

WESTHAVEN MARINA LIMITED ANNUAL REPORT 2016-17



STEERING A TRUE COURSE

Welcome to Westhaven Marina Limited's fifth annual report.

This document represents an opportunity to ensure that you, as holders of Berth Entitlement Units at Westhaven Marina, are updated and aware of the decisions that we, as your Trustees, have made on your behalf in the last financial year.

We have enjoyed working with Tom Warren and the Panuku Development Auckland team that oversee Westhaven Marina. It is evident that it is in capable hands, as they implement marina operations - funded by marina fees and OPEX - alongside public requirements which are funded directly by Panuku Development Auckland and Auckland Council.

Our overriding mandate is to ensure fairness across the marina operation, ensuring that the intention of the trust deeds that Westhaven was founded on continue to be respected through to 2026 and 2029. This means careful management of spending and investment, and strategic use of resources to maintain and develop the marina as a premier boating facility. We enjoy meeting regularly with berth holders and we appreciate their commitment and interest.

Looking forward to seeing you once again at our annual meeting in November.



STEPHEN MILLS



TERRY KAYES



RICHARD LEGGAT

Directors of Westhaven Marina Limited as Corporate Trustees for Westhaven (Existing Marina) Trust and Westhaven Marina (Marina Extension) Trust.

THE NAVIGATOR'S VISION

What a year to be in the marina industry. Winning the America's Cup has been thrilling, and opened our eyes once again to the spectacular place we live and work on Auckland's waterfront.

You have no doubt seen media coverage earmarking Westhaven Marina as a location for the Cup bases. While this was an idea suggested by one group, no decisions have been made yet. Panuku Development Auckland is reviewing a number of sites, but all discussions are preliminary while we await confirmation that Auckland will be the host city, and find out more confirmed details from Emirates Team New Zealand.

Longer term projects including the Pile Mooring Redevelopment remain in sharp focus behind the scenes and within the marina this year. Our commitment to maintenance continues, progressing our programme of bringing infrastructure up to date, and seeing the marina fit for use through to the 2026-29 time frame when the Trusts expire. As part of this we look to improve and realise cost and environmental opportunities wherever we can, and you will see examples detailed in this document.



TOM WARREN





UPDATES AND DEVELOPMENTS

Improved customer satisfaction, better infrastructure for water supply, improved waste collection, and some positive changes in the marina team mark a year in which the marina continues to operate at full occupancy, providing safe and modern berthage for more than 1,500 vessels in our care, as well as securing Blue Flag environmental accreditation for the twelfth year in a row.

CUSTOMER SURVEY

Each year an independent research company conducts Westhaven's customer satisfaction survey. The findings are returned to Auckland Council to show that we are meeting our performance criteria and are also used by Westhaven's management team as a valuable tool for determining areas for focus and improvement. This year's survey, conducted in April, showed improvement across many factors. 78% of customers reported they were very satisfied with services (rating the marina 6 or 7 on a 7 point scale), up from 68% the year prior. Very few indicated they were dissatisfied and our staff received some excellent feedback. Recently refurbished laundry and bathroom facilities, better waste systems, and increased security contributed to this result and our team received great feedback in the comments. Areas that we will keep working on include getting more crew and guests to organise their own swipe tags, countering the increased public use of bathrooms with more frequent cleaning (which is funded from a separate public budget), and improving carparking availability for berth holders and guests.



SAFETY AND SECURITY

You'll be pleased to hear that statistically your vehicle is very safe at Westhaven. While the area, like most, does get targeted by thieves, our extensive network of 141 CCTV cameras, vigilant and visible Dockmasters, and strong relationship with police, means that the incidence of actual vehicle break ins is very low at Westhaven. Likewise, while the marina has been targeted by break in attempts on the water, our vigilance means that we have proven we can deter, prevent, and sometimes apprehend those targeting the marina.

Westhaven Marina has 141 CCTV cameras, with continuous recording features covering the water and the public areas and carparks.

WATER QUALITY IN ST MARYS BAY



Water quality issues in Westhaven and greater Auckland are long term issues that are going to take time to resolve. Panuku Development Auckland has worked closely with Auckland Council and Watercare to determine short, medium and long term resolutions to the issue of poor water quality in St Marys Bay.

This includes proposed infrastructure solutions to the issues created by the combined network in the adjacent suburb, and also providing the facilities that Westhaven customers need to dispose of their waste responsibly. Visit www.westhaven.co.nz/stmarysbay for more information on this important project.

This year Westhaven's prestigious Blue Flag environment accreditation was renewed for the twelfth year running. While 44 sewage removal systems have been made available in the last three years, we intend to roll out the availability of sewage pump outs marina wide in coming years and we have procured a large vacuum sewerage pump for this purpose. This will enable customers to more conveniently empty their holding tanks from their own berths.

St Marys Bay is a safe sheltered place where people can enjoy their first steps in boating.

USER FRIENDLY SOFTWARE UPGRADE

As one of the world's biggest marinas we inevitably help the industry lead the way when it comes to our technical systems for marina management. It's been evident in recent years that our existing IT system is struggling with the increasing requirements we put on it, and we are investigating an upgrade that will enable improved invoices and statements, as well as more customer friendly management of carparking access, pier gate security, contractor safety and more. Several reputable systems have been investigated, and we have spoken to international users to determine the pros and cons of each. In the coming months we aim to select a new system and prepare plans for its roll out.

CADET PROGRAMME ENTERS SECOND CYCLE



Supporting the future of the marina industry is all important and the appointment of our second cadet this year was met very positively. We have worked with the NZ Marine & Composites Industry Training Organisation to develop a hands on training programme that lets young potential marina professionals complete a full cycle of work experience in all aspects of marina management. The cadetship is a continuation of the NZ Marine Schools to Work programme which offers students the opportunity to be paid for their time while earning NCEA credits. Our first cadet, Jesse Bird, has nearly completed his programme of study, with our neighbour Viaduct Marina.

Westhaven's second cadet, Rachael Hensley was welcomed to the marina team this year.

MARINA LICENSE REVIEW

Still underway is a review of current marina licenses that don't specifically enable some valued members of Westhaven, such as sailing schools, charter fleets, and even the Floating Dock, to berth here. We will soon commence a review of the berth licence wording, to accommodate these aspects and to refresh some outdated clauses. This process will require BEU holder approval which will be conducted at a special meeting.

MAINTENANCE PROGRESS



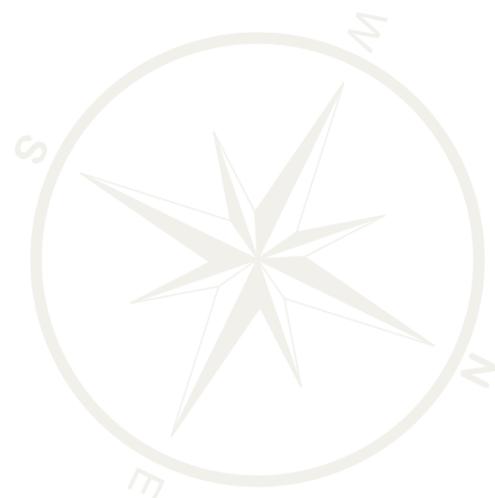
We are very proud of the work our team has done to improve the marina, and of the ways that we have been able to do so cost effectively and in an environmentally sustainable way. In 2016-17 we completed refurbishments on two piers, and finished gangway replacements for all piers. STF Construction are now

working on B, C, Q and R Piers. All marina piles are being condition surveyed, and the piling replacement programme is ongoing. This is essential work that ensures safety of boats in our care, and of the people coming and going and working in the marina.

Experienced contractors have minimised customer disruption during maintenance projects.

WATER MAIN REPLACEMENT

Except for a section that will soon be completed congruent with the build of the second stage of the Westhaven Promenade, Westhaven's water mains upgrade is now complete. Whereas our existing pipework was very old and narrow in places, the marina now has a new pipe network that provides sufficient pressure for fire fighting, as well as to meet the daily demands of marina users and land based tenants. We were able to deliver this upgrade with very few interruptions to water supply, and we thank all berth holders for their patience while works were underway.



WESTHAVEN PLAN PROJECTS

We continue to implement the 2013 Westhaven Plan, and to await final decisions and planning around Skypath, which will inform some parts of our ongoing projects. While construction is not yet imminent, these projects remain in the spotlight.

WESTHAVEN NORTH



With the return of the America's Cup, and ongoing changes in and around the marina, we believe there is an opportunity for our valued clubs to thrive and grow, for the ultimate good of the marina and of boating as a sport and recreation option.

Through consultation with the clubs themselves, Panuku Development

Auckland is exploring ways to commence a project that will enable a shared vision for the northern area and club offering to be developed that will help Westhaven North reach its potential, while encouraging greater participation in boating. We are optimistic about the future for this area.

Racing off the Westhaven wall is an institution.

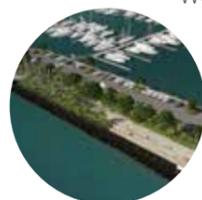
PROMENADE STAGE 2



The Westhaven Promenade is now a well established part of the marina and Panuku Development Auckland will soon complete the link between Sails Restaurant and St Marys Bay, which currently runs as an interim route along Westhaven Drive. The new section of promenade is likely to look familiar to users, with design principles adopted from the first stage which opened in January 2016. A survey of promenade users, including Westhaven customers, helped to inform the design, and we thank all those that provided input and suggestions. It is envisaged that the Stage 2 design will amalgamate pier heads and marina access points, with a new crossing alignment to provide what is likely to be a 5m wide boardwalk, located over the seawall with 5m wide access ramps to connect the path to the boardwalk. Pier gates are proposed to be set back over the water, providing boaties with more space to access the area with trolleys and equipment, well away from the public areas, and overall improved amenity.

The Promenade is used by thousands of Aucklanders every weekend.

PILE BERTH DEVELOPMENT



We continue to negotiate with key parties on this important project which is designed to provide the marina with increased capacity. The pile mooring redevelopment involves the conversion of two rows of pile berths into modern serviced berths for which Westhaven has waiting lists of more than 200 boats. It also closes the smaller of Westhaven's two entrances through the extension of the northern reclamation, which will reduce sedimentation through the marina, and assist with navigation safety at the main entrance. While pile berths are a valued low-cost entry point to the marina, about 40% of them currently sit empty, and all or most existing pile berth customers, will be relocated to facilities in the adjacent rows.

Artist's visualisation of the new headland for Westhaven.

WESTHAVEN'S CUSTODIANSHIP

Westhaven Marina Limited takes a long term, responsible view in all of its decisions and its approach to marina management.

OUR OBJECTIVES ARE:

- To provide and manage a quality inner-city marina which meets the needs and expectations of boat owners and the marine industry while also providing an environment and facilities which can be enjoyed by visitors to the marina.
- To continuously seek real improvements in the marina, the facilities and services offered, the marina surrounds, and the management of water space within Westhaven for the benefit of boat owners, Westhaven yacht clubs, the marine industry and visitors to the marina.
- To provide affordable, safe berthage to lessees and renters alike, in a range of berth sizes with adequate car parking reserved for boat owners.
- To provide a vigilant and effective security service over the marina area on a 24/7 basis.
- To seek responsible environmental measures that will minimise the impact we have on our local environment, in particular relating to water quality.
- To ensure that surpluses from berths owned by Panuku, once an appropriate return on assets is delivered here, is reinvested in the marine operations of the marina via the Westhaven Plan, and that costs associated with public facilities are met not only by boat owners but financed via Auckland Council either wholly or pro-rata, and/or by private enterprise activities within the marina.
- To maintain and encourage collaboration and communication between the management of the marina and boat owners, Westhaven's Yacht Clubs, the marine industry, harbour users generally and interested members of the public.
- To help support and develop our sport and our community by the means that we have available.

ABOUT WESTHAVEN MARINA LIMITED

Westhaven Marina Limited (WML) is the corporate Trustee for both of the Westhaven trusts:

- the Westhaven (Marina Extension) Trust (encompassing Piers A - the west side of T)
- the Westhaven (Existing Marina) Trust (encompassing the east side of T through to Y Pier).

The company has three directors who are appointed by the company's shareholder, Panuku Development Auckland. Westhaven Marina Limited has duties to:

- adhere to the terms of the trust deeds;
- act in the beneficiaries' best interests;
- act impartially having regard to the interests of all beneficiaries of the trusts; and
- oversee the management of berths in accordance with the terms of the license.

ABOUT PANUKU DEVELOPMENT AUCKLAND

Panuku Development Auckland has three distinct purposes in the Westhaven area:

1. It is the manager of Westhaven (Existing Marina) Trust and Westhaven (Marina Extension) Trust.
2. It owns 53% of the BEU's in Westhaven Marina. Panuku Development Auckland pays annual charges on the same basis as all other BEU holders.
3. It is the owner of the assets in Westhaven and is the shareholder of Westhaven Marina Limited.

Panuku Development Auckland is fulfilling its primary capacity as a development agency in preparing the Westhaven Plan which is a plan to guide the development and maintenance of the marina's land and on-water assets.





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