

Quarterly Review – Positively Wellington Tourism

Positively Wellington Tourism has presented its report for the quarter ended 30 September 2008 for review. A summary of key findings is presented below and the full report is attached.

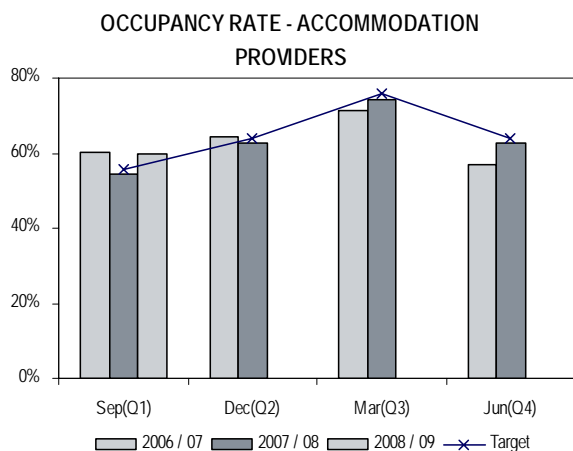
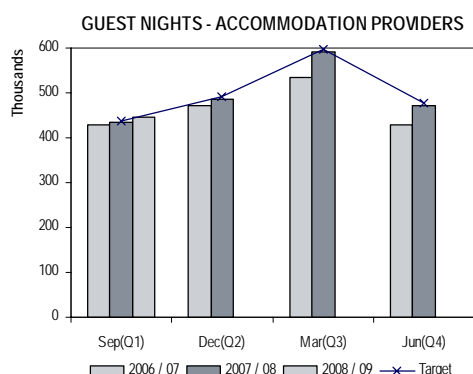
Highlights: achievements

- In spite of the worsening economic conditions, international visitor nights for the quarter were up 23% in Wellington and 18% in the region compared to 2007
- Direct Australian arrivals to Wellington for the y/e August 2008 are up 5.3% on the previous year
- New CEO David Perks started towards the end of the quarter
- More strategic and early expenditure on the "Spoil Yourself" domestic marketing campaign is showing a better result than experienced under the previous very successful "Have a Love Affair" campaign.

Activities during the quarter

- The new domestic marketing campaign was launched on July 21st but domestic tourist numbers for the September 2008 quarter were still down by 5% on 2007
- All airlines met with indicated that they would not be in a position to confirm any new (long haul) routes before receipt of their new aircraft from 2010 onwards.

Performance



Macro Key Performance Indicators

The following KPI's have been reported by the Trust.

| Measure | Annual Target | Quarter Target | Quarter Actual |
|------------------------------------------------------|--------------------------------|----------------|----------------|
| International direct arrivals to Wgtn Airport | maintain 2007/08 numbers | | up 0.3% |
| Number of Visitor Nights – Domestic (Jul-Sep) | 2% growth above 2007/08 levels | | down 5.5% |
| Number of Visitor Nights – International (Jul-Sep) | maintain 2007/08 numbers | | up 23% |
| Weekend occupancy growth in partner hotels (Jul-Sep) | 1% above 2007/08 | | up 5.9% |
| Australian arrivals to Wellington (Jul-Sep) | maintain 2007/08 levels | | up 2.9% |
| Downtown weekend visitation (Jul-Sep) | 2% above 2007/08 levels | | down 7.5% |

Percentage increases against same period in 2007/08

Contact officer: Jonathan Gulland

Financial Commentary

- The Trust recorded a \$50k deficit for the quarter against a budgeted \$4k surplus; the two main contributions to this were:
 - domestic marketing costs for the quarter being \$236k (30%) ahead of budget, largely due to the timing of the "Spoil Yourself" campaign
 - The i-Site deficit for the quarter of \$58k being \$28k (94%) worse than the budgeted \$30 deficit
- Online sales for Q1 of \$141k were low compared to the annual target of \$1.4m, due to the economic downturn, an outdated booking system, which is soon to be replaced, and delays in appointing the new online marketing manager
- Due to the bringing forward of expenditure in the domestic marketing campaign, the negative variance in Q1 is likely to reverse in subsequent quarters, and to be on budget at year-end.

Statement of Financial Performance

For the quarter ended 30 September 2008

| \$'000 | Q1 Actual | Q1 Budget | YTD Actual | YTD Budget | FY Budget |
|-------------------|-----------|-----------|------------|------------|-----------|
| Income | 2,014 | 2,030 | 2,014 | 2,030 | 7,302 |
| Expenditure | 2,064 | 2,026 | 2,064 | 2,026 | 7,303 |
| Operating surplus | (50) | 4 | (50) | 4 | (1) |
| Operating margin | -2% | 0% | -2% | 0% | 0% |

NB: Income is gross surplus from trading net of COGS

Statement of Financial Position

As at 30 September 2008

| \$'000 | YTD Actual | 2007/08 FY Actual | FY Budget |
|-------------------------|------------|-------------------|-----------|
| Current assets | 2,297 | 1,140 | 1,110 |
| Non-current assets | 298 | 279 | 257 |
| Current liabilities | 2,204 | 979 | 808 |
| Non-current liabilities | - | - | - |
| Equity | 391 | 441 | 559 |
| Current ratio | 1 : 1 | 1.1 : 1 | 1.4 : 1 |
| Equity ratio | 15% | 31% | 41% |

Statement of Cash Flows

For the quarter ended 30 September 2008

| \$'000 | YTD Actual | 2007/08 FY Actual | FY Budget |
|-----------------|------------|-------------------|-----------|
| Operating | 1,276 | (25) | 151 |
| Investing | (65) | (290) | (120) |
| Financing | - | - | - |
| Net | 1,211 | (315) | 31 |
| Closing balance | 2,003 | 792 | 740 |

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

Profile - Positively Wellington Tourism

Positively Wellington Tourism is Wellington's official tourism organisation. It is a charitable trust, funded by [Wellington City Council](#).



PWT markets Wellington as New Zealand's ultimate urban destination. Positively Wellington Tourism has identified arts, education, events, sports and venues, food, beverage and retail as the city's six "sectors of excellence".

Positively Wellington Tourism's Convention Bureau targets people who would like to hold their meetings in Wellington. The Wellington Visitor Information Centre helps visitors once they are in the city, as well as those who visit our city online.

As well as working with Wellington City Council, PWT works with the private sector in our goal to create economic and social benefit for Wellington City.

Entity Data

| | | |
|---------------------|---------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| Established | 1997 | |
| Board | Ruth Pretty Cr Jo Coughlan Mike O'Donnell Kim Wicksteed Glenys Coughlan (Chair) Peter Monk John Milford | <i>Term expires:</i> 31 Dec 09 Oct 10 31 Dec 10 31 Dec 08 31 Dec 09 31 Dec 08 31 Dec 09 |
| CEO | David Perks | |
| Balance date | 30 June | |
| Number of FTE staff | 27.5 | |
| Website | www.wellingtonnz.com | |
| Type of entity | Council-settled Trust | |
| LGA designation | CCO | |
| By reason of | Board control: all trustees appointed by Council | |
| Council interest | \$4.316m | |
| Type of interest | Operating Grant | |