

Quarterly Review – Wellington Waterfront Limited

Wellington Waterfront Limited has presented its report for the quarter ended 31 December 2004 for review. A summary of key findings is presented below and the full report is attached.

Highlights: achievements

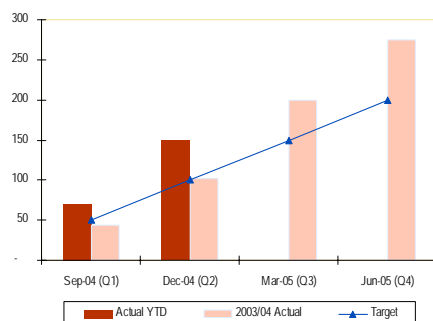
- Waterfront activity continues at high levels, with 68 events during the quarter, which helped to draw an estimated 234,000 visitors.
- The renovation of Steamship Wharf on Kumutoto was completed and the main tenant opened for business in December.
- Consultation took place on
 - the Kumutoto public space area and the proposed Site 7 building.
 - Designs for the Taranaki Street Wharf West, Wharewaka and the Whareniui/Wharekai complex

Activities during the quarter

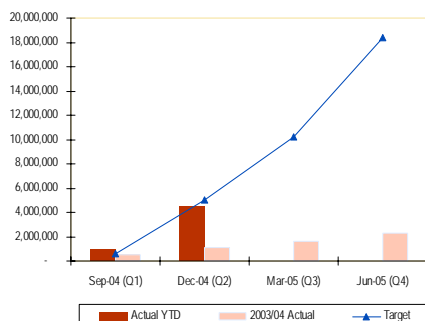
- The construction of Waitangi Park Area One continued during the quarter. A number of operational issues are being worked through.
- WWL received the proceeds for the lease of the Wellington Free Ambulance Building during the quarter.
- Three proposals were selected for detailed evaluation on the redevelopment of the Overseas Passenger Terminal.

Performance

Number of events on the Waterfront
(cumulative)



Public space development expenditure
(cumulative)



Macro Key Performance Indicators

The following KPI's have been reported by the company

Measure	Annual Target	Quarter Target	Quarter Actual
% residents visiting waterfront	95%	-	-
# waterfront events	200	50	68
# project milestones achieved	n/a	-	-
Capital expenditure (\$'000)	18,355	5,680	3,425
Commercial proceeds (\$'000)	12,300	244	7,303

The survey of residents is an annual measure. Work continues on setting out an agreed schedule of milestones. Timing differences have occurred with commercial proceeds receipts.

Financial Commentary

- The net YTD result is \$1,136k better than plan due to higher than plan rental income, the gain on sale of the Wellington Free Ambulance Building and delays in planned expenditure.
- The Council funding for public space is still expected to be required during Q4, and relates primarily to Waitangi Park.
- Possible delays in receiving commercial development proceeds may require the drawdown of the Council contribution to enable WWL to commit to the Taranaki St Wharf West and Kumutoto public space developments in 2005/06.
- *Note WWL figures are included within the project.*

Statement of Financial Performance

For the quarter ended 31 December 2004

\$'000	Q2 Actual	Q2 Budget	YTD Actual	YTD Budget	FY Budget
Income	1,925	950	2,900	1,918	3,627
Expenditure	1,790	1,769	3,452	3,606	7,215
Operating surplus	135	(819)	(552)	(1,688)	(3,588)

Operating margin

Statement of Financial Position

As at 31 December 2004

\$'000	YTD Actual	2003/04 Actual	FY Budget
Current assets	15,516	18,393	6,754
Non-current assets	77,014	72,923	86,718
Current liabilities	1,890	1,287	423
Non-current liabilities	1	1	-
Equity	90,639	90,028	93,049
Current ratio	8.2:1	14.3:1	16.0:1
Equity ratio	98%	99%	100%

Statement of Cash Flows

For the quarter ended 31 December 2004

\$'000	YTD Actual	2003/04 Actual	FY Budget
Operating	18	(1,497)	(2,159)
Investing	3,862	10,409	394
Financing	38	-	-
Net	3,918	8,912	(1,765)
Closing balance	14,444	15,758	5,081

Note: FY Budgets are as approved in the Business Plan.

Contact officer:

Wayne Maxwell

Profile - Wellington Waterfront Limited

Wellington Waterfront Limited (WWL) is a wholly owned subsidiary of the Council.

The Company is proprietor of approximately 20 hectares of land as bare trustee for the Council. The land – on the seaward side of the road – stretches from Wellington Railway Station to the Overseas Passenger Terminal. It also includes 12 hectares of harbour bed.



WWL manages the Lambton Harbour Development Project (the Project). From 1987 this was a joint venture between the Council and the Wellington Harbour Board. In 1989 the Harbour Board was dissolved, and its interests transferred to the Council. The waterfront has progressively been transformed from a working industrial port to one of the city's key recreational areas. Development is guided by the Wellington Waterfront Framework, which covers issues relating to the character of the waterfront.

WWL is letting contracts for commercial developments, generally for long term leases. This commercial income contributes significant funding to the public space developments. The balance is funded by the Council.

The Project is scheduled for completion by 2007 at a cost to Council of not more than \$15 million, plus the annual management fee.

Entity Data

Established	28 September 1987	
Board	Fran Wilde (Chair) Cr Ray Ahipene-Mercer David Kernohan Stephen Kos Mark Petersen David Pritchard Alison Timms	<i>Term expires:</i> 31 Dec 05 Oct 2007 31 Dec 06 31 Dec 07 31 Dec 05 31 Dec 07 31 Dec 06
CEO	Keith McGavin	
Balance date	30 June	
Number of FTE staff	14	
Website	www.wellingtonwaterfront.co.nz	
Type of entity	Company	
LGA designation	CCTO	
By reason of	Board control: all Directors appointed by Council	
Council interest	\$1,000 (book value)	
Type of interest	100% Shareholding	