



Quarterly Report

Q1 2016/17

July-September 2016

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EXECUTIVE SUMMARY

The first Quarter of the 2016/17 Financial Year has seen Wellington Regional Economic Development Agency (WREDA) deliver strongly across the breadth of operations, while the process of organisational integration continues.

The first three months of the year have seen major initiatives developed, launched and gathering pace. The Wellington International Student Growth Programme is gaining traction with an increase in student visas issued pointing to increased market share for Wellington. Visitor attraction campaigns targeting both domestic and Australian visitation are in-market, building on strong momentum in the sector.

Two visitor campaigns in Canberra are part of a wide range of activities across WREDA designed to leverage the new Singapore Airlines flight to Singapore and Canberra.

Engagement with our priority sectors has intensified supporting increased business activity in these sectors.

Screen production activity in the region is increasing, with WREDA playing a liaison and facilitation role between production companies and community stakeholders.

Meanwhile, the high-quality events schedule has kept our venue operations and i-SITE teams busy – as well as providing a significant boost to the regional economy.

WREDA has undergone major transitional changes, implementing our integrated team structure. This has accompanied a successful transition of the use of the legacy organisation brands to the WREDA name. The move to new premises for the Manners Street and Plimmer Towers staff is scheduled early in the New Year.

The Local Government Commission noted three reasons for WREDA's establishment:

- To increase focus of the formerly disparate organisations
- To achieve economies of scale
- To remove duplication

Quarter 1 of FY17 has seen solid progress with respect to these objectives. Whilst some strategic, regional areas of overlap still need to be addressed, the work done in FY16 in bringing WREDA together operationally is beginning to bear fruit.

1. FY2017 KEY PERFORMANCE INDICATORS

Table 1: Statement of Intent (SOI) Measures

Objective	Programme	Measure	2016/17 Performance Measures	Q1 Actual	Q1 Projected
Facilitate growth in Wellington business	Scale-Up programme	<i>Metrics for evaluation are being developed as part of the programme design process</i>	TBC	n/a	n/a
	Regional Business Partner Programme	Performance against measured contract KPIs	100%	71% ¹	100%
	Creative HQ	Creative HQ portfolio value	\$1.2M	\$1.4M	\$1.1M
		Lightning Lab participant investment raised	\$3.5M	n/a	Will be known once programmes are finished
	Screen Wellington	Conversion rate of logged enquiries to confirmed production	25%	50%	25%
		Value of facilitated screen production	\$100M	\$8.7M ²	\$25M
		Customer satisfaction survey	80%	Survey yet to be developed	80%
	Sector Growth Initiatives	GDP growth of priority sectors above Wellington average	0.50%	n/a	Figures available annually
		Employment growth of priority sectors above Wellington average	0.50%	n/a	Figures available annually
	Increase the number of international students in Wellington	Wellington International Student Growth Program	International student enrolments	8500	n/a
NZ Market share of International students			7%	n/a	Figures available annually
Develop available skills in the Wellington workforce	Sector Growth Initiatives	Interns placed in priority sectors	200	81	75
	Creative HQ	Students completing Venture Up programme	50	Programme will run Feb 2017	0

¹ August and September have shown a significant improvement on July but we remain below target. It is not unusual for the start of the year to be slow, and we anticipate meeting target by year-end.

² Due to production delays we have not met production spend target for the quarter. This measure is expected to improve as the new Peter Jackson project starts in Q3.

Objective	Programme	Measure	2016/17 Performance Measures	Q1 Actual	Q1 Projected
	Talent Attraction	Net permanent and long-term arrivals	2000	3,430	2,000
		Wellington share of total net permanent and long-term arrivals	4%	4.9%	4%
Attract new business and direct investment	Business attraction	Number of jobs in successfully attracted prospect businesses	50	5 ³	12.5
Increase GDP contribution of visitor spending	Destination marketing	Total commercial guest nights	3.15M	663,303	650,000
		Estimated visitor spend	\$2.7B	\$455.9M	\$420M
	Business Events Wellington	NZ market share multi-day conferences	16%	Not yet available	16%
	Venue operations	Utilisation of venues	65%	56% ⁴	65%
Growth in number of out of town venue attendees		2.50%	-2.5% ⁴	2.50%	
Maximise return on Wellington investment in major events portfolio	Major events	ROI via out of Wellington spend	20:1	Not yet available	20:1
		Total event attendance	600,000	172,341	150,000
Leverage major infrastructure investment		Value of pre-bookings for Wellington Convention Centre	\$1M	n/a	Subject to Venue
Enhance Wellington's global reputation	Media hosting programme	Number of media hosted in Wellington	120	68	30
	The Wellington Partnership	Partnership participation numbers	20	n/a	n/a
		Partnership satisfaction score	80%	n/a	Survey to be conducted at year end
	Global liveability reputation	Mercer Liveable Cities ranking	#11	#12	#12
	Champion Wellington success stories	Number of stories in Australasian media	625	193	156

³ Target not met due to delay in ramp-up of Concentric (formerly Minacs) tech service centre operations. Will correct in subsequent quarters.

⁴ This year the TSB Bank Arena was provided to WOW as rehearsal space by WCC, and therefore could not be utilised commercially. This impacts utilisation rate and out-of-town attendance for the quarter.

2. WREDA ACTIVITY REPORT

2.1. BUSINESS GROWTH AND INNOVATION

Over this quarter BGI has completed a restructure as part of the WREDA establishment phase with the team structure announced 1 September 2016. Vacancies within the team are currently being filled.

The key activity over this quarter for BGI has been ensuring the Regional Business Partner programme contract remains on track during the change process; driving Wellington International Student Growth Programme; developing the business case for the Scale-Ups programme in the business support market and stimulating business growth for a pilot of 10 local businesses; and working through the development of a talent attraction scheme with the tech sector.

Table 2: SOI Measures subset

Programme	Measure	2016/17 Performance Measures	Q1 Actual	Q1 Projected
Regional Business Partner Programme	Performance against measured contract KPIs	100%	71%	100%
Screen Wellington	Conversion rate of logged enquiries to confirmed production	25%	50%	25%
	Value of facilitated screen production	\$100M	\$8.7M	\$25M

2.1.1. Regional Business Partner (RBP) Programme

Table 3: RBP Programme activity Q1

Measure	Result
In-depth business engagements	149
Connections to providers	106
Businesses matched with a mentor	46
Capability voucher funding delivered	\$80,000
R&D grant funding delivered	\$15,000

Overall, the performance against measured contract KPIs as at 30 Sep is 71% of target. This reflects the normal trend of under-performance at this time of year, with August and September showing a significant improvement on July.

2.1.2. R&D Experience internships

Over the last year we have run a targeted project to assist larger businesses in the region to access more of the R&D internship grants available via the RBP. Only businesses with large R&D departments are eligible for funding towards multiple interns.

Last year was the first and only successful application by a Wellington business for more than three internships. This year, through our project, we assisted three large businesses in the region (Xero, Fronde and Aviat Networks) win funding for a total of 20 interns.

Announced in the past quarter, this was the standout result of a total of 37 internship grants across the region, worth a combined \$306,000. At 15% of the national total, it is the best performance to-date by Wellington in this competitive funding programme.

2.1.3. Catalytic Initiatives: Wellington International Student Growth Programme

Year-to-date Total Student Visas in Wellington grew 3% (116) on the previous year. Measured against decreases of 5% and 3% in Auckland and Christchurch respectively, this points to an increasing market share for Wellington⁵.

We organised the 2016 Wellington International Student Excellence awards, which were hosted at Parliament and presented by the Deputy Prime Minister. This generated significant print and TV coverage, as well as establishing an additional point of difference for Wellington as a student destination.

Our team hosted 48 education agents at Wellington promotional functions, and connected 127 international students via the Work Ready in Wellington Meetup Group.

2.1.4. Catalytic Initiatives: The Wellington Partnership

Professor Kelly Chibale from the University of Cape Town visited the region and was hosted by our team. Professor Chibale undertook several lectures with VUW and the Ferrier Institute as well as an interview on Radio NZ. We are pursuing opportunities for joint working between the Ferrier and the University of Cape Town.

Two of our Tech CEO-breakfasts were held in the past quarter. These events are informing development of a similar element within the Scale-Up programme.

We hosted a contingent of the Wellington international diplomatic corps at a joint function with ANZ to discuss Wellington's export growth potential and international relationships. With the success of this inaugural diplomatic event, this will become a regular part of the Wellington Partnership activity.

2.1.5. Catalytic Initiatives: Infrastructure Investment Leverage

The Northern Corridor Road of National Significance is now well underway. We are currently in conversation with the Territorial Local Authorities in the region, as well as NZTA, to ascertain how the road could impact the region's economic development, and how this can be best leveraged.

⁵ Visa data is a proxy for enrolments (our main target) which are reported bi-annually by tertiary institutions

To leverage the new Singapore Airlines connection between our regions, we hosted the CEO of Canberra Innovation Network (CBRIN) on a two-day tour of key players across our innovation network. These included Creative HQ, BizDojo/Collider, Spring at Massey, Victoria business liaison, Akina, and Enspiral Dev Academy. At the end of the visit we signed an MOU with CBRIN to collaborate and share knowledge.

2.1.6. Catalytic Initiatives: Scale-Ups

We are continuing development of our new Scale Up Programme, on schedule for the pilot cohort of businesses to begin the programme in February 2017. Assistance for companies in the scale-up 'sweet spot' continues, as below.

Tech startup Postr, which we helped to expand via our RBP programme, attracted \$1.7M in FDI capital in the past quarter.

Through hosting a visit by Chief Scientist of a US aerospace firm, we facilitated meetings with the Robinson Institute and HTS-110 regarding superconducting hypersonic thrusters. The Chief Scientist subsequently requested these organisations put together a joint proposal for a fully-funded R&D project. We are monitoring and will report future progress.

We initiated discussions with VicLink regarding the new China JV for the Robinson Institute, which has potential for locating Wellington businesses into their science park at zero cost. This will be reported on in future months.

2.1.7. Talent & Skills

Table 4:SOI Measures subset

Programme	Measure	2016/17 Performance Measures	Q1 Actual	Q1 Projected
Talent Attraction	Net permanent and long-term arrivals	2000	3,430	2,000
	Wellington share of total net permanent and long-term arrivals	4%	4.9%	4%
Business attraction	Number of jobs in successfully attracted prospect businesses	50	5	12.5
Sector Growth Initiatives	Interns placed in priority sectors	200	81	75

The five jobs established in Q1 are the initial footprint of the Concentrix (previously known as Minacs) tech service centre operation. This is below target due to the ramp up of centre operations beginning later than anticipated. We expect that this will correct in subsequent quarters.

The Summer of Tech Meet and Greet event introduced fifty companies to 400 potential student interns. Companies began making internship offers in the first week of October. 81 have been placed in Quarter 1, which is ahead of target.

2.1.8. Business & Investment Attraction

We are working to leverage in-market activity of NZ Government agencies, such as NZFC, NZTE and ENZ to support the work we are doing to attract offshore investment and businesses, (as well as students) to Wellington.

WREDA representatives joined Wellington exporters on a WCC Mayoral delegation to Xiamen, Xi'an & Beijing. During the trip we furthered relations with Xiamen-owned Seashine Group supermarkets, who are now interested in co-investing with agricultural businesses in the region to assist growth and secure supply. Work will continue to develop these relations over Quarter 2, with a view to assisting local businesses secure contracts towards the end of Quarter 3.

The delegation also attended the launch and tour of the New Zealand Hub in Xi'an. The owners/investors have substantial Wellington connections, and we are working with them to ensure our export, education and tourism businesses derive maximum benefit from the facility.

We hosted an event for Wellington tech businesses in Seattle as part the World of Wearable Arts we are supporting. This is part of an exploration of Seattle as a target market for Wellington tech businesses with the likes of Raygun and Green Button (purchased by Microsoft) already located there.

2.1.9. Primary/F & B Sector

Following our introductions to suppliers, the new David Jones retail store cafe is featuring six regional beverage suppliers (alcoholic and non-alcoholic). We are assisting David Jones to meet with local suppliers, with a view to stocking their products throughout their Australian store network. A deal has been struck with Wellington artisan peanut butter suppliers Fix & Fogg to supply the product to six Australian stores, with potential to expand.

We continue to collaborate with the board of the new Wellington Wine Country group on development and promotion of this premium wine region brand.

2.1.10. Tech

In the past quarter we convened a gathering of Wellington tech employers to discuss current skills shortages in the sector, and propose the formation of an ongoing collaborative group to support talent attraction. The proposal, entitled LookSee, was well received and we are now writing an agreement to formalise the group.

We are assisting ProjectR, Wellington's new Virtual Reality/Augmented Reality (VR/AR) centre, to create robust measurement of the size and potential of this emerging sector. We also provided Australasian PR support of this initiative, which was understood as contributing their successful bid to become home to the NZ chapter of the international VR/AR Association.

We are poised to join the advisory group for NZ Tech Week for May 2017, a NZ Tech led initiative to ensure Wellington is part of this national event in 2017. This will be a large-scale showcase and networking event for the Wellington tech sector.

2.1.11. Screen Sector

We are consulting with Avalon Studios on their investment case for redevelopment and expansion, following a feasibility study into a new sound stage for the region indicating significant potential benefits.

Following two years of support for the development of audio production company Pow!Post via our Business Growth team, we hosted their contract signing with Korean animation/VR company XrisP from Seoulstart. Pow!Post will produce audio for the first 52 episodes of international children's animation television show.

2.1.12. Creative Industries

We kicked off a Creative Industries initiative, which initially involves Greater Wellington Regional Council and Massey University, but will expand to include other industry players. The first step in this initiative was to set up discussions between Massey and the French Embassy, to arrange a visit by a delegation of French creative industry professionals.



Photo 1: WelTec Engineering Student Anamika Nampoothiry with Deputy Prime Minister Bill English at the Wellington International Student Excellence awards (WISGP)

2.2. MAJOR EVENTS

A strong quarter for events was bolstered by the Hurricanes successful Super Rugby home playoffs run. With a Bledisloe Cup match (and the Welsh test in the previous quarter), it has been a winter of rugby success for Wellington, both on the field and across the region. The annual culinary events Beervana and Visa Wellington on a Plate both returned strongly, leading into WOW®, which began at the very end of the quarter.

New events wins for both international football and international conferences are further positive achievements this quarter.

Table 5: SOI Measures subset

Programme	Measure	2016/17 Performance Measures	Q1 Actual	Q1 Projected
Major events	ROI via out of Wellington spend	20:1	Not yet available	20:1
	Total event attendance	600,000	172,341	150,000

Table 6: Major event attendance breakdown

Attendee origin	Q1
Local	132,066
Out-of-region	40,275
Total	172,341

2.2.1. Bledisloe Cup

Following on from the sold out test against Wales earlier in the year, Westpac Stadium was again at capacity to see the All Blacks retain the Bledisloe Cup for another year with their victory over Australia. The event attracted over 11,000 out of region visitors.

We received a tremendous response from the fans around the projection onto the stadium and some great social media around the video created with Nehe Milner-Skudder.

2.2.2. Beervana

With close to 10,000 tickets sold Beervana continues to be the premier craft beer event in the country. The event is maintaining strong interest from the local and international brewing industry and drives out of region visitation, with 40% of attendees travelling to Wellington for the event.

2.2.3. Super Rugby

Wellington hosted 4 Super Rugby matches, including the quarter, semi and final, which saw the Hurricanes win their first ever Super rugby title. Following the final there was huge public support for the Street Parade that took place to celebrate the win the Tuesday after the match.

2.2.4. Visa Wellington on a Plate (VWOAP)

This was the eighth year of the VWOAP festival, which expanded from 116 events last year to 127 in 2016. Overall, 9,070 event tickets were sold, a 5.25% increase, year-on-year.

The Food Truck Rally was a very successful innovation for 2016, taking the fun and flavour of WWOAP to our regional communities through an easily accessible, non-ticketed event series.

2.2.5. World of WearableArt

2016 season started in the last week of the Quarter. WOW added a show to this season's run, with ticket sales remaining very strong, all shows at or near sold out. Initial ticket data indicates strong out of region attendance with retail in the city benefitting.

Designers Day was a great success with keynote speaker Denise Tetreault, the Costumes, Lifecycle and Creative Spaces Director from Cirque du Soleil.

2.2.6. FIFA World Cup qualifiers

In conjunction with the Westpac Stadium we won hosting rights to a FIFA World Cup 2018 Oceania Qualifying Match and, more significantly, the Intercontinental Playoff to be played in Nov 2017 (subject to New Zealand qualifying from Oceania).

2.2.7. Business Events Wellington

Our team successfully bid and secured the following events in the past quarter:

Table 7: Major conference wins - Q1

Event name	Estimated value
World Congress of Public Services Information 2020	\$1,500,000
Harcourts 2017	\$1,470,000
International Conference on Precision Electromagnetic Measurement 2022	\$960,000



Photo 2: More than 10,000 flocked to Beervana, 40% from out-of-region

2.3. DESTINATION & MARKETING

Tourism figures continue to climb, along with international and domestic spending in Wellington. Marketing campaigns are focused on encouraging weekend visits from domestic and Australian markets (particularly Canberra to leverage the Singapore Airlines route). Marketing activity also supports key events.

Interest in Wellington from new trade tourist markets is growing, helped by the Singapore Airlines route and additional airlines into Auckland. Engagement with digital channels is increasing alongside smart targeting and channel evolution, as well as heightened interest in Wellington as a destination.

A focus on relationships with media and pitching stories has resulted in an increase in positive articles about Wellington and WREDA in domestic and international publications.

Table 8: SOI Measures subset

Programme	Measure	2016/17 Performance Measures	Q1 Actual ⁶	Q1 Projected
Destination marketing	Total commercial guest nights (annual)	3.15M	663,303	650,000
	Estimated visitor spend (annual)	\$2.7B	\$455.9M	\$450M

2.3.1. Tourism

Key tourism measures are up year-on-year across the period June-August 2016. Spend is up 2% (an incremental \$9.5million into the region) and commercial guest nights up a healthy 7.2%.

Trans-Tasman visitor arrivals were down in June and July, but returned to growth in August, buoyed by the Bledisloe match. Meanwhile, Australian visitor spend was up 8.4% in Wellington for the period, growing ahead of Auckland (5.8%).

The just-launched Singapore Airlines Capital Express route will bring valuable diversity into our tourism sector, particularly from South East Asian and European markets.

2.3.2. Domestic Marketing

Phase two of the Domestic winter campaign, Will You Welly Me, was an interactive digital-led and social-focussed campaign. Users interacted with the site to create a personalised video message to a loved one, inviting them to come on a mid-winter getaway to Wellington.

More than 2,800 personalised video messages were created and delivered, and 12,680 people to visit the campaign landing page which showcased winter attractions and events in Wellington. <http://www.wellingtonnz.com/discover/will-you-welly-me/>

Domestic visitor spending was up 3.4% to \$339.7M in the period June-August.

⁶ As per government release schedule, latest tourism data is to Aug 2016. Reported figures are Jun-Aug 2016

2.3.3. Australia Marketing

Two campaigns have been run in Canberra to drive awareness of Wellington and a desire to travel. The marketing mix includes outdoor, digital airport billboards, social, online, sponsored editorial and EDMs.

We are also working alongside Wellington Phoenix, Garage Project and VisitCanberra on an on-the-ground activation to take place around the Phoenix's A-League fixture in Canberra on November 12.

Australian visitor spending was up by 8.4% to \$45.3M in the period June-August.

2.3.4. Events marketing

We provided marketing support to the Super Rugby and All Blacks matches in the past quarter, as well as to both Visa Wellington On a Plate (VWOAP) and the World of WearableArt® (WOW) Awards Show.

Support for WOW included street-level 'city excitement' activations, including the WOW Treasure Boxes shipping container pop-ups, and the WOW Window Dressing Competition, as well as the Insiders' Guide to Wellington brochure. For VWOAP, we supported production of the programme guide booklet and the integrated national campaign.

As noted under Major Events, all performed strongly.

2.3.5. Travel Trade

In the past quarter we trained more than 600 international travel agents, enhancing their knowledge of and ability to sell Wellington and its travel products. With a major focus of promoting the Capital Express service, this training activity included market visits to India, Singapore and Canberra.

We also hosted 98 trade agents from the NSW/ACT area who travelled to Wellington on Singapore Airlines inaugural flight in September.

We hosted product managers and frontline agents from the US, South America, China, Japan, Australia and South East Asia, to help them develop and promote new Wellington itineraries.

2.3.6. WTMN project (*Wellington, Tasman, Marlborough, Nelson*)

Working with Tourism New Zealand as well as the Marlborough and Nelson RTOs (Regional Tourism Organisations) we are promoting central New Zealand to Chinese Free Independent Travellers (FIT) as an alternative to hotspots like Auckland and Queenstown.

The objective of the project is to encourage regional dispersal and preserve the New Zealand experience for this market. Alongside this, we continue to assist local operators in developing their China-ready product.

Table 9: Travel trade training activity

Q1 In-market training & sales calls	Total agents trained
India Kiwilink India	77
Singapore TNZ frontline training & sales calls	166
Canberra Travel information evening	97
UK/Europe Lions webinar training	34
Q1 Trade Famils	
Total trade hosted	207
Total famils hosted	18

2.3.7. Digital

Visitation to WellingtonNZ.com has increased nearly 9% on the same quarter in 2015. Australian traffic now makes up just under one-fifth of all visitation to the site, a 37% increase on the same period last year. From the international market, Singapore, US, and UK have increased significantly, up 128%, 28% and 25% respectively.

Referrals from our website listings to partner websites, emails and phone numbers have also increased 16% site-wide.

2.3.8. Media / PR

Table 10: SOI Measures subset

Programme	Measure	2016/17 Performance Measures	Q1 Actual	Q1 Projected
Media hosting programme	Number of media hosted in Wellington	120	68	30
Champion Wellington success stories	Number of stories in Australasian media	625	193	156

Close to 70 journalists visited Wellington in the quarter, via our familiarisation programs (famils). Their focus areas were a mix of travel/tourism stories, creative and innovative business, as well as major events.

International media came from key markets in South East Asia, China, UK and the US, including a visit by 10 South East Asian journalists here following the Singapore Airlines launch.

A total of 208 Wellington stories were secured with media in New Zealand and Australia this quarter. Alongside stories generated through famils, this includes stories researched, pitched and produced by the team.

A highlight of the quarter was hosting of 21 journalists in conjunction with Singapore Airlines to promote Wellington and the new flight route to key markets. Writers from Canberra and social influencers from South East Asia have also been hosted in support of the route.

We also worked in partnership with Air New Zealand and Sofitel to host six Australian journalists at WOW® this year to build awareness of and attract more Australians to the capital for the event next season.

Table 11: Media hosting and coverage

Hosted media origin	Q1
Total	68
-Domestic	12
-Australia	16
-International	40
Number of articles	
Total	193
-Domestic	158
-Australia	35
Reach	44,546,506
ASR	\$1,582,317



Photo 3: Timed in support of the 'Capital Express' service, our new Australian visitor marketing campaign highlighted Wellington's proximity and variety of experiences

2.4. VENUES

During the past quarter our venues have seen a positive result in regards to the number of conference events held and the number of delegates those conferences have brought to Wellington.

With the TSB Arena unavailable in August and September, due to rehearsal and performance of the World of WearableArt® Awards Show, the number of performance events delivered in the quarter was reduced compared to last year.

As Table 12 indicates, the unavailability of TSB in Q1 impacted utilisation rate and out of region attendee numbers for the quarter. This was factored into the SOI target for the year as a whole, and we anticipate recovering to target through the remaining quarters.

However, the period did include some notable highlights such as the 12 performances of Disney on Ice in July, which, along with other performance events that month, saw more than 39,000 patrons of which 23% came from outside the Wellington region.

Table 12: SOI Measures subset

Programme	Measure	2016/17 Performance Measures	Q1 Actual	Q1 Projected
Venue operations	Utilisation of venues	65%	56%	65%
	Growth in number of out of town venue attendees	2.50%	-2.5% ⁷	2.50%

Over 50,000 convention delegates have been hosted in our venues in the quarter. The highlights of this convention activity include the hosting of ITx, (a multi-faceted conference that is a collaboration between 12 tech-focused companies and bodies), the ARISE church annual conference attracting 6,500 delegates, and a number of education sector events.

Seven World of Wearable Arts Awards Show performances in September contributed to a total of over 47,000 patrons at performance events in the month, with a Wellington Musical Theatre season of Sister Act at the St. James Theatre also contributing.

In terms of facilities maintenance and improvement work, we have completed strengthening of the external staircases at the Michael Fowler Centre and the external recladding of the TSB Arena.

The Venues team have worked throughout the quarter with Wellington City Council officers in regards to the development of the Movie Museum / Convention Centre project as well as other venues development matters.

⁷ Result affected by unavailability of TSB Bank Arena due to WOW rehearsals. This was built into FY17 target.

2.5. CREATIVE HQ

Table 13: SOI Measures subset

Programme	Measure	2016/17 Performance Measures	Q1 Actual	Q1 Projected
Creative HQ	Creative HQ portfolio value	\$1.2M	\$1.4M	\$1.1M

We won the AOG business change RFP led by MBIE for the provision of business change services to all government departments (total tender value of approx. \$250m pa). CHQ will be an accredited provider on the procurement panel.

With funding from Kiwibank, Callaghan innovation, Xero and Microsoft, the Kiwibank FinTech accelerator, (announced in the past quarter), will be the most comprehensive acceleration programme we have delivered to date.

In addition, we won the RFP for the next R9 GovTech accelerator (MBIE tender). Our previous R9 GovTech Acceleration programme is a finalist for the 2016 NZ Innovation Awards.

As well as demonstrating CHQ's credibility in winning and providing these accelerators, they have the potential to add significant value to the Wellington and New Zealand economies through the jobs created and the reputation enhanced of the local tech sector.

2.6. 1WREDA

As WREDA moves forward to bring the administrative functions of the legacy organisations together a number of projects have progressed through their discovery phase this quarter.

In regards to Health and Safety compliance and providing our employees with a secure working environment the current different operational procedures will be condensed into one organisation wide plan. This will directly ensure that WREDA is caring more appropriately for its employees and better responding to legislative requirements.

Similarly, the different offices are still operating on legacy IT infrastructure. Over Quarters 2 and 3 as WREDA moves to its new premises a pathway will be followed to bring all units onto one operating platform and as appropriate using software that enables greater productivity across WREDA and better leveraging of different activity programme investments as information and planning can be more easily shared between work groups.

In late March 2017 WREDA will move into new premises at 175 Victoria Street. Staff from the current Manners Street and Plimmer Towers buildings will co-locate into the new premises, which are currently being fitted out, along with some of the Venues staff whom work closely with those locating there. Yearly ongoing rental savings will be \$60,000 and additional operational savings will be made from having a joint premise to operate from. Co-location will also bring about synergies across WREDA.

3. WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LIMITED QUARTER 1 FINANCIAL STAKEHOLDER REPORT (EXCLUDES VENUES PROJECT)

STATEMENT OF COMPREHENSIVE INCOME

	Q1 AS AT 30-Sep-16	SOI QTR 1 FY17	SOI QTR 4 FY17
REVENUE			
Shareholder Grants	6,802,673	6,399,124	20,961,659
Other Revenue	1,834,454	1,596,035	6,871,679
TOTAL REVENUE	8,637,127	7,995,159	27,833,338
EXPENDITURE			
Employment Costs	3,401,684	3,314,174	12,214,359
Direct Project/Marketing	3,079,733	1,658,250	9,813,000
Other Expenses	1,259,752	1,218,830	5,830,372
TOTAL EXPENDITURE	7,741,169	6,191,254	27,857,731
NET SURPLUS (DEFICIT)	895,958	1,803,905	- 24,393

Financially, WREDA has had a sound start to the year. SOI figures were revisited early in the financial year and a revised budget developed to reflect business plans that the new leadership team had developed. During this process all expenditure was revisited and budgets adjusted to reflect additional savings identified. The revisiting of this expenditure will be ongoing as WREDA strives to make further operational savings that can be diverted to front end delivery of projects and work plans. This will see a rise in our direct project and marketing expenditure.

Creative HQ has seen a rise in revenue from anticipated from their SOI figures as they move further toward generating additional revenue from delivering funded programmes of work. Employment costs are anticipated to be at their highest in the first quarter of the financial year as costs of the final stages of the implementation of the organisational design were incurred in this first quarter and include the cost of some redundancies. There has also been a small increase in Venues employment costs as an increase in revenue over SOI results in an increase in casual staff in the Venues area.

STATEMENT OF FINANCIAL POSITION

	Q1 AS AT 30-Sep-16	SOI QTR 1 FY17	SOI QTR 4 FY17
ASSETS			
Current Assets	5,084,620	3,058,839	2,214,168
Investments in Incubator and Acceleration companies	1,427,407	1,400,000	1,400,000
Fixed Assets	437,279	317,450	288,200
TOTAL ASSETS	<u>6,949,306</u>	<u>4,776,289</u>	<u>3,902,368</u>
LIABILITES			
Current Liabilites	4,550,774	1,442,235	2,383,113
TOTAL LIABILITIES	<u>4,550,774</u>	<u>1,442,235</u>	<u>2,383,113</u>
NET ASSETS	<u>2,398,532</u>	<u>3,334,054</u>	<u>1,519,255</u>
SHAREHOLDERS FUNDS	<u>2,398,532</u>	<u>3,334,054</u>	<u>1,519,255</u>

WREDA is in a sound financial position with current good cash reserves enable liabilities to be paid as they fall due. There has been an increase in revenue in advance held on the balance throughout the organisation and this is also reflected in an increase in cash held, compared to SOI figures.