A&R and member of CEP&R
Jane Wrightson	31 December 2021	Chair PPS and member of CEP&R

It is anticipated that Council will appoint an additional Trustee to the Experience Wellington Board during 2019.

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 2019.

The Board may appoint a Future Director if the opportunity arises.



COUNCIL RELATIONSHIP PRINCIPLES

The principles governing the relationship with Council as our primary stakeholder include:

- Operating on a “no surprises” basis so that any significant event that may impact on either party is brought to their attention as soon as it can be reasonably done.
- Open and frank communication will occur between 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.

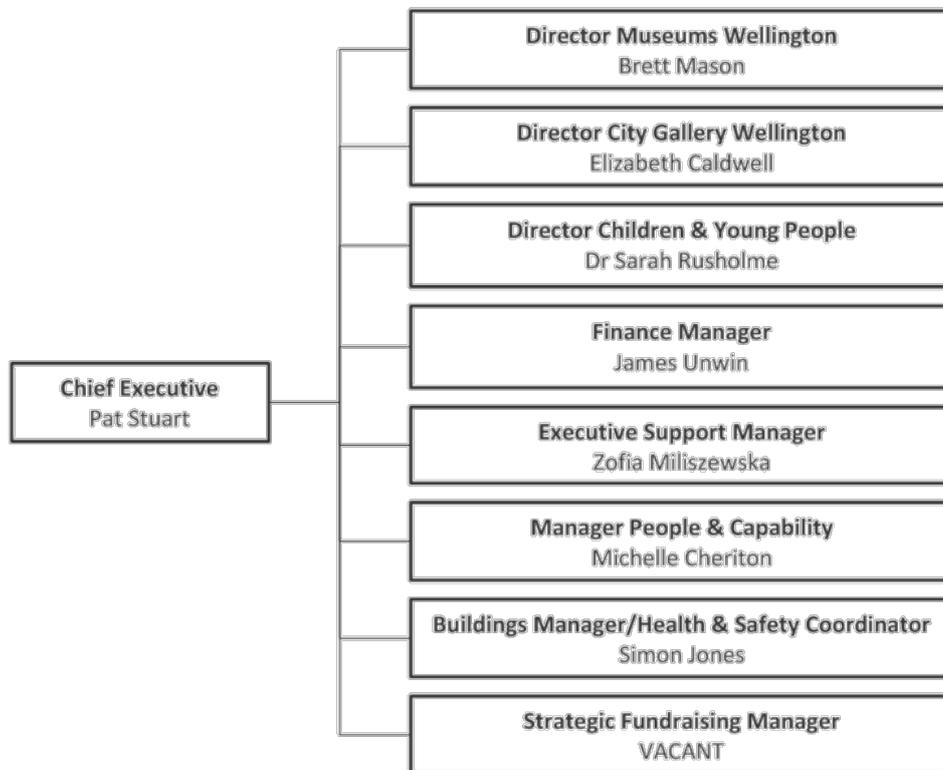


MANAGEMENT, ORGANISATIONAL HEALTH, CAPABILITY AND RISK ASSESSMENT

Management

Experience Wellington provides strategic leadership and centralised management and accountability for visitor experiences delivered through institutions. Our corporate 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 that encourages staff to strive for excellence.

Reporting to the Chief Executive are three Directors who have responsibility for our visitor experience outputs, the Finance Manager, the Manager People and Capability, the Strategic Fundraising Manager, the Executive Support Manager and the Buildings Manager/Health and Safety Coordinator. The organisation chart follows:



Organisational Health and Wellbeing

Critical to achieving our vision and supporting Council’s vision is the talent and experience of our staff.

Staff induction, training, regular communication and celebrations of success reinforce our team spirit. We seek feedback annually on key factors relating to organisation performance including vision and values, sense of community, leadership, communication, learning and development, performance and rewards, working relationships and health and safety. We also have an active Health and Safety Committee.



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 and the continuation of Council funding.

We acknowledge that under the Health and Safety at Work Act 2015 we share Person Conducting a Business or Undertaking (PCBU) responsibilities with Council with regard to Council buildings we manage and occupy.

Assessed risks which carry a lower risk value tend to be within our operational purview with the exception of risks associated with buildings maintenance and plant performance issues which are Council's responsibility. Building and plant issues that are likely to impact on business continuity or present a risk to health and safety of workers and visitors are immediately brought to Council's attention.

A business continuity plan is in development.

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 30-Jun-19	STATEMENT OF FINANCIAL PERFORMANCE Experience Wellington Total (\$'000)	Budget Qtr to 30-Sep-19	Budget Qtr to 31-Dec-19	Budget Qtr to 31-Mar-20	Budget Qtr to 30-Jun-20	Total YE 30-Jun-20	Total YE 30-Jun-21	Total YE 30-Jun-22
Revenue								
1,905	Trading Income (Net)	284	356	410	367	1,417	1,669	1,332
7,336	Council Operating Grant	1,870	1,871	1,871	1,870	7,482	7,631	7,784
1,769	Council Rental Grant	442	442	442	443	1,769	1,769	1,769
1,397	Grants	335	310	277	390	1,312	1,407	1,397
239	Sponsorships and Donations	33	67	62	227	389	382	286
42	Investment Income	15	6	15	6	42	50	55
468	Other Income	41	41	41	215	338	489	499
13,156	Total Revenue	3,020	3,093	3,118	3,518	12,749	13,396	13,122
Expenditure								
6,237	Employee Costs	1,560	1,558	1,557	1,558	6,233	6,261	6,379
1,339	Council Rent	335	335	334	335	1,339	1,399	1,399
2,538	Exhibitions & Programmes	667	447	406	695	2,215	2,682	2,337
633	Marketing & Promotions	187	126	123	153	589	635	576
1,255	Occupancy Costs (excluding Council Rent)	297	295	296	299	1,187	1,220	1,225
119	Communication Costs	31	31	31	31	124	112	113
85	Trustee Fees & Expenses	22	21	21	22	86	88	90
159	Technology Costs	37	38	40	43	158	172	164
85	Professional Fees	19	19	20	19	77	80	90
202	Administration Expenses	47	54	50	51	202	208	210
548	Depreciation	138	138	138	136	550	550	550
0	Interest	0	0	0	0	0	0	0
13,200	Total Expenditure	3,340	3,062	3,016	3,342	12,760	13,407	13,133
(44)	Net Surplus/(Deficit) before Taxation	(320)	31	102	176	(11)	(11)	(11)
	Taxation Expense							
(44)	Net Surplus/(Deficit)	(320)	31	102	176	(11)	(11)	(11)
(0.33%)	Operating Margin	(10.60%)	1.00%	3.27%	5.00%	(0.09%)	(0.08%)	(0.09%)



Forecast 30-Jun-19	STATEMENT OF FINANCIAL PERFORMANCE Experience Wellington excl. Space Place (\$'000)	Budget Qtr to 30-Sep-19	Budget Qtr to 31-Dec-19	Budget Qtr to 31-Mar-20	Budget Qtr to 30-Jun-20	Total YE 30-Jun-20	Total YE 30-Jun-21	Total YE 30-Jun-22
Revenue								
1,409	Trading Income	157	228	282	240	907	1,149	802
6,975	Council Operating Grant	1,778	1,779	1,779	1,778	7,114	7,256	7,401
1,769	Council Rental Grant	442	442	442	443	1,769	1,769	1,769
1,295	Other Grants	308	282	250	362	1,202	1,295	1,283
238	Sponsorships and Donations	33	66	62	227	388	367	267
42	Investment Income	15	6	15	6	42	50	55
294	Other Income	41	41	41	41	164	315	325
12,022	Total Revenue	2,774	2,844	2,871	3,097	11,586	12,200	11,902
Expenditure								
5,395	Employee Costs	1,346	1,344	1,343	1,344	5,377	5,388	5,488
1,339	Council Rent	335	335	334	335	1,339	1,399	1,399
2,442	Exhibitions & Programmes	643	422	381	671	2,117	2,568	2,220
541	Marketing & Promotions	164	102	100	129	495	540	480
1,182	Occupancy Costs (excluding Council Rent)	276	274	275	278	1,103	1,146	1,149
109	Communication Costs	28	28	29	29	114	101	101
85	Trustee Fees & Expenses	22	21	21	22	86	88	90
157	Technology Costs	36	38	39	43	156	165	159
85	Professional Fees	19	19	20	19	77	80	90
183	Administration Expenses	42	49	45	47	183	186	187
537	Depreciation	135	135	135	134	539	539	539
0	Interest	0	0	0	0	0	0	0
12,055	Total Expenditure	3,046	2,767	2,722	3,051	11,586	12,200	11,902
(33)	Net Surplus/(Deficit) before Taxation	(272)	77	149	46	0	0	0
Taxation Expense								
(33)	Net Surplus/(Deficit)	(272)	77	149	46	0	0	0
(0.27%)	Operating Margin	(9.81%)	2.71%	5.19%	1.49%	0.00%	0.00%	0.00%



Forecast 30-Jun-19	STATEMENT OF FINANCIAL PERFORMANCE Space Place (S'000)	Budget Qtr to 30-Sep-19	Budget Qtr to 31-Dec-19	Budget Qtr to 31-Mar-20	Budget Qtr to 30-Jun-20	Total YE 30-Jun-20	Total YE 30-Jun-21	Total YE 30-Jun-22
Revenue								
496	Trading Income (Net)	127	128	128	127	510	520	530
361	Council Operating Grant	92	92	92	92	368	375	383
0	Council Rental Grant	0	0	0	0	0	0	0
102	Other Grants	27	28	27	28	110	112	114
1	Sponsorships and Donations	0	1	0	0	1	15	19
0	Investment Income	0	0	0	0	0	0	0
174	Other Income	0	0	0	174	174	174	174
1,134	Total Revenue	246	249	247	421	1,163	1,197	1,220
Expenditure								
842	Employee Costs	214	214	214	214	856	873	891
0	Council Rent	0	0	0	0	0	0	0
96	Exhibitions & Programmes	24	25	25	24	98	114	117
92	Marketing & Promotions	23	24	23	24	94	95	96
73	Occupancy Costs (excluding Council Rent)	21	21	21	21	84	74	76
10	Communication Costs	3	3	2	2	10	11	12
0	Trustee Fees & Expenses	0	0	0	0	0	0	0
2	Technology Costs	1	0	1	0	2	7	5
0	Professional Fees	0	0	0	0	0	0	0
19	Administration Expenses	5	5	5	4	19	22	23
11	Depreciation	3	3	3	2	11	11	11
0	Interest	0	0	0	0	0	0	0
1,145	Total Expenditure	294	295	294	291	1,174	1,208	1,231
(11)	Net Surplus/(Deficit) before Taxation	(48)	(46)	(47)	130	(11)	(11)	(11)
Taxation Expense								
(11)	Net Surplus/(Deficit)	(48)	(46)	(47)	130	(11)	(11)	(11)
(0.97%)	Operating Margin	(19.51%)	(18.47%)	(19.03%)	30.88%	(0.95%)	(0.93%)	(0.94%)



Forecast 30-Jun-19	STATEMENT OF FINANCIAL POSITION (\$'000)	Budget Qtr to 30-Sep-19	Budget Qtr to 31-Dec-19	Budget Qtr to 31-Mar-20	Budget Qtr to 30-Jun-20	Total YE 30-Jun-20	Total YE 30-Jun-21	Total YE 30-Jun-22
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	1,549	1,580	1,682	1,858	1,858	1,847	1,836
4,470	Total Shareholder/Trust Funds	4,150	4,181	4,283	4,459	4,459	4,448	4,437
Current Assets								
40	Cash and Bank	40	40	40	40	40	40	40
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	790	790	790	790
Investments								
790	Deposits on Call	3,080	475	2,805	790	790	790	790
0	Other Investments	0	0	0	0	0	0	0
790	Total Investments	3,080	475	2,805	790	790	790	790
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	8,370	5,765	8,095	6,080	6,080	6,080	6,080
Current Liabilities								
1310	Accounts Payable and Accruals	2320	1254	1912	1321	1321	1,332	1,343
300	Other Current Liabilities	1900	330	1900	300	300	300	300
1,610	Total Current Liabilities	4,220	1,584	3,812	1,621	1,621	1,632	1,643
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	4,150	4,181	4,283	4,459	4,459	4,448	4,437
0.98	Current Ratio	0.92	0.80	0.94	0.97	0.97	0.98	0.98
0.73	Equity Ratio	0.50	0.73	0.53	0.73	0.73	0.73	0.73



Forecast 30-Jun-19	STATEMENT OF CASH FLOWS (\$'000)	Budget Qtr to 30-Sep-19	Budget Qtr to 31-Dec-19	Budget Qtr to 31-Mar-20	Budget Qtr to 30-Jun-20	Total YE 30-Jun-20	Total YE 30-Jun-21	Total YE 30-Jun-22
	Cash provided from:							
1,905	Trading Receipts	284	356	410	367	1,417	1,990	1,483
9,105	WCC Grants	4,625	0	4,626	0	9,251	9,400	9,553
1397	Other Grants	335	310	277	390	1,312	1,407	1,397
239	Sponsorships and Donations	33	67	62	227	389	260	285
42	Investment Income	15	6	15	6	42	50	55
468	Other Income	41	41	41	215	338	489	499
13,156		5,333	780	5,431	1,205	12,749	13,597	13,272
	Cash applied to:							
6,237	Payments to Employees	1,560	1,558	1,557	1,558	6,233	6,361	6,488
6,203	Payments to Suppliers	945	1,779	1,006	1,586	5,316	6,034	5,579
140	Net GST Cash Flow	400	(90)	400	(60)	650	652	655
0	Interest Paid	0	0	0	0	0	0	0
12,580		2,905	3,247	2,963	3,084	12,199	13,047	12,722
576	Total Operating Cash Flow	2,428	(2,467)	2,468	(1,879)	550	550	550
	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:					0		
626	Purchase of Fixed Assets	138	138	138	136	550	550	550
0	Other	0	0	0	0	0	0	0
626		138	138	138	136	550	550	550
(626)	Total Investing Cash Flow	(138)	(138)	(138)	(136)	(550)	(550)	(550)
	Financing Cash Flow							
	Cash provided from:							
0	Drawdown of Loans	0	0	0	0	0	0	0
0	Other	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	2,290	(2,605)	2,330	(2,015)	0	0	0
880	Opening Cash Equivalents	830	3,120	515	2,845	830	830	830
830	Closing Cash Equivalents	3,120	515	2,845	830	830	830	830



Forecast 30-Jun-19	CASH FLOW RECONCILIATION (\$'000)	Budget Qtr to 30-Sep-19	Budget Qtr to 31-Dec-19	Budget Qtr to 31-Mar-20	Budget Qtr to 30-Jun-20	Total YE 30-Jun-20	Total YE 30-Jun-21	Total YE 30-Jun-22
(44)	Operating Surplus/(Deficit) for the Year	(320)	31	102	176	(11)	(11)	(12)
	<i>Add Non-Cash Items:</i>							
548	Depreciation	138	138	138	136	550	550	550
0	Other	0	0	0	0	0	0	0
504		(182)	169	240	312	539	539	538
	<i>Movements in Working Capital</i>							
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 Payable	1,010	(1,066)	658	(591)	11	11	12
30	Increase/(Decrease) in Other Current Liabilities	1,600	(1,570)	1,570	(1,600)	0	0	0
72		2,610	(2,636)	2,228	(2,191)	11	11	12
	<i>Net Gain/(Loss) on Sale:</i>							
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	2,428	(2,467)	2,468	(1,879)	550	550	550



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 registered as a charitable entity under the Charities Act 2005. It is a Council Controlled Organisation (CCO) in terms of the Local Government Act 2002.

The financial statements of Experience Wellington includes the activities of the following business units - the Wellington Museums Trust Incorporated, Wellington Museum, City Gallery Wellington, Capital E including Hannah Playhouse, Nairn Street Cottage, the Wellington Cable Car Museum, and Space Place at Carter Observatory. In the projected period from 2019-20 onwards.

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 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 financial statements are prepared on the historical cost basis.

c) Presentation currency

These financial statements are presented in New Zealand dollars (\$).

3. Significant accounting policies

The accounting policies set out below will be applied consistently to all periods presented in the financial statements.

a) Property, plant and equipment

Items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses.

(i) Subsequent costs

Subsequent costs are added to the carrying amount of an item of property, plant and equipment when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to 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 2016 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 Balance Sheet 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 registered as a Charitable Trust and is exempt from income tax. Experience Wellington is not exempt from indirect tax legislation such as Goods and Services Tax, Fringe Benefit Tax, PAYE or ACC and accordingly it is required to comply with these regulations.

o) Goods and services tax

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST.

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 \$7,482,835 for the core operation including Space Place at Carter Observatory and an accommodation rental subsidy of \$1,769,323 for the 2019-20 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 2019 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 2020.

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.



DIRECTORY**Experience Wellington Executive Office**

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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 Rangi

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*)

Hannah Playhouse

12 Cambridge Terrace
PO Box 893, Wellington
P: 04 894 7412
E: kathiyw@experiencewellington.org.nz
www.hannahplayhouse.org.nz

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 closed from January 2019 while earthquake strengthening work is completed on the Museum Stand at the Basin Reserve. The refurbished (and earthquake strengthened) Museum is expected to re-open in early 2020.



Our Experiences





**Wellington Regional Stadium Trust
Statement of Trustees Intent
For the year ending 30 June 2020**

Registered Office: Westpac Stadium
Waterloo Quay
Wellington

Chair: John Shewan

Chief Executive: Shane Harmon

The Wellington Regional Stadium Trust (the Trust) was established by the Wellington Regional Council (Stadium Empowering) Act 1996. The Settlers of the Trust are the Wellington City Council and the Greater Wellington Regional Council.

The Trust is not a Council Controlled Organisation, for the purposes of the Local Government Act 2002. However, the interest that ratepayers have in the Trust and its activities is understood and accordingly the Trustees have agreed to be subject to the reporting requirements and monitoring procedures of both Councils.

May 2019



1. INTRODUCTION

The financial year ending 30 June 2020 will be a very active year for the Trust, highlighted by a full events calendar and ongoing improvements to the Stadium.

In 2018 the Trust refreshed its strategic priorities, which are 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

Matters raised in Letters of Expectation from both Wellington City Council and Greater Wellington Regional Council are addressed in the Statement of Intent.

The Trust expects that the Stadium will be New Zealand's most utilised stadium in 2020 as has been the case in recent years.

The Trust derives a diverse range of recurring revenue streams, including from naming rights. Securing a new naming rights partner from January 2020 is a priority.

Over the next twelve months the Trust, with the support of Wellington City Council, will continue to upgrade 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 the Wellington Regional Economic Development Agency (WREDA).



2. STRATEGIC DIRECTION

a) CORE PURPOSE

The objectives of the Wellington Regional Stadium Trust as set out in the founding Trust Deed 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 the 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.

Alignment with Council's Policies and Strategies

In 2011 WCC developed a 2040 Strategy setting out its vision for the city. The Trust fully supports these policies and strategies and contributes directly to the priority areas set out including the Economic Development Strategy, the Event Policy and the Digital Strategy.

WRST's plans support both Council's long terms plans as outlined below.

Wellington City Council's Long-Term Plan (2015-2025)

The Trust is fully supportive of WCC's long term plans. In particular the Trust identifies the following that provide strong synergies with the Stadium's plans:

1. A longer airport runway: bringing in more international visitors, and enhancing business and education connections.

The Stadium will be a beneficiary of a longer runway through increased visitor numbers for major events. In addition a longer runway removes one of the impediments for major artists visiting Wellington, as staging and equipment often has to be transported via road from Auckland.

2. Screen and tech industries: supporting smart and sustainable economic growth.

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The Stadium is using Wellington based Eyemagnet to deliver internet protocol television (IPTV) and content management to the WiFi services. Spark provides its connected stadium platform. Technology is playing an increasing role in the Stadium's operations and in enhancing the event day experience.

3. New and improved venues for music, sport, and conventions

The Trust is very supportive of the proposed investment in sports and events infrastructure.

The proposed Wellington Convention Centre and a new indoor arena will complement the Stadium's current offerings.

The Trust is also supportive of ongoing investment in the Basin Reserve. It is important that both venues continue to support and complement each other, and that investment ensures growth in the number of events and overall attendances in Wellington as opposed to displacement of existing events within the region.

4. Reigniting our sense of place through events and public space improvements

The Trust applauds the commitment to increase funding for major events. A partnership driven approach to attracting and securing the right events for Wellington is vital. The Trust commits to being an active partner in this strategy.

Greater Wellington Regional Council's Long Term Plan

The Trust supports GWRC's Long Term Plan, in particular those plans which improve public transport infrastructure and encourage the use of public transport.

The Trust actively encourages patrons to utilise public transport while attending events at the Stadium.

The Trust monitors green-house gas emissions. In 2018/19 the Trust has been exploring various options of reducing waste and in particular single use plastic.

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 2019/20, while still a work in progress, looks positive as the Trust in partnership with WREDA, continues to work on attracting events.

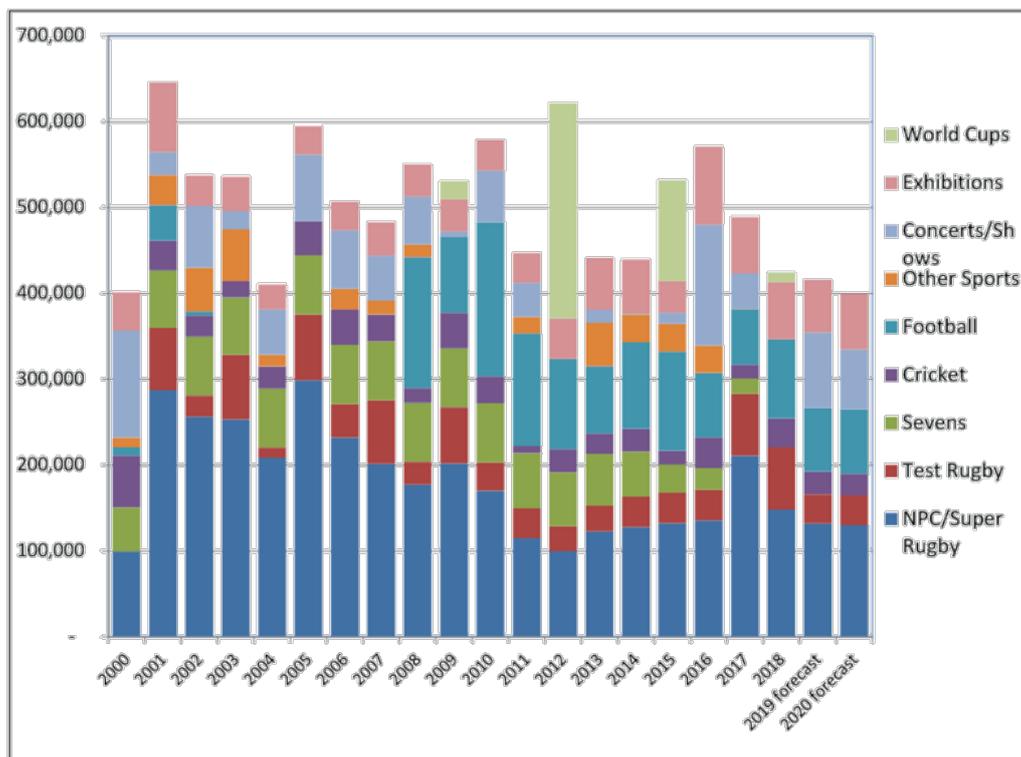
The Trust's focus lies particularly on those events that will fill the Stadium and generate economic return for the region.

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. The Trust has experienced significant increases in premiums since 2016 and is not anticipating any respite in the upcoming year.

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Despite these challenges the Trust expects to operate with positive cash flows, enabling continued investment in the facility.

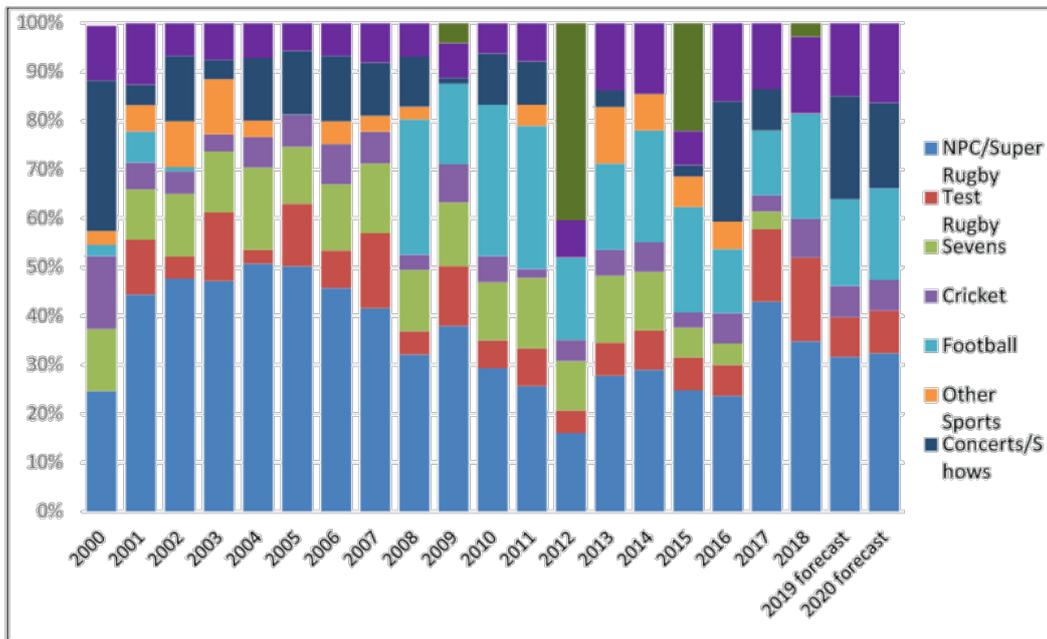
The following table highlights aggregate crowds by event type since the Stadium opened.



The mix of events has changed significantly, and the Stadium 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 as a percentage of the overall attendance in any given year.

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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 stadium 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/April 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 recently 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 2019/20 year the Trust's focus is on the following areas as outlined in the Letters of Expectations:

1. Support Wellington City Council's Te Tauihu Te Reo Maori Policy

As the concourse upgrade continues the Trust will seek ways to incorporate Te Reo into wayfinding and other signage. Hosting Te Matatini in 2019 provided the Trust with an excellent opportunity to increase the use and visibility of Te Reo at the Stadium.

2. Ensuring the Stadium is a safe and harassment-free environment for all staff, contractors and attendees.

The Trust has engaged the services of the Sexual Abuse Prevention Network to facilitate a workshop at the Stadium for staff and contractors. This workshop helps support staff to identify unsafe situations and know how to act safely to help keep the venue safe and fun for all patrons. The initial training is aimed at permanent staff of the Stadium as well as its key contractors. In coming months this will be rolled out to casual staff, particularly team leaders and duty managers.

In 2019 we increased the visibility of channels through which patrons may contact us in the event of experiencing harassment of any kind at the Stadium.



3. Leisure Card review

The Trust commits to participating in the City Council's Leisure Card review in the coming year in supporting Council's desire to increase utilisation of facilities by marginalised or hard-to-reach groups.

4. Delivery of a high quality and diversified events programme.

Over the last twenty years Westpac Stadium has been 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.

Large events are significant drivers of revenue and are crucial to the viability of the Stadium. Securing such events remains a major focus of the Trust ongoing.

The events schedule through to June 2020, while still being finalised, will remain healthy.

Following the huge success of the Eminem concert, we will continue to engage with all key promoters on a regular basis and be flexible in our dealings in order to give Wellington the best opportunity to secure events. The Trust has at times taken a joint venture approach in order to secure events. While such an approach inevitably means a greater exposure to risk, the Trust's current financial position has enabled prudently managed joint ventures to underpin its major events strategy.

5. Working with Wellington Regional Economic Development Agency (WREDA)

The Trust adopts a close partnership approach in working with WREDA with a view to enhancing Wellington's standing as a major event host. Management and Trustees engage with the WREDA Chair, Chief Executive and officers on a regular basis and are supportive of WREDA's goal of driving innovation and economic activity and enhancing the region's reputation as a centre of world-class film, IT, education, arts, food and tourism.

The Trust has recently partnered with WREDA to successfully secure major events for Wellington.

6. Invest in and improve our facilities

Continued investment in the Stadium is vital to ensure events are not lost to new facilities.

The main focus for the past year has been the commencement of the upgrade of the internal concourse. The first major phase has been completed 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 must be fitted in around our event calendar and that has been somewhat challenging given we have hosted events every weekend from early February 2019 to the end of May 2019.

Nonetheless, final plans are being made for the next stage of the project and this will commence in the early part of the 2019/20 year.

This includes:

- Enhancement and renovation of food and beverage outlets;
- Refurbishment of parts of the concourse floor;



- Cladding of some of the current grey concrete walls and pillars;
- Developing a consistent look and feel and way finding around the concourse;
- Making the space more suitable for exhibition clients;
- Improved lighting.

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 also at the final stage of developing a plan to further strengthen the building and walkway to improve resilience in the event of a major seismic event. The building performed well during the Kaikoura earthquake. The Trust will work with officers and keep councils informed of progress in this area.

7. 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 for event attendees.

To facilitate a safe and healthy work environment, the Trust maintains a Health and Safety Management System. In addition, the Trust's Health and Safety Committee, which comprises three Trustees, meets on a regular basis to review and monitor crucial areas of health and safety.

8. Sustainability

Supporting the Regional Waste Management and Minimisation Plan goal of reducing waste to landfill by 1/3, 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.

In 2018/19 we have been exploring a range of options with a view to eliminating single use plastic. We expect to arrive at a conclusion by the end of this current year with a view to rolling it out in the coming year.

The Trust will also support the goals outlined in Te Atakura, the First to Zero plan once it has been finalised.

9. Secure a new Naming Rights partner

In February 2019 Westpac and the Trust announced the end of its 20-year naming rights partnership. The Trust has been active in the market to secure a new partner. This remains a key focus for the Trust for the remainder of 2019.

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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.

The financial projections are outlined on the following pages.

Over the period covered by the projections the Trust anticipates an operating surplus of between \$1.78m and \$2.13m per annum. Due to the impact of the significant capital expenditure projects under way, depreciation is a significant and increasing charge, ranging from \$4.36m to \$4.59m. The effect of this is that the Trust projects losses after depreciation in FY2021 and FY2022.

A small surplus of \$0.90m is projected for FY2020. 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.

The projections also show positive operating cash flows of between \$1.21m and \$2.21m per year (excluding the effect of the Council grant in the first year).

There are a number of challenges to be met in order to achieve these projections, including securing a new naming rights partner from 2020, the quantum of increases in insurance premiums and the cost of resilience work.

The Trust is budgeting \$19.01m 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	2020	2021	2022
Rugby Union	13	11	12
Cricket	2		
Football	10		
Other sporting events	2		
Concerts/Other Events	1		
Exhibition Days	14		
Total Confirmed	42	11	12
UNCONFIRMED			
Rugby		2	1
Cricket		2	2
Football		10	11
Other Sporting Events		1	1
Concerts/Other Events	1	2	1
Exhibition Days	1	14	14
Total Unconfirmed	2	31	30
Community Events	5	5	5
Total Events	49	47	47
Days reserved for semi's & finals	11	11	11



SUMMARY STATEMENT OF FINANCIAL PERFORMANCE
FOR THE THREE YEARS ENDING 30 JUNE

	2020 \$m	2021 \$m	2022 \$m
Revenue			
Events	5.54	5.05	4.59
Members Boxes & Sponsorship	4.65	4.71	4.85
Other	2.88	3.08	3.09
Total Revenue	13.07	12.84	12.53
<i>Less:</i>			
Event Operating Costs	3.48	2.97	2.74
Other Operating Costs	7.43	7.39	7.55
Interest	0.23	0.36	0.46
Total Operating Expenses	11.14	10.72	10.75
Operating Surplus before depreciation	1.93	2.12	1.78
<i>Less:</i>			
Depreciation	4.36	4.52	4.59
Net Surplus/(Deficit)	(2.43)	(2.40)	(2.81)
<i>Plus:</i>			
Grant income (for capital expenditure)	3.33	-	-
Total Surplus/(Deficit)	0.90	(2.40)	(2.81)

Net operating cash flows	1.21	2.21	1.71
Surplus cash at the end of each year after meeting loan repayments	1.00	1.00	1.00
Bank Loan at year end	4.58	6.82	6.42
Net debt (Loan less cash)	3.58	5.82	5.42



SUMMARY STATEMENT OF CASHFLOWS
FOR THE THREE YEARS ENDING 30 JUNE

	2020 \$m	2021 \$m	2022 \$m
Cashflows provided from operating activities	12.42	12.99	12.53
Cashflows from grants (to be used for capital expenditure)	3.33		
Cashflows applied to operating activities	(11.21)	(10.78)	(10.82)
Net cashflows from operating activities	4.54	2.21	1.71
Cashflows applied to investing activities	(7.29)	(4.45)	(1.31)
Net cashflows from investing activities	(7.29)	(4.45)	(1.31)
Cashflows provided from financing activities	2.08	2.24	(0.40)
Net cashflows from financing activities	2.08	2.24	(0.40)
Net increase (decrease) in cash	(0.67)	0.00	(0.00)
Opening balance brought forward	1.67	1.00	1.00
Cash at year end	1.00	1.00	1.00

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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE

	2020 \$m	2021 \$m	2022 \$m	2023 \$m	2024 \$m
Trust Funds					
Retained Surpluses	50.87	48.48	45.66	43.18	39.94
Limited Recourse Loans	40.39	40.39	40.39	40.39	40.39
	91.26	88.87	86.05	83.57	80.33
Non Current liabilities					
Bank Loan	4.58	6.82	6.42	5.63	8.86
	4.58	6.82	6.42	5.63	8.86
Current Liabilities					
Revenue in Advance	2.06	2.20	2.20	2.20	2.09
Payables	1.69	1.69	1.69	1.69	1.69
	3.75	3.89	3.89	3.89	3.78
Total Funding	99.59	99.58	96.36	93.09	92.97
Represented by:					
Property Plant & Equipment	96.08	96.00	92.70	89.42	89.30
Current Assets	3.51	3.58	3.66	3.67	3.67
Total Assets	99.59	99.58	96.36	93.09	92.97



PERFORMANCE MEASURES

Non-Financial Performance Measures

Measure	How Measured
<ul style="list-style-type: none"> Deliver a strong Rugby international test programme for 2019 and 2020 	<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 they are appropriate for the purpose of monitoring the Trust's 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 overall 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 Chair conducts an interview with each Board member annually and at the expiry of their term on the Board. 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 brings 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). Both Settlers can each independently appoint one of their elected Councillors as a Trustee.

The current Trustees are:

Name	Appointed until:
John Shewan (Chair)	30 June 2021
Therese Walsh	30 June 2021
Steven Fyfe	30 June 2019
Mark McGuinness	30 June 2020
Rachel Taulelei	30 June 2020
Tracey Bridges	31 December 2020
Simon Marsh	declaration of results of 2019 Council elections
David Ogden	declaration of results of 2019 Council elections



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 Ltd. The Trust operates a maximum first loss policy that provides cover for the maximum credible loss for fire, earthquake and other perils. The current maximum cover insured is \$202m for material damage and \$28 m for business interruption.

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The building reinstatement value was assessed in September 2017 at \$264m. The Trust has used the maximum first loss policy since 2003 based on modelling work undertaken with Marsh which has supported \$202m as being appropriate cover in this context.

The Stadium 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.

Naming Rights

Securing a new naming rights partner from January 2020 is a priority. The Trust is working with agencies with established commercial networks both locally and globally as well as meeting with potential partners directly.

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. This will be refreshed in 2019/20.

Communication and Access to Information

The Trust enjoys a positive and open relationship with both of its Settlers, and both Settlers have representation on the Board of Trustees. The Trustees confirm they intend to continue to operate on a “no surprises” basis with communication of any significant event likely to impact on either party made as soon as possible. This has worked well in the past.

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 the outlook.

Audited financial statements will be available on completion of the annual audit.

The Trustees will inform the Councils of any significant expected obligations or contingent liabilities to third parties.

Major Transactions

There are no major transactions likely to occur in the planning period that are not identified in the Business Plan.

Any particularly contentious transactions will be brought to attention of the Councils 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.



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 2020	51%
30 June 2021	49%
30 June 2022	47%

The ratio of total Trust Assets to Trust Liabilities is expected to be:

30 June 2020	204%
30 June 2021	195%
30 June 2022	190%

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 Westpac Stadium, Wellington, as a multi-purpose sporting and cultural venue.

The Trust was incorporated under the Charitable Trust Act 1957. The Trust is also a charitable entity under the Charities Act 2005, registration CC10754.

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 10 years. The related license fees/revenues are paid annually with the revenue recognised on a straight-line basis throughout the year.

Stadium memberships have been sold for terms ranging between two and five years. Payment may be made upfront or in a series of instalments. The payments received are recorded as Revenue in Advance and recognised on a straight-line basis over the term of the membership.

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, except for receivables and payables, which are stated as GST inclusive.

Financial Instruments

The Trust classifies its financial assets and financial liabilities according to the purpose for which they were acquired. The Trust determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Non-derivative Financial Instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs. 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.

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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, including periodic independent review, and a planned preventative maintenance and asset replacement programme.

Statement of Cash Flows

The statement of cash flows has been prepared using the direct approach. Operating activities include cash received from all income sources of the Trust, record cash payments made for the supply of goods and services and include cash flows from other activities that are neither investing nor financing activities. Investing activities relate to the acquisition and disposal of assets. Financing activities relate to 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
2019-20
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 will ensure the Zoo remains leading edge and we believe acquisition of animals, such as snow leopards, allows us to tell a global conservation story which will drive action for the environment. 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.

We agree to the financial and non-financial expectations outlined in the Letter of Expectation.

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 WREDA and other partners to ensure economic growth for our city. As winners of the World Association of Zoos and Aquariums inaugural Environmental Sustainability Award in 2018, Green Gold and Vibrant Gold in the Wellington Gold Awards and the supreme winner of the Wellington Region Business Awards 2015, 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 reviewed its strategy for 2019-23. We have been successful with our strategic outcomes since 2006 and we are now in the process of setting the new frontier for our strategy. The strategy integrates te ao Māori, the Global UN Sustainable Development Goals (SDGs) and the key strategic focus areas for the Zoo over the coming five years. The strategy outlines of the why, how, what approach, the SDG materiality undertaken with Enviro-mark Solutions 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 Taihū Te Reo Māori Policy**.

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 a global vision with local action so that we can change makers for a better planet.



As a sustainable organisation and as a community forum we must consider the **UN Sustainable Development Goals** 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 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 – SDG 4, 12,13,14,15. 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 Board. The SDGs are firmly embedded into the new strategy and our impact will be measured during the next five years. For us sustainability is 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 carboNZero certification continues with projects such as the solar power installation in as many Zoo buildings as we can. We now have two EVs which support Council's intentions in this area and obtain our electricity from Ecotricity, the only carboNZero certified electricity provider in New Zealand. **As a carboNZero 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 2020.

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 the 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.**

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.

The completion of the ZCP has seen the Zoo transform itself into a vibrant attraction with facilities that meet modern standards. Stage Two involves further improvements to Zoo facilities to house snow leopards in the first half of the LTP and cheetahs/lions redevelopments in the later half. Investment of \$3.7 million of capital expenditure in year two to four, and a further \$6 million in the last three years, is planned to upgrade facilities at the Zoo to accommodate these changes. Respectively, the Zoo will fundraise to contribute \$875,000 and \$1.25 million towards these projects. **We will be providing an investment case for snow leopards.**

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 over 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 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. **We have already begun to work with Council Officers on the review of the Leisure Card to increase our accessibility initiatives even further.**

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 Trade Me; discounted entry on Winter Wednesdays and \$2 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 and endangered 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 90 people (73 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). Last year **10,500 school children** connected with animals at Wellington Zoo during a learning session.

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 Wellington Zoofari (Zoofari)*. Last year around 1,500 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.

WCC Performance Measures						
Measure	Frequency of Measure	Forecast 2018-19	Target 2019-20	Target 2020-21	Target 2021-22	Notes
Visitors	Quarter*	257,431	254,000	256,540	259,105	
Education visits	Quarter	10,500	10,500	10,750	11,000	This is the number of people participating in conservation education programmes.
Volunteer engagement survey	Annual	1	1	1	1	
People participating in animal Close Encounters	Annual	4,000	4,000	4,200	4,200	
Measure visitor feedback and satisfaction	Annual	9.0	8.5	8.5	8.5	This target is based on the overall experience rating which is measured out of ten.
WCC operating grant	Annual	\$3,320K	\$3,406K	\$3,494K	\$3,596K	New Measure at request of WCC
WCC cash subsidy (grant) per visit	Annual	\$12.90	\$13.41	\$13.62	\$13.88	
Non-WCC revenue earned	Annual	\$4,406K	\$4,968K	\$5,055K	\$5,225K	New Measure at request of WCC
Average revenue per visit	Annual	\$17.07	\$19.56	\$19.70	\$20.17	This is calculated as the average income per visitor from Trust-generated revenue.
Total revenue earned	Annual	\$7,714K	\$8,374K	\$8,549K	\$8,821K	New Measure at request of WCC
WCC property ownership costs	Annual	\$2,010K	\$2,011K	\$2,070K	\$2,074K	New Measure This target is generated by WCC and is not controlled by the Trust. It includes depreciation and insurance, CAPEX interest and rates.

Measure (Continued)	Frequency of Measure	Forecast 2018-19	Target 2019-20	Target 2020-21	Target 2021-22	Notes
Total cost to WCC including grant and property costs	Annual	\$5,332K	\$5,420K	\$5,567K	\$5,672K	This target is generated by WCC and is not controlled by the Trust. It includes depreciation and shared services costs, CCO team costs, insurance, CAPEX interest and the OPEX grant.
Full cost to WCC per visit	Annual	\$20.71	\$21.34	\$21.70	\$21.89	This target is generated by WCC and is not controlled by the Trust. It includes depreciation and shared services costs, CCO team costs, insurance, CAPEX interest and the OPEX grant.
Percentage of operating costs generated by the Trust	Annual	57%	59%	59%	59%	
Trust generated income as percentage of WCC grant	Annual	132%	146%	145%	145%	
% of OPEX directly contributed to field conservation	Annual	5%	6%	7%	8%	This measure uses the Zoo Aquarium Association (ZAA) Australasia Framework to measure direct contributions to field conservation.

*Target Visitor Numbers by Quarter 2019-20

Q1	Q2	Q3	Q4	Total
49,304	66,626	68,451	69,619	254,000

Additional Zoo Performance Measures							
Measure	Frequency of Measure	Forecast 2018-19	Target 2019-20	Target 2020-21	Target 2021-22	Notes	
Number of vulnerable, endangered or critically endangered species (IUCN Red List and DOC National list) at the Zoo	Annual	27	20	20	20		
Number of native animals receiving medical attention by The Nest Te Kōhanga (TNTK)	Annual	New Measure	450	475	500	New measure. Number of native animals brought into TNTK for treatment or treated off-site by the TNTK team.	
Percentage of native animals released to the wild after triage and treatment by the Nest Te Kōhanga (TNTK)	Annual	59	50	50	50	Post 72 hour triage period	
Number of Field Conservation Projects supported for threatened (NZ) endangered or critically endangered (global) species	Annual	13	8	8	8	As part of our strategic review, we will be assessing our field conservation projects and partnerships over the coming 12 months.	
Participate in zoo-based research projects and paper publication	Annual	10	11	12	13	These projects are directly related to conservation medicine, animal welfare science and visitor engagement research.	
Maintain Zoo and Aquarium Association Animal Welfare Accreditation	Annual	Achieved	Achieved	Achieved	Achieved		
Maintain carboNZero certification.	Annual	Achieved	Achieved	Achieved	Achieved		
Health & Safety targets	Safety Improvement Team meeting attendance	Annual	H&S Safety targets Achieved	70%	80%	80%	Measured against those staff available to attend meetings - 12 meetings per annum.
	Successful Emergency drill/incident debriefs held	Annual	H&S targets Achieved	8	8	8	Includes emergency drills, trial evacuations and real incidents occurring which require debriefing.
People & Culture Targets	Staff Recognition programme	Annual	People and Culture targets Achieved	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	People and Culture targets Achieved	10	10	10	

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
Councillor Peter Gilbert	31 October 2019
Michael Potts	31 December 2019
Ben Bateman	30 June 2020
Craig Ellison (<i>Chair</i>)	31 December 2020
Raewyn Bleakley	31 December 2020
Nina Welanyk Brown	31 December 2021

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 2019.**

6. RESILIENCE, ASSETS AND RISK

Wellington Zoo Trust has a Finance, Audit and Risk Committee which meets quarterly throughout the year. The Board monitors our Risk Analysis and Mitigation Plan at least annually and this document is updated as required. Health and Safety (H&S) is currently managed via the GM Safety, Assets and Sustainability who is a direct report to the Chief Executive. The H&S Advisor works with our Safety Improvement Team to ensure safe practices in the Zoo for animals, staff and visitors. All Health and Safety incidents are monitored weekly by the SMT and by the Board at their regular meetings.

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 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. **The Asset Management Plan will capture the required maintenance and renewals programme for the Zoo's built assets. We have begun working with WCC officers to advise Council of our approach to asset management planning in line with Council processes for asset renewals and resilience.**

Significant investment from WCC to allow the successful completion of the Zoo Capital Plan (ZCP) in 2015/16 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.

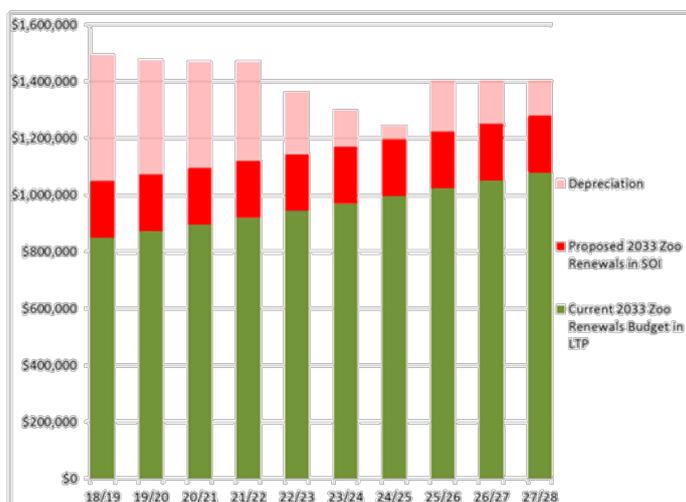
The Zoo intends to develop a detailed Asset Management Plan (AMP) to ensure the ongoing maintenance and renewal of the Zoo asset and that we are executing our obligations under the Contract for Services. The AMP will enable the Zoo to manage asset lifecycles for a whole-of-life approach with due consideration given to WCC and Zoo joint objectives, stakeholder needs, level of service and risks. The AMP will 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 and resolve any potential Health and Safety issues and the associated reputational risk these issues could bring.

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.

Below are two examples of different Zoo assets and how the total effective lifespan differs:

African Savannah – Giraffe House	The Nest Te Kōhanga – Animal Hospital
 <p>Built in 2007, the building and internal structures are in a good condition from a maintenance point of view, however, in the past ten years the understanding of giraffe husbandry, training and herd management have advanced to the point that the layout and equipment within the building are no longer fit for purpose. The internal structures need to be replaced in order to stay at the forefront of animal welfare practice.</p>	 <p>Built in 2008, the Zoo's flagship veterinary hospital is vital to the ongoing success of the Zoo and a significant contributor to our conservation targets. The building and internal structures are in a good condition from a maintenance point of view and will be unlikely to need significant replacement in the next ten years, however, the AMP will need to consider the high-value specialist equipment to ensure the Zoo can continue to deliver excellence in animal care and welfare.</p>

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 will allow the Zoo and WCC to interrogate this shortfall in greater detail, focusing on critical assets as a priority.

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.

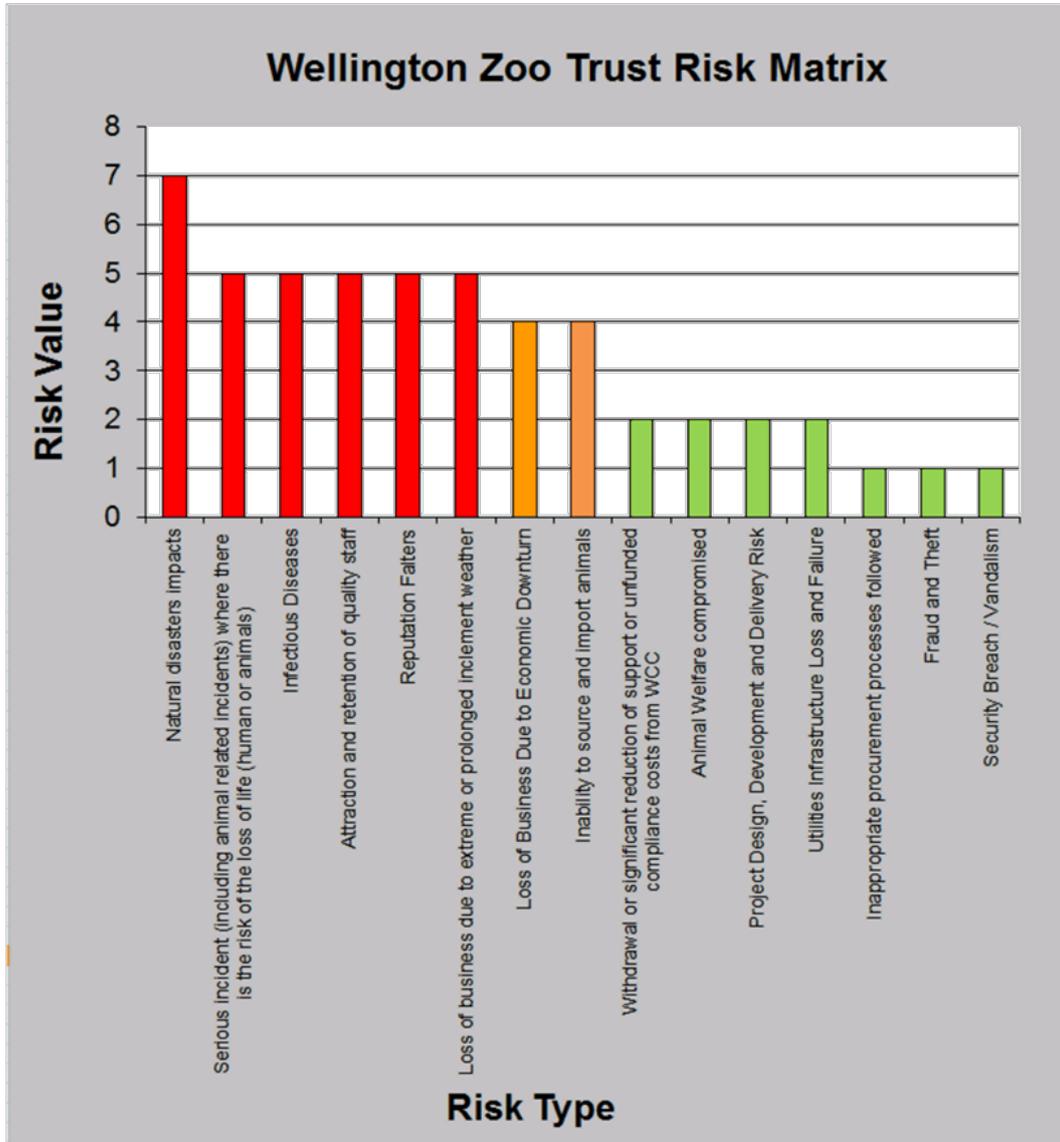
The Trust commits to raising 25% of the cost of any new CAPEX investment. This percentage is included in the gross costs of the table below.

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 7,000 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 conservation action.</p> <p>The preliminary design is complete for this project.</p> <p>This project has been prioritised by WZT for some years now. We will be providing a progress report on the investment case for this project.</p>	307,500	1,640,000	1,640,000							\$3.588m Included in the LTP
<p>Savannah Survival</p> <p>The current cheetah and lion habitats and dens are old. Cheetah are an iconic species for Wellington Zoo and we support Cheetah Outreach in South Africa as part of our suite of range state conservation programmes.</p> <p>Cheetah are also a major imperative in our Close Encounters which provide a more in-depth learning opportunity for visitors.</p> <p>We would also like to be able to have both male and female lions within their habitat together which we cannot do with the current arrangement.</p> <p>These iconic cats need better housing and viewing arrangements.</p> <p>As part of the Africa precinct visitor engagement strategy we believe eco-built overnight stay options in this area would be successful.</p>						333,333	2,666,667	2,000,000		\$5m 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
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 diseases	-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 quality staff	-1	6	5	Recruitment and induction processes. Learning and Development strategy. Career progression initiatives. Remuneration Policy. Engagement through shared values.	CE & Board	Board CFO
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, Use of Electronic Media Policy, Disciplinary Policy, H&S Policy.	CE & Board	Board, SMT
Loss of business due to extreme or prolonged inclement weather	0	5	5	In the event of an extreme weather event that results in a prolonged impact on our business, tactical marketing and pricing will be put into effect. Aspects of the planned recovery from such an extreme one-off event are also covered in the Business Continuity Plan. Review budgets, reduce spending and investigate new revenue raising initiatives.	CE & Board	Board GMBP GMCEC
Loss of business due to economic downturn	-1	5	4	As part of the annual planning process the economic climate is evaluated and reviewed. 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	CE Board

Risk Identification	Probability	Impact	Risk Value	Risk Mitigation	Accountability	Responsibility
Inability to source and import animals	-1	5	4	Zoo Species Plan that is continually updated. Animal Science Manager position that 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.	CE & Board	Board GMAC&S
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 animal welfare state is evaluated. Husbandry Manuals which are regularly reviewed and updated ensure that all animal needs are met. Staff attending national and international conferences as part of development policies ensure 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 to 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 backup systems.	CE & Board	Board, SMT
Inappropriate procurement processes followed	-3	4	1	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 Corporate Services Manager 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 **\$3,405,921** for 2019-2020 operational funding in the Long Term Plan.

The Board acknowledges the **\$882,458** included currently in the Long Term Plan for Zoo Asset renewals for 2019-20. However, we note that in the full cost of the Zoo measure calculated by WCC, depreciation for the Zoo asset is running at \$1.5m pa. This is considerably more than the renewals funding we receive. We have been discussing this issue with Officers during 2017-18 in time for LTP decisions. 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).

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 negotiated for a period of five years 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 forecast financial statements is for the year ended 30 June 2020.

Statement of Compliance

The financial statements have been prepared in accordance with generally accepted New Zealand accounting practice. They comply with New Zealand equivalents to PBE IPSAS and other applicable Financial Reporting Standards, as appropriate for Tier 2 public benefit entities.

Measurement Base

The measurement base applied is historical cost. The accrual basis of accounting has been used.

Functional and Presentation Currency

These financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless otherwise stated. As a result of rounding there may be slight discrepancies in subtotals.

Significant Accounting Policies

Critical Accounting Estimates and Assumptions

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future. The Trust has assessed the financial records and there are no significant critical accounting estimates. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Grants

Grants received from the Wellington City Council are the primary source of funding to the Trust and are restricted for the purposes of the Trust meeting its objectives as specified in the Trust Deed. The Trust also receives other assistance for specific purposes, and these grants usually contain restrictions on their use.

Grants are recognised as revenue when they become receivable unless there is an obligation to return the funds if the conditions of the grant are not met. If there is such an obligation the grants are initially recorded as grants received in advance, and recognised as revenue when the conditions of the grant are satisfied.

Revenue

Revenue comprises revenue from operating activities, investment revenue, grants and donations and other revenue and is measured at the fair value of consideration received or receivable.

Revenue may be derived from either exchange or non-exchange transactions.

Most of the services that the Trust provides for a fee are subsidised by grants therefore do not constitute an approximately equal exchange. Accordingly, most of the Trust's revenue is categorised as non-exchange.

Donated, Subsidised or Vested Assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Such revenue is recognised when control over the asset is obtained.

Interest

Interest revenue is recognised using the effective interest rate method.

Volunteer Services Recognition

The Trust benefits from the service of dedicated volunteers in the delivery of its activities. Due to the difficulty in determining the value of these donated services with sufficient reliability, donated services are not recognised in these financial statements.

Taxation

The Trust is registered as a Charitable Trust and is exempt from income tax under the Income Tax Act 2007. The Trust is not exempt from indirect tax legislation such as Goods and Services Tax and accordingly is required to comply with these regulations.

Goods and Services Tax (GST)

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

Debtors and Other Receivables

Debtor and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Cash and Cash Equivalents

Cash and cash equivalents 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 habitats 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.

Animals

In accordance with customary practice among Zoological organisations, animals are not recorded as there is no objective basis for establishing value. Additionally, animals have numerous attributes, including species, age, sex, relationship and value to other animals, endangered status and breeding potential whereby it is impracticable to assign value. Expenditure related to animal acquisitions is expensed in the period of acquisition.

Equity

Equity is the residual interest in the Trust and is measured as the difference between total assets and total liabilities. The components of equity are accumulated surpluses and deficits and restricted funds (special funds, trusts and bequests).

Restricted funds are those reserves that are subject to specific conditions of use whether under statute or accepted as binding by the Trust because of the specific reason for which the funds were provided.

Transfers from these reserves may be made only for specified purposes or when certain specified conditions are met.

Statement of Cash Flows

The statement of cash flows is prepared using the direct approach. Operating activities include cash received from all revenue sources of the Trust and record the cash payments made for the supply of goods and services. Investing activities relate to the acquisition and disposal of assets. Financing activities relate to transactions that change the equity and debt capital structure of the Trust.

Related Parties

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include Wellington City Council, key management personnel and the governing body (Trust Board).

Trustees' remuneration is any money, consideration or benefit received receivable or otherwise made available, directly or indirectly, to a trustee during the reporting period. The disclosures for the Trust include the remuneration of the Trustee board as they occupy the position of a member of the governing body of the Trust.

Changes to Accounting Policies

There have been no changes in accounting policies this year.

9. FORECAST FINANCIAL STATEMENTS

CCO: Wellington Zoo Trust Business Plan 2019/20		SNZ000's						
Estimate 30-Jun-19	EARNINGS STATEMENT	Qtr to 30-Sep-19	Qtr to 31-Dec-19	Qtr to 31-Mar-20	Qtr to 30-Jun-20	Total YE 30-Jun-20	Total YE 30-Jun-21	Total YE 30-Jun-22
	Revenue							
3914	Trading Income	959	1249	1101	970	4,279	4,561	4,731
3320	WCC Grants	851	852	851	852	3,406	3,494	3,596
84	Other Grants	21	21	21	21	84	84	84
225	Sponsorships and Donations-Operational	57	56	56	56	225	240	240
12	Sponsorships and Donations-Capital					0	-	0
55	Investment Income	10	10	10	10	40	35	35
116	Other Income	85	85	85	85	340	135	135
7,726	Total Revenue	1,983	2,273	2,124	1,994	8,374	8,540	8,821
	Expenditure							
5,318	Employee Costs	1,499	1,499	1,499	1,501	5,998	6,148	6,301
2,390	Other Operating Expenses	588	613	574	595	2,370	2,400	2,520
6	Depreciation	2	2	1	1	6	1	0
0	Interest	0	0	0	0	0	0	0
803	Vested Assets					0	0	0
8,517	Total Expenditure	2,089	2,114	2,074	2,097	8,374	8,549	8,821
(791)	Net Surplus/(Deficit) before Taxation	(106)	159	50	(103)	0	0	0
0	Taxation Expense					0	0	0
0	Operating Surplus (Deficit)	(106)	159	50	(103)	0	0	0
(791)	Net Surplus/(Deficit)	(106)	159	50	(103)	0	0	0
0.0%	Operating Margin	-5.3%	7.0%	2.4%	-5.2%	0.0%	0.0%	0.0%

Estimate 30-Jun-19	STATEMENT OF FINANCIAL POSITION	As at 30-Sep-19	As at 31-Dec-19	As at 31-Mar-20	As at 30-Jun-20		As at 30-Jun-21	As at 30-Jun-22
	Shareholder/Trust Funds							
0	Share Capital/Settled Funds	0	0	0	0		0	0
0	Revaluation Reserves	0	0	0	0		0	0
1,698	Restricted Funds	907	907	907	907		907	907
351	Retained Earnings	245	404	454	351		351	351
2,049	Total Shareholder/Trust Funds	1,152	1,311	1,361	1,258		1,258	1,258
	Current Assets							
2,883	Cash and Bank	2,778	2,087	2,928	1,974		1,973	1,993
350	Accounts Receivable	300	80	80	130		60	60
97	Other Current Assets	100	100	100	100		100	100
3,330	Total Current Assets	3,178	2,267	3,108	2,204		2,133	2,153
	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							
7	Fixed Assets	5	3	2	1		0	0
0	Other Non-current Assets	0	0	0	0		0	0
7	Total Non-current Assets	5	3	2	1		0	0
3,337	Total Assets	3,183	2,270	3,110	2,205		2,133	2,153
	Current Liabilities							
700	Accounts Payable and Accruals	831	449	499	547		575	575
	Provisions						0	0
588	Other Current Liabilities	1,200	510	1,250	400		300	320
1,288	Total Current Liabilities	2,031	959	1,749	947		875	895
	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
2,049	Net Assets	1,152	1,311	1,361	1,258		1,258	1,258
2.6	Current Ratio	1.6	2.4	2	2.3		2	2.4
61.4%	Equity Ratio	36.2%	57.8%	43.8%	57.1%		59.0%	58.4%

Estimate 30-Jun-19	STATEMENT OF CASH FLOWS	Qtr to 30-Sep-19	Qtr to 31-Dec-19	Qtr to 31-Mar-20	Qtr to 30-Jun-20	Total YE 30-Jun-20	Total YE 30-Jun-21	Total YE 30-Jun-22
	<i>Cash provided from:</i>							
3,914	Trading Receipts	959	1,249	1,101	970	4,279	4,561	4,731
3,320	WCC Grants	1641	0	1641	0	3,282	3,494	3,596
84	Other Grants	21	21	21	21	84	82	82
237	Sponsorships and Donations	57	56	56	56	225	240	240
55	Investment Income	10	10	10	10	40	35	35
116	Other Income	85	85	85	85	340	135	135
7,726		2,773	1,421	2,914	1,142	8,250	8,547	8,819
	<i>Cash applied to:</i>							
5,318	Payments to Employees	1,499	1,499	1,499	1,501	5,998	6,148	6,301
2,390	Payments to Suppliers	588	613	574	595	2,370	2,400	2,498
	Net GST Cashflow					0	0	0
803	Other Operating Costs (VESTING)			0	0	0	0	0
	Interest Paid	0				0	0	0
8,511		2,087	2,112	2,073	2,096	8,368	8,548	8,799
(785)	Total Operating Cash Flow	686	(691)	841	(954)	(118)	(1)	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
	Other-vesting Cash for Capital Projects	791			0	791	0	0
0		791	0	0	0	791	0	0
0	Total Investing Cash Flow	(791)	0	0	0	(791)	0	0

Estimate 30-Jun-19	STATEMENT OF CASH FLOWS (CONT)	Qtr to 30-Sep-19	Qtr to 31-Dec-19	Qtr to 31-Mar-20	Qtr to 30-Jun-20	Total YE 30-Jun-20	Total YE 30-Jun-21	Total YE 30-Jun-22
	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
(785)	Net Increase/(Decrease) in Cash Held	(105)	(691)	841	(954)	(909)	(1)	20
3,668	Opening Cash Equivalents	2,883	2,778	2,087	2,928	2,883	1,974	1,973
2,883	Closing Cash Equivalents	2,778	2,087	2,928	1,974	1,974	1,973	1,993

Estimate 30-Jun-19	CASH FLOW RECONCILIATION	Qtr to 30-Sep-19	Qtr to 31-Dec-19	Qtr to 31-Mar-20	Qtr to 30-Jun-20	Total YE 30-Jun-20	Total YE 30-Jun-21	Total YE 30-Jun-22
(791)	Operating Surplus/(Deficit) for the Year	(106)	159	50	(103)	0	0	0
	<i>Add Non Cash Items</i>							
6	Depreciation	2	2	1	1	6	1	0
	Other (Gifted Hospital Assets)		0		0	0	0	0
(785)		(104)	161	51	(102)	6	1	0
	Movements in Working Capital							
	(Increase)/Decrease in Receivables	50	220	0	(50)	220	70	0
	(Increase)/Decrease in Other Current Assets	(3)	0	0	0	(3)	0	0
	Increase/(Decrease) in Accounts Payable	131	(382)	50	48	(153)	28	0
	Increase/(Decrease) in Other Current Liabilities	612	(690)	740	(850)	(188)	(100)	20
0		790	(852)	790	(852)	(124)	(2)	20
	Net Gain/(Loss) on Sale:							
	Fixed Assets	0				0		
	Investments	0				0		
0		0	0	0	0	0	0	0
(785)	Net Cash Flow from Operations	686	(691)	841	(954)	(118)	(1)	20



Craig Ellison
Board Chair, Wellington Zoo Trust