

WESTHAVEN MARINA LIMITED

ANNUAL REPORT 2018-19



CHANGING HORIZON

Welcome to Westhaven Marina Limited's annual report. As we count down to the 36th America's Cup – starting in December 2020, it's an exciting time to be part of Auckland's maritime family.

We are pleased to be able to continue to provide you, as holders of Berth Entitlement Units at Westhaven Marina, with information about the Marina's progress in the last twelve-month period.

We continue to strive for quality and fairness across the marina operation. This year there are several exciting developments underway and our focus is on carpark capacity and management, sound financial management to ensure annual charges are fair and equitable to berth holders, risk management including health and safety, and actions to improve water quality within the marina.

Congratulations to the team for another successful year, continued great customer satisfaction results, for receiving a Blue Flag environmental award for the fourteenth year in a row and being named a finalist in the International Marina of the Year Awards.



Stephen Mills



Adrienne Young-Cooper



Richard Leggat

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

SAILING TOWARDS WORLD-CLASS

This year Westhaven was a finalist in the International Marina of the Year Awards. This recognition celebrates the hard work by the team and investment undertaken in recent years by Panuku Development Auckland.

This international acknowledgement is a nod to the continued success of our whole team, from dockmasters through to the customer services team, the maintenance crew, and those undertaking specialist roles in security and logistics.

It underlines the consistently high performance of this talented group who are committed to Westhaven's success. This is positive exposure in the lead up to the 36th America's Cup when we'll be welcoming visitors to Westhaven from around the world.

Sustainability and environmental responsibility are important to us. Westhaven has also achieved second runner-up in the Blue Flag Environmental 'Supreme Best Practice' award for 2019.

The America's Cup has catalysed many projects around the waterfront and we are forging ahead with major projects detailed in the Westhaven Plan. You can read more about these on page 6. We thank you in advance as construction of these projects will create short term disruption within the marina, but our construction plans are designed to minimise this as much as possible.

Every year the marina looks and performs better. Thank you for being great customers and for continuing to provide ideas and feedback.



Kevin Lidgard, Head of Marinas,
Panuku Development Auckland



MARINA OPERATIONS

Westhaven Marina continues to be enhanced as both a world-class marina and a place for people to visit and spend time. With these dual objectives in mind, we are working on:

A RESILIENT MARINA

A marina's prime purpose is to be a safe haven for your vessel. Westhaven Marina has been undergoing a range of upgrades to help ensure this.

- CCTV network: we now have more than 100 cameras both on land and fairways that are monitored by our dockmaster team, who maintain a strong relationship with the Maritime and Auckland Police
- Firefighting: a marina wide water mains upgrade ensures that we have the very best firefighting capability. We work closely with emergency services to keep our procedures up to date
- Seawall: changing weather patterns and sea level rise have necessitated raising up of the Seawall by 600mm. The section between the RNZYS and the Harbour Bridge is likely to be completed in 2020
- Westhaven's marina wide programme of upgrades and refurbishments is continuing. Refurbishments of R, C and V Piers were completed this year. S Pier will soon receive a new entrance gate and S, D and E Piers will be refurbished in 2020. The piling upgrade programme continues and all new pilings consider 50-year sea-level rise predictions

- New software called Pacsoft NG is being trialled in our sister marinas, Silo Marina and Viaduct Marina. This software will soon be implemented at Westhaven for more streamlined and effective customer and account management.

A SUSTAINABLE MARINA

Some of the work that we have done in the last year to support the environment includes:

- Upgrading the black water pump-out for U, X and Y piers to enable boaties to more conveniently discharge to treatment facilities instead of at sea
- Developing designs for rain gardens in our carparks as part of the Promenade project, ensuring that rainwater flowing into the harbour has been filtered and cleaned effectively
- Supporting Auckland Council's infrastructure project that will improve water quality in St Marys Bay
- Helping you as boaties understand the importance of marine biosecurity, particularly considering the Fanworm epidemic in Auckland.

Recycling remains one of the biggest challenges that we have, with a great deal of recyclable waste still put into the bins that go to landfill - and vice versa.

FLYING THE BLUE FLAG

Westhaven's participation in the international Blue Flag programme is one of the things that we are most proud of. Receiving our fourteenth Blue Flag marks thirteen years that Westhaven has been a part of this programme. Each year it involves undertaking a comprehensive audit of all our processes and procedures, ensuring that we are behaving in a conscientious way towards the environment. It requires us to involve the community and work with our customers, to ensure that we are all doing our bit to support and improve the well-being of our environment. Thanks to those that have supported us through the process.

WESTHAVEN ESTABLISHES CUSTOMS CLEARANCE

This year, a new Port of First Arrival berth was established that enables International voyaging vessels under 25m, to be processed by Customs and MPI at Westhaven Marina. The service has been welcomed by the local Marine Industry, enabling vessels visiting New Zealand to undertake refit, maintenance, and provisioning in Auckland.

A significant number of boats clear in and out of New Zealand each year, including boats owned by New Zealanders returning to the country, a number expected to grow with the upcoming America's Cup.



Vessels over 25m in length are catered for by facilities at nearby Viaduct and Silo Marinas but since the closure of the 'Admiralty Steps' several years ago, smaller boats arriving in the country have been required to arrive in Opua or Marsden Point – both many hours from Auckland by water.

Yachts clearing into Westhaven will support marine services that are based in the area and we were very pleased to be able to work with the Ministry of Primary Industries, and Customs New Zealand, to provide this facility.

The marina has also established a new berth for commercial vessels such as ferries to load passengers at its commercial base at Z Pier that the Load and Go berth has been welcomed by this sector ahead of the 36th Americas Cup.



WESTHAVEN CUSTOMER SATISFACTION RATES PEAK AGAIN

Thanks to the 548 customers who responded to our independently conducted annual survey of which 96% reported positive customer satisfaction – our highest yet – marking the marina between 4-7 on a 7-point scale. We are very pleased with this result, which showed improvement on last year and is testament to a team that are very knowledgeable, experienced and diligent.

Some highlights were:

- 99% of customers that own leases to berth rated Westhaven positively
- 95% of customers are satisfied with safety
- 96% say that staff are available, knowledgeable, open and friendly
- 90% of customers say it's easy to find the information they need – whether asking in person, using the website, signage or newsletter
- 97% were satisfied with the facilities, both on land and on the water (although changing results related to toilets, showers and laundries indicate that these areas need attention).

- The recreational Marina market remains buoyant with a lack of berth availability (demand) outstripping supply in the Westhaven berths
- Westhaven berths are fully occupied 95%. The waiting list for vessels in Westhaven currently remains at the 280, with demand strong for +14 metre berths.

BEING A GOOD EMPLOYER

The performance of our staff was commented on many times in the Customer Satisfaction survey that you completed earlier this year. Training and retaining great people is obviously key to this. Our Cadetship programme, which we instigated in conjunction with NZ Marine, has now enabled three young people to start their career in the marinas industry. We focus on exposing them to all aspects of the marinas industry in a two-and-a-half-year programme.

WESTHAVEN DEVELOPMENTS

GETTING READY FOR THE AUCKLAND HARBOUR BRIDGE PATHWAY

A programme of works is underway to improve Westhaven ahead of the construction of the proposed walkway and cycleway across the Auckland Harbour Bridge, with its southern landing point in Westhaven Marina. This includes upgrades to the bike path on Curran Street west of the Harbour Bridge, sewers, water supply, and changes to the existing seawall.

The space below the Harbour Bridge where the pathway will land will be upgraded, Westhaven's operational maintenance facility will be relocated. Those cycling and walking in from the west will benefit from an improved cycle path along Curran Street. A new pump station is indicated for Harbour Bridge Park (the green space west of the Harbour Bridge), and sewer lines will also be upgraded.

An improved seawall is proposed to alleviate the risk of king tides to Westhaven in the future. Running from the Harbour Bridge to the Royal NZ Yacht Squadron, it will provide up to an additional 1m of height and features a recurved outer edge to reflect incoming waves back to the harbour.

BUILDING CAPACITY: PILE BERTH REDEVELOPMENT

Stage 1 of the Pile Berth Redevelopment received Board approval last month, which will see up to 120 new berths created to meet the current demand, while retaining berthage for most, if not all long-term pile berth customers. Closure of the Western entrance will be part of this, and those users of the western entrance will need to become familiar with the Eastern entrance. At the same time, we are also working on proposals to reconfigure targeted sections of the marina to accommodate more boats in low demand areas. This includes part of J Pier. Construction is underway with completion in 2020.



LOOKING AHEAD TO THE COMPLETED WESTHAVEN PROMENADE

Those berthed between K Pier and R Pier will enjoy a significant upgrade to their berth gates, gangways, water and electrical services, pontoons and carpark as part of the Promenade Stage 2 development, funded directly by Panuku Development Auckland. The design includes merged pier access, recessed gateways, a continuous walkway between piers, and improved trolley storage and waste facilities

on special access routes away from the foot and cycle traffic. Construction is well underway, and so far, we have seen the following progress:

- The establishment of future rain gardens, for natural stormwater filtrations
- Construction of the seawall and boardwalk piling to the north of Sails Restaurant
- The removal of the K Pier gangway to make way for the pontoon installation
- Owaha the leopard seal has indicated she approves of the environmental precautions in place, by nibbling at the silt booms. So far these have survived intact.



SUPPORTING THE MARINE INDUSTRY

Construction of the Westhaven Marine Village is well underway. The Marine Village entails 2,000 square metres of space and will house several marine related businesses across two separate buildings, linked by a canopy. It will ensure the marine industry has a home in Auckland city, and further enhance Westhaven as a world class facility and the largest marina in the southern hemisphere.

The building's design celebrates the area's industrial marine heritage where marina users and visitors can stop and rest, grab a bite to eat, and enjoy the great views over the marina and back to the city skyline.

Seven native trees removed to make way for the Westhaven Marine Village have gone to a new home just around the corner in Curran Street. These trees were carefully transported and replanted in their new home, where they are settling in well. Some 51 existing trees will surround the new building, 49 of which are Pohutukawa and an additional six native Karaka trees will be planted.



THE TEAM



FINANCIAL STATEMENTS

SUMMARY FINANCIAL STATEMENTS

WESTHAVEN (EXISTING MARINA TRUST AND WESTHAVEN (MARINA EXTENSION) TRUST

Financial Performance (Profit and Loss)

Actual Year ended 30 Jun 18		Actual Year ended 30 Jun 19	Budget Year ended 30 Jun 19	Budget Year ended 30 Jun 20
	Operating revenue			
4,386,973	Annual charges	4,622,106	4,618,058	4,973,503
321,505	Expenditure recoveries	315,195	318,632	315,904
70,585	Interest income	64,832	57,000	57,000
4,779,063	Total operating revenue	5,002,133	4,993,689	5,346,407
	Operating expenditure			
22,459	Audit fees	23,582	22,240	22,459
43,376	Building occupancy	43,376	45,544	43,376
169,741	Cleaning and refuse	270,068	187,035	190,214
2,929	Computer expenses	15,304	100,000	6,353
198,781	Electricity	196,493	192,540	183,635
52,399	Insurance	55,020	55,020	57,201
227,092	Local government rates	240,135	232,770	245,136
604,275	Management fees	598,075	601,646	645,040
99,894	Other expenses	75,314	175,785	197,326
373,626	Refurbishment fund contribution	381,362	381,068	401,097
1,828,471	Repairs and maintenance	1,655,896	1,602,431	1,859,973
549,265	Security (including security staff)	439,299	588,766	608,348
777,847	Staffing (excluding security staff)	943,765	775,478	830,704
56,241	Water	52,496	33,366	55,546
5,006,396	Total operating expenditure	4,990,185	4,993,689	5,346,407
(227,333)	Net surplus / (deficit) before tax	11,948	-	-
-	Income tax expense / (benefit)	-	-	-
(227,333)	Net surplus / (deficit) after tax	11,948	-	-

Extract of key Items from the Statement of Financial Position (Balance Sheet)

Actual Year ended 30 Jun 18		Actual Year ended 30 Jun 19
	Westhaven (Existing Marina) Trust	
212,284	Retained surplus	246,979
1,154,512	Refurbishment fund balance	1,334,313
	Westhaven (Marina Extension) Trust	
60,987	Retained surplus	38,240
311,296	Refurbishment fund balance	366,027

NOTES TO THE FINANCIAL STATEMENTS

INCOME

Annual Charges

This is the income from annual fees paid by individual BEU holders (including Panuku Development Auckland). There are three components of this annual invoice: operating expenses, refurbishment fund contributions, and management fees.

Expenditure Recoveries

During the year we collect certain recoveries from a variety of BEU holders and casual renters. This income currently includes such items as metered power along with any sundry income.

Interest Income

Interest income is received from the bank whilst the operating expenses bank account is in credit.

EXPENDITURE

All costs incurred at Westhaven are assessed to determine what part of the cost should be charged to the Westhaven Trusts. In some cases a portion of the costs are charged to the Westhaven Trusts and a portion directly to Panuku Development Auckland. This allocation recognises that the pile moorings, Z Pier and some of the public areas at Westhaven should not be paid for by the Trust annual charges.

Audit Fees

These are the fees charged by Audit New Zealand to complete the statutory audit of the Trusts' annual financial statements.

Building Occupancy

This is the rental cost of the marina office. It is apportioned between the Trusts and Panuku Development Auckland to reflect the shared use.

Cleaning & Refuse

These are the costs associated with the removal of waste and recycling materials, and the cost of cleaning the various ablution buildings and the marina office. There was a substantial increase to these charges part way through 2019 due to the contractor (Green Gorilla) doing an analysis of the collection size and weight.

Computer Expenses

These are the shared costs associated with running the marina management software and the variety of computer systems used by marina management and staff.

Electricity

This is the total cost of the electricity supply to the marina.

Insurance

This is the total cost of insurance premiums for the marina.

Local Government Rates

These are the Auckland Council rates that are applicable for the Westhaven Marina area which includes the water and land areas.

Management Fees

This is the 15% management fee as detailed in your berth licence that is applicable to all expenses in operating the marina. As the operating expenses have increased, the budget for these fees has increased as well.

Other Expenses

This category includes such expenses as legal costs, telecommunications, bank fees, office supplies, postage and printing. We have increased the legal fees budget due to increased council required related to parking and Trust administration.

Refurbishment Fund Contribution

This is the amount that is transferred to the major refurbishment fund which is collected from all BEU holders in your annual charges invoice each year. The contribution is based on 10% of budgeted expenses for the prior year.

Repairs & Maintenance

These are the expenses associated with all aspects of the upkeep of the marina including the floating structure, piles, rings, abutments, gangways, electrical plinths, water standpipes, electrical wiring, fire system including call points, fire extinguishers and hydrants. It also includes day-to-day costs such as grass mowing, gardening, lighting, road and car park maintenance, security system including gates, cameras and access control to name a few items. Items shown up on our condition survey suggested a large amount of works are necessary in both Trusts.

Security (Including Security Staff Costs)

This is the expense of both daytime and night-time staff and includes equipment used by these staff along with any specialist training required and the repair and maintenance of the CCTV security system.

Staffing (Excluding Security Staff)

This expense covers the customer service, operations and management teams that run the marina. There has been a minimal change in staffing during the year.

Water

This is the total cost of the water supplied to the marina berths and ablutions blocks.







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