



greater WELLINGTON
REGIONAL COUNCIL
Te Pane Matua Taiao

If calling please ask for: Democratic Services

19 April 2018

Wellington Regional Strategy Committee

Order Paper for meeting to be held in the Council Chamber, Greater Wellington Regional Council, Level 2, 15 Walter Street, Te Aro, Wellington on:

Tuesday, 24 April 2018 at 1.30pm

Membership of Committee

| | |
|------------------------------------|-------------------------------------|
| Mayor Lester (Chair) | Wellington City Council |
| Councillor Blakeley (Deputy Chair) | Greater Wellington Regional Council |
| Councillor Calvert | Wellington City Council |
| Mayor Guppy | Upper Hutt City Council |
| Mayor Gurunathan | Kapiti Coast District Council |
| Councillor Marsh | Wellington City Council |
| Mayor Patterson | Masterton District Council |
| Mayor Tana | Porirua City Council |
| Mayor Wallace | Hutt City Council |

Recommendations in reports are not to be construed as Council policy until adopted by Council

Wellington Regional Strategy Committee

Order Paper for meeting to be held on Tuesday, 24 April 2018 in the Council Chamber, Greater Wellington Regional Council, Level 2, 15 Walter Street, Te Aro, Wellington at 1.30pm

Public Business

| | | Page No |
|----|--|--|
| 1. | Apologies | |
| 2. | Conflict of interest declarations | |
| 3. | Public participation | |
| 4. | Confirmation of the Public minutes of 21 November 2017 and the Public Excluded minutes of 21 November 2017 | Report 17.469 3 Report PE17.470 7 |
| 5. | WREDA Half Year Report 2017/18 | Report 18.145 9 |
| 6. | WREDA Draft Statement of Intent 2018-21 | Report 18.144 39 |
| 7. | Indoor Arena update | Oral |
| 8. | Wellington Regional Investment Plan | Report 18.146 79 |



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Please note that these minutes remain unconfirmed until the Wellington Regional Strategy Committee meeting on 24 April 2018

Report 17.469

21/11/2017

File: CCAB-15-216

Public minutes of the Wellington Regional Strategy Committee meeting held on Tuesday, 21 November 2017, in the Level 2 East meeting room, Westpac Stadium, Waterloo Quay, Wellington at 1:06pm

Present

| | |
|----------------------|---------------------------------------|
| Mayor Lester (Chair) | (Wellington City Council) |
| Councillor Blakeley | (Greater Wellington Regional Council) |
| Councillor Calvert | (Wellington City Council) |
| Mayor Guppy | (Upper Hutt City Council) |
| Mayor Gurunathan | (Kapiti Coast District Council) |
| Mayor Patterson | (Masterton District Council) |
| Mayor Tana | (Porirua City Council) |
| Mayor Wallace | (Hutt City Council) |

Public Business

1 Apologies

Moved

(Cr Blakeley/ Mayor Wallace)

That the Committee accepts the apology for absence from Councillor Marsh.

The motion was **CARRIED**.

2 **Conflict of interest declarations**

There were no declarations of conflict of interest.

3 **Public Participation**

There was no public participation.

4 **Confirmation of the minutes of 30 May 2017**

Moved

(Mayor Lester/ Cr Blakeley)

That the Committee confirms the public minutes of the meeting of 30 May 2017, Report 17.188.

The motion was **CARRIED**.

5 **WREDA Annual Report 2016/17, First Quarter Report 2017/18 and Indoor Arena update**

Peter Biggs, Chair, Derek Fry, Chief Executive, Warrick Dent, General Manager Events and Partnerships, David Perks, General Manager Venues and Project Development, and David Jones, General Manager Business Growth and Innovation, Wellington Regional Economic Development Agency (WREDA), gave a presentation to update the Committee regarding the Region's growth, past and future events, venues, and highlights.

Report 17.463

File: CCAB-15-210

Moved

(Mayor Lester/ Mayor Tana)

That the Committee:

- 1. Receives the report.*
- 2. Notes the content of the report.*
- 3. Receives, on behalf of the shareholding councils, the WREDA Annual Report for 2016/17.*

The motion was **CARRIED**.

6 **Letter of Expectation – WREDA**

Report 17.462

File: CCAB-15-208

Moved

(Mayor Lester/ Cr Blakeley)

That the Committee:

- 1. Receives the report.*
- 2. Notes the content of the report.*
- 3. Approves the Letter of Expectation, subject to the following amendments:*

Amend the first bullet point: insert “with a supporting chronological work programme” after the words “investment plan”.

Amend the fifth bullet point: insert “The Committee would like WREDA to consider the opportunities to accelerate and leverage off the activities of

Creative HQ and identify whether there are benefits from broadening the scope of their activities.”

Insert a new bullet point: “Review our major events to identify those that need to be renewed and those we need to invest in and grow.”

4. *Authorises the Chair of the Committee to approve and sign the Letter of Expectation on behalf of the Committee.*

Moved as an amendment, being a further addition to motion 3 (for inclusion in the Letter of Expectation)
(Mayor Patterson/ Mayor Wallace)

Insert as new bullet point:

“The Committee would like WREDA to assist the Region in partnering with the Government as it rolls out its regional economic development investment fund over the next three years. In particular, it expects WREDA to work with the Region (including the Wairarapa councils) to promote projects that will grow the regional and rural economy and improve the wellbeing of those communities.”

The amendment was **CARRIED** and became part of the substantive motion.

Moved as an amendment, being a further addition to motion 3 (for inclusion in the Letter of Expectation)
(Mayor Tana/ Mayor Guppy)

Insert as new bullet point:

“The Committee would like WREDA to have a “Super Seven” instead of the “Big Six”, the seventh being a focus on the Māori economy.”

The amendment was **CARRIED** and became part of the substantive motion.

The substantive motion was then put and was **CARRIED**.

7 **Exclusion of the public**

Report 17.465

File: CCAB-15-214

Moved

(Mayor Lester/ Cr Blakeley)

That the Committee:

Excludes the public from the following part of the proceedings of this meeting, namely:

1. *Wellington Regional Economic Development Agency (WREDA) Board review and director appointments*

The general subject of each matter to be considered while the public is excluded, the reasons for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 (the Act) for the passing of this resolution are as follows:

| General subject of each matter to be considered: | Reason for passing this resolution in relation to each matter | Ground under section 48(1) for the passing of this resolution |
|--|---|--|
| <i>1. Wellington Regional Economic Development Agency (WREDA) Board review and director appointments</i> | <i>The information contained in this report relates to the proposed appointment of directors to WREDA. Release of this information would prejudice the proposed appointees' privacy by disclosing the fact that they are being considered as a Director of WREDA. Greater Wellington Regional Council (GWRC) has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override the privacy of the individuals concerned.</i> | <i>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under sections 7(2)(a) of the Act (i.e to protect the privacy of natural persons).</i> |

This resolution is made in reliance on section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as specified above.

The motion was **CARRIED**.

The public part of the meeting closed at 2:30pm.

Mayor Lester
(Chair)

Date:



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Please note that these minutes remain unconfirmed until the Wellington Regional Strategy Committee meeting on 24 April 2018

The matters referred to in these minutes were considered by the Wellington Regional Strategy Committee on 21 November 2017 in public excluded business. These minutes do not require confidentiality and may be considered in the public part of the meeting.

Report PE17.470

21/11/2017

File: CCAB-15-217

Public excluded minutes of the Wellington Regional Strategy Committee meeting held Tuesday, 21 November 2017, in the Level 2 East meeting room, Westpac Stadium, Waterloo Quay, Wellington at 2:30pm

Present

| | |
|----------------------|---------------------------------------|
| Mayor Lester (Chair) | (Wellington City Council) |
| Councillor Blakeley | (Greater Wellington Regional Council) |
| Councillor Calvert | (Wellington City Council) |
| Mayor Guppy | (Upper Hutt City Council) |
| Mayor Gurunathan | (Kapiti Coast District Council) |
| Mayor Patterson | (Masterton District Council) |
| Mayor Tana | (Porirua City Council) |
| Mayor Wallace | (Hutt City Council) |

Public Excluded Business

- 1 Wellington Regional Economic Development Agency (WREDA) Board review and director appointments**

Report 17.464

File: CCAB-15-213

Moved

(Mayor Lester/ Cr Blakeley)

That the Committee:

- 1. Receives the report.*

2. *Notes the content of the report.*
3. *Recommends to the shareholding councils that the following persons be appointed as directors of WREDA with staggered terms of appointment:*
 - a. *Matt Clarke, for a term of two years*
 - b. *Tracey Bridges, for a term of three years*
 - c. *Wayne Mulligan, for a term of three years*
 - d. *Kylie Archer, for a term of three years.*

The motion was **CARRIED**.

The public excluded part of the meeting closed at 2:33pm.

Mayor Lester
(Chair)

Date:



Report 18.145
Date 16 April 2018
File CCAB-15-225

Committee Wellington Regional Strategy Committee
Author Samantha Seath, WRS Office
 Barry Turfrey, WCC

WREDA Half Year Report 2017/18

1. Purpose

To provide summary comment on the Wellington Regional Economic Development Agency (WREDA) Half Year Report.

2. Background

WREDA is required to provide a half yearly monthly and an audited annual report. These provide an outline of activities, finances and performance against targets in the Statement of Intent 2017-20.

A commentary on activities for the six-month period is provided in WREDA's report, which is included as [Attachment 1](#) to this report. Representatives from WREDA will make a presentation on their report and answer any questions the Committee may have.

3. Summary

ACTIVITY SUMMARY

Tourism and marketing

- WREDA's spring tourism campaign in Australia, Discover Wellington NZ Creative Heart delivered strong results with significant increases in flight and hotel bookings.
- Domestic marketing included the Wellington, Discover Your Alternative Summer campaign which commenced in November.
- WREDA and Air NZ partnered in a Wellington sale which saw a 92% increase in bookings compared to normal.
- Trained more than 1992 international travel agents, double that of the same period last year, 114 travel agents were hosted in Wellington
- Appointments and training activity has focused on key feeder markets for the Singapore Airlines long haul service.
- Hosted a number of international media which resulted in a number of Wellington stories in the media.
- WellingtonNZ.com received 774,516 visits in Q2, over 450,000 were new visitors.

ACTIVITY SUMMARY

Events

- The World of WearableArt Awards Show completed its run in October, with the event's largest ever attendance, 67% of the 60,000 show-goers coming from out of region.
- The All Whites FIFA intercontinental qualifier match against Peru attracted the largest crowd ever to attend a football match in New Zealand with more than 37,000 supporters, including an estimated 2,000 Peruvian fans, many of whom were from Australia. The event brought an estimated \$8 million to the Wellington economy.
- Late October saw the Asia Pacific Amateur Golf Champs at the Royal Wellington Golf Club. The competition commanded a global media contingent that showcased the region to their audiences back home. A full economic impact report has been commissioned and results are expected in quarter 3.
- The NZ Special Olympics had 95% out of region participation and brought in over 3,000 athletes, supporters and officials to the city for a week of competitions.
- WREDA partnered with Te Papa on an out-of-region marketing campaign to promote the Lego exhibition – Brickman Wonders of the World – which saw 50,000 people visit in December. The exhibition has proved one of Te Papa's most popular summer exhibitions and has contributed to a record December, with 78% of the almost 160,000 visitors to Te Papa from out of region.
- Working on the business case for the new Indoor Arena

Economic Development

- Wellington is performing well in student attraction and a number of education agents were hosted in Wellington during the quarter.
- The Regional Business Partner Program supported 144 regional businesses in the quarter, with 37% from outside Wellington City.
- Increased number of interns (132) placed in the Tech sector
- The Looksee program continued with 24 candidates placed in 16 businesses, a further 30 are still in discussion.
- Supported the Porirua Pop-Up Business School, Pop-Up Schools to follow in Upper Hutt and Kapiti
- Organised the Wellington Health Tech Networking event assisting life science entrepreneurs with commercial skills, very positive feedback
- Creative HQ completed the delivery of 3 high profile acceleration programs, Lightning Lab Electric R9 GovTech and Fonterra Disrupt.
- Attracted new clients to Creative HQ's innovation program, including Sealord, Sanford, Foodstuffs, PHARMAC, The Warehouse, and Lincoln University.

Venues

- 70 conferences and meeting events were delivered in the quarter resulting in 87,525 delegates.
- There were 77 ticketed events with a total attendance of 117,387, 29% were from out of region. Highlights included the completion of the WOW season, sold out performances from Lorde, Brian Cox, Angus & Julia Stone. Kevin Bridges, Paw Patrol, Lorde and Royal NZ Ballet
- Venues delivered 73 business events and conferences, attended by 87,525 people and 77 performance events were attended by 60,731 people.
- WREDA's Business Events team won 13 new business events for Wellington in the quarter, worth an estimated \$6.1 million to the region, including Involve 2018 (Mental Health and Youth), with 600+ delegates, Bunnings 500+ delegates.
- Excellent feedback from a number of large events including Augusta Tournament Evening, Z Energy and Wellington Free Ambulance.

4. Summary Financial Information

| SUMMARY FINANCIALS | | | | | | | |
|---|---------|----------------|----------|--------|---------------|----------|--------|
| * Variance (Actual minus Budget). ✓ Favourable variance to budget ✗ Unfavourable variance to budget | | | | | | | |
| FINANCIAL PERFORMANCE | Budget | Actual | Variance | Budget | Actual | Variance | Budget |
| (\$000) | Q2 | Q2 | Q2 | YTD | YTD | YTD | FYE |
| Total Revenue | 7,084 | 7,996 | 912 ✓ | 15,737 | 16,110 | 373 ✓ | 29,088 |
| Total Expenses | 7,619 | 9,457 | 1,838 ✗ | 15,873 | 16,732 | 859 ✗ | 28,988 |
| Net Surplus (Loss) | (535) | (1,461) | 926 ✗ | (136) | (622) | 486 ✗ | 100 |
| FINANCIAL POSITION | | | | | | | |
| Total Assets | | | | 3,866 | 4,652 | 786 ✓ | 5,115 |
| Total Liabilities | | | | 2,530 | 3,659 | 1,129 ✓ | 3,500 |
| Equity | | | | 1,336 | 992 | 343 ✗ | 1,615 |
| CASH FLOWS | | | | | | | |
| Total Net Cash Flows | (1,079) | (1,078) | 1 ✓ | (661) | 284 | 945 ✓ | (260) |
| Opening Cash | 2,518 | 3,069 | | 2,100 | 1,707 | | 2,100 |
| Closing Cash | 1,439 | 1,991 | | 1,439 | 1,991 | | 1,840 |
| Comments | | | | | | | |
| <ul style="list-style-type: none"> The large deficit in Q2 is due to the timing of invoices for Major Events being received in December rather than in January as planned. The budgeted year end surplus of \$47,000 is still expected to be achieved. Q2 revenue is up on budget due to higher Government grants funding Creative HQ's programs. | | | | | | | |

5. Summary Performance Results

| KPI DASHBOARD (The table contains a selection of KPIs and is not a complete list) | | | | | |
|---|---------|------------------|------------------|-----------------------|-------|
| <p>The trend on year on year performance → Steady ↗ Improving ↘ Declining</p> <p>A number of KPIs are only measured annually due to the absence of official data on a YTD basis</p> | | | | | |
| MEASURE | | YTD 31 Dec 16 | YTD 31 Dec 17 | Forecast 30 Jun 18 | Trend |
| International student enrolments <i>Source: Education NZ</i> | Actual | n/a | n/a | 9,200 | ↗ |
| | Target^ | n/a | n/a | 9,200 | |
| International student visas <i>Source: Education NZ</i> | Actual | n/a | 5,775 | 6,930 | ↗ |
| | Target^ | n/a | 5,200 | 6,930 | |
| Permanent arrivals <i>Source Statistics New Zealand</i> | Actual | 2,311 | 3,888 | 3,600 | ↗ |
| | Target^ | 1,000 | 2,000 | 3,600 | |
| Commercial guest nights <i>Source Statistics New Zealand</i> | Actual | 1.11m | 1.5m | 3.3m | ↗ |
| | Target^ | 1.0m | 1.2m | 3.2m | |
| Visitor spend <i>Source: MBIE</i> | Actual | n/a | \$1,219m | \$2,600m | ↗ |
| | Target^ | n/a | \$1,210m | \$2,600m | |
| Value of facilitated screen production <i>Source Screen Wellington</i> | Actual | \$91.8m | \$64.5m | \$100m | ↗ |
| | Target^ | \$50m | \$50m | \$100m | |
| Number of Wellingtonian's attending a performance event | Actual | n/a | 162,415 | 290,720 | ↗ |
| | Target^ | n/a | 116,288 | 290,720 | |
| Number of events <i>Source Supplied by the relevant venue</i> | Actual | n/a | 289 | 621 | → |
| | Target^ | n/a | 295 | 624 | |
| NZ market share of multi day conferences <i>Source Supplied by the relevant venue</i> | Actual | 19% | 22% | 18% | ↗ |
| | Target^ | 16% | 18% | 18% | |
| Economic value of Major Events invested in <i>Source Supplied by the relevant venue</i> | Actual | n/a | \$57.2m | \$80m | ↗ |
| | Target^ | \$40m | \$40m | \$80m | |

At this stage WREDA expects to meet or exceed its KPIs

6. The decision-making process and significance

No decision is being sought in this report.

6.1 Engagement

Engagement on this matter is unnecessary.

7. Recommendations

That the Committee:

- 1. Receives the report.*
- 2. Notes the content of the report.*

Report prepared by:

Report prepared by:

Report approved by

Barry Turfrey
Wellington City Council

Samantha Seath
WRS Office

Luke Troy
General Manager, Strategy

Attachment 1: WREDA Half Year Report 2017-18



Half-Year Report

2017/18

July-December 2017

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Executive Summary

The Second Quarter

The second quarter of the 2017/18 year has been one where a significant number of projects have been delivered upon across the portfolio of activities that WREDA undertakes.

The catalyst for the delivery of these projects and WREDA's future focus has been the redefining of our work both internally and externally under the banner of the 'BIG 6'. The refreshed focus has had a positive impact for those that work in WREDA and also on the way in which our people engage with partners across the Wellington Region.

The 'Big 6' have also been a key driver in this period of getting our teams to work across the organisation.

The Big 6 is not everything we do and nor does it describe the approach we take to all our activities. Elements such as working with iwi to deliver on the promises of the Maori economy and growing the visitor economy are important and our interaction with these elements cut across all WREDA's activities.

In Supercharging Wellington's Events two events in the quarter stand out. The Asia Pacific Amateur Golf Championship hosted at Royal Wellington put the eyes of the world on Wellington. The FIFA inter-continental play-off match between the All Whites and Peru brought visitors from all over the country, media from around the world and Peruvians that brought colour, noise and festival atmosphere to the city.

A key role for WREDA is to make Wellington famous. Pumping New Zealand's creative heart is all about telling our story through making sure that people who experience our region have the very best time here and that the stories they tell and that we tell the world are genuine and inspiring to bring more people here to visit, live and study. In Vietnam we ran a campaign telling prospective students just that story. In Australia with tourism New Zealand we launched a new campaign 'Discover Wellington, New Zealand's creative Heart'. In the venues we manage over 162,000 locals have enjoyed dipping their toes or immersing themselves in performance experiences ranging from Lorde to Alt J, and from Brian Cox to Cirkopolis.

Accelerating the Big Projects has in this quarter involved the WREDA team examining the case for a new Indoor Entertainment Arena and form new partnerships that will enable the leveraging of investment into new tourism product such as a Movie Museum and an improved trails experience across the region for trampers and bikers.

Our team engage with many business sectors but it is in the Tech sector that we learn about how many exciting things are happening beneath the bonnet in Wellington telling those stories to the world is part of Talking Up Tech. Year to date WREDA's media team has raised the profile of Wellington Tech businesses through getting of their stories told in Australian and New Zealand news media channels. At the same time the Creative HQ team have completed the delivery of three Accelerator programmes, ensuring there will be new stories to tell in the future.

Students provide vibrancy and richness to Wellington's intellectual capital. Wellington's share of international student visa's issued for New Zealand has continued to grow supported by our teams activities hosting agents and student groups from across Asia-Pacific as we knuckle down to Sell Student City.

WREDA looks to support business growth across Wellington's key business sectors. In November our Screen Wellington team were a co-host of the influential Screen Production Association conference. We're supporting ProjectR in Wellington's drive to become a key global node in the growth of Augmented Reality

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and Virtual reality technology. Our Business Partner team facilitated nearly \$900k of funding to help businesses across the region Ramp Up Business Growth.

Building on these focus areas will be the key to WREDA's success for the Wellington region in 2018.

Looking Ahead to 2018

As WREDA moves into 2018 there are plenty of exciting developments the various parts of the organisation have underway and partnerships we have established which will come to fruition in the first quarter of the calendar year.

High summer in Wellington sees a line-up of events that WREDA works with every day of the year. The highlights of this series are the NZ Festival, Cuba Dupa and Homegrown. Each of these brings its own style, energy and vibrancy to Wellington.

Many of these events use the venues we operate under the Venues Wellington banner. Venues Wellington will also host a series of pop and rock music events – Jimmy Carr and Macklemore look to be the standouts in the early part of the year.

Summer also brings the largest number of international tourists to Wellington. WREDA is looking forward to establishing a new partnership with key tourism businesses in the region that will enable a much more proactive approach to attracting visitors from Asia and China in particular.

The confirmation of the Wellington Regional Trails Framework, sees WREDA now filling the role that will work with all the regions Councils to implement the framework.

Whilst programmes of activity in the Business, Growth and Innovation unit continue, a number of new business attraction leads are being pursued that WREDA will look to bring to fruition in the new year. This team is also examining its role alongside that of our subsidiary Creative HQ to ensure that the provision of services to the start-up community and the delivery of growth and acceleration programmes is better linked in the future.

Derek Fry, Interim Chief Executive

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Destination and Marketing

Marketing campaigns

Summer Campaign - Your Alternative Summer

WREDA delivered a NZ wide marketing campaign promoting visiting Wellington over the summer. This commenced in November and is in market until late February. The campaign is titled *Wellington, Discover Your Alternative Summer* and promotes Wellington as a great alternative summer destination to domestic visitors.

The campaign has two hero videos; one features a late 20's couple, the other parents with a 10 year old son. They experience their alternative summer weekends showcasing all the great things to see and do in Wellington this summer for those target audiences. Other content created includes alternative itinerary options that visitors might not know about the city and summer articles visitors can get inspiration for their summer visit to the capital.

Te Papa – Let's go Build

WREDA is supporting Te Papa's blockbuster summer exhibition, *Let's Go Build: A festival for LEGO lovers*, with marketing support targeted to domestic audiences in a 1-5 hour drive range and top of the South Island. Our support includes online video, cinema and digital content, as well as promotion through the WellingtonNZ.com website and our various email streams.

Australia Marketing

At the beginning of the quarter WREDA's spring campaign in Australia "Discover Wellington, NZ's creative heart" ran to early November. This was an online video-led campaign, raising awareness of Wellington as a creative, edgy and vibrant short break destination. At the same time WREDA worked with the travel website Expedia to convert Australians to book Wellington hotels and activities. Further to this WREDA worked with Air New Zealand to time activity with times the airline had was actively promoting Wellington to Australian consumers.

1.2m Australians watched the video segments, as a result WREDA's social audience in Australia has increased by 3.0%. The campaign delivered 19,052 visits to WellingtonNZ.com.

Air New Zealand's 6-day Wellington sale saw an increase of 92% in bookings compared to average weekly passenger bookings volumes for Wellington routes from Australia. Expedia enjoyed more than 5.5 million impressions from users looking at Wellington options and saw a 12% increase in passenger numbers YOY. During the post-campaign period, passengers, room nights and air tickets were up +49%, +44% and +35% respectively.

Mini Campaigns

The destination and marketing team has planned for and gathered the creative material suitable for the delivery of four mini campaigns in early 2018. These will feature a day amongst the vines in Martinborough, an adventure around Eastbourne including Days Bay and Pencarrow, a visit inspired around Wellington's culture/creativity offerings including Te Papa, and an exploration of the Kāpiti Coast.

International Student Attraction

WREDA ran an online video campaign to help make Vietnamese students consider Wellington a place to study, targeting 16-25 year olds. Made in the playful style of a V-pop music video, a hero video starred

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three Vietnamese students already studying in Wellington, showing them exploring Wellington's colourful streets and waterfront.

The campaign proved popular, with more than 1.5 million views on Facebook. Over 14,000 visits to WellingtonNZ.com were generated.

Media programmes

During Quarter two WREDA has hosted many international media. The highlights of this activity include the launch of Tourism New Zealand's campaign with National Geographic and Bryce Dallas Howard, the publication of Wellington features and stories in ELLE Magazine US, CREA Web Japan, Buro 24/7 Singapore, and significant mentions in Hollywood Reporter and Vogue US.

Similarly Australian media that WREDA hosted have led to Wellington inclusion and features in The Weekend Australia, Delicious.com.au, Gold Coast Bulletin, Good Food magazine and the Canberra Times.

Keeping Wellington profile high in the New Zealand market has focussed on story telling the reason to visit Wellington in summer; this initiative has led to features in Air New Zealand's Kia Ora magazine, the NZ Herald, the Sunday Star Times, Women's Day magazine and on television with Breakfast and Newshub Late.

Altogether WREDA's media activity has resulted in 228 stories in Australasian media

Digital Marketing

WellingtonNZ.com

WellingtonNZ.com received 774,516 visits in Quarter 2, with 464,820 unique users. Through the period, more than 2.4 million pages were viewed, with top content including the advent calendar page and sights & activities as people planning to visit Wellington over the summer make their plans. The largest volume of visitors came from NZ, Australia, USA, India, UK and Singapore. The largest volume of visitors by city were: Auckland, Christchurch, Sydney, Wellington, Lower Hutt, and Melbourne.

Kāpiti sub-site

WREDA has been working with The Kāpiti Coast District Council (KCDC) to create a stand-alone website utilising WellingtonNZ.com's SilverStripe content management system. The site is being fine-tuned and is scheduled to be rolled out in the early part of 2018. WREDA is working to train colleagues at KCDC to ensure this new tool will boost tourism, business attraction, student attraction and investment.

Social channels

WellingtonNZ.com social media followers grew by 9% during the six month period. This following can be attributed in part to high performing Facebook posts during the 2017 season of WOW, the Wellington Advent Calendar promo, and the rapid growth in our Instagram following (which grew by 14%). During the Q1-Q2 period, our social channels reached more than 19 million users. The top posts during the period were announcement of the Lego exhibition (217,886 people reached) and around the World of Wearable Arts activation (506,142 people reached)

Wellington Advent Calendar

The Wellington Advent Calendar has just completed its eighth year. As in previous years a mix of retail (8), hospitality (13), and event organisations (3) were involved in this large-scale digital campaign.

The objective is twofold:

- revenue in the CBD during the typically quiet Christmas period (Dec/Jan)

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- Add to Wellington’s vibrancy and sense of excitement in the lead up to Christmas

The 2017/2018 campaign merged online and offline designs. Five talented Wellington artists were commissioned to produce shipping-container sized street art murals. These were then digitised to produce a ‘virtual laneway’ that users can ‘scroll’ through to find their 24 advent deals. Each artist injected their own style in their individual interpretations of five areas of the Wellington CBD: Lambton, Cuba, Laneways, Waterfront, and Courtenay Place.

Close to 87k vouchers were downloaded as part of this year's campaign. The top five deals were contributed by: The Old Quarter, Sweet Bakery, Chow, The Little Waffle Shop, and Wellington Zoo. Vouchers redeemable throughout January and results will be reported back to WREDA in February.

International Travel Trade marketing

The first half of the year has been a busy one for connecting with global travel sellers.

In the second quarter WREDA trained more than 1992 international travel agents, double that of the same period in 2017. Appointments and training activity has focussed on key feeder markets (Europe and Asia) for the Singapore Airlines long haul service.

WREDA represented the regional marketing alliance at KiwiLink China, now the biggest event on Tourism New Zealand’s event calendar. Te Papa, Weta Studio Tours and KiwiRail also attended, supporting TNZs ‘Heart of the Long White Cloud’ consumer campaign promoting new itineraries to Chinese consumers. Discussions with key partners on a programme to accelerate Chinese independent travel to Wellington are underway and the return of the Coastal Pacific rail service presents new itinerary options in 2018.

Tourism is currently New Zealand’s number one export earner with media about the growing number of visitors and cruise visibility attracting many start-up enquiries. WREDA hosted and delivered an operator workshop at the Leonard Cockayne Centre attended by 22 start-up or new tourism businesses.

| Q2 In-market training & sales calls | Total agents trained |
|--|-----------------------------|
| UK & Europe TNZ frontline training – events in 6 cities | 377 |
| South East Asia Kiwilink South East Asia | 305 |
| South East Asia Frontline Training - events in Indonesia, Philippines & KL | 414 |
| China KiwiLink China | 90 |
| China Frontline Training | 403 |
| Europe Wellington & Wairarapa webinar | 145 |
| Auckland Sales and training calls with key Inbound Operators | 113 |
| Q2 Trade Familiarisation visits hosted in Wellingtons | |
| Total trade hosted | 145 |
| Total familiarisations hosted | 23 |

Wellington i-SITE visitor centre

The second quarter has been a busy one for the Wellington i-SITE reflecting the high volume of international visitors in Wellington both those arriving on cruise ships and those travelling from other parts

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of New Zealand. Visitor revenue in this period is a little down compared to last year reflective of the changes in circumstances that happened following November 2016's earthquake. Planning to change the i-SITE delivery at the front of the Michael Fowler centre continue and fit-out changes will be actioned once the busy summer season is finished.

Reflecting WREDA's wider interest the i-SITE has become a key ticketing agent in the city. Ticketing services are delivered for TicketMaster and Ticketek; soon Ticket Direct services will be available too – in time for the Hurricanes Super Rugby season.

Destination development

WREDA has continued to work with Wellington City Council and other partners on various streams of work to further the planning of the Town Hall / Music Hub project, advising on the design of a range of features and operational considerations

WREDA has continued to work with Wellington City Council in regards to the development of a Movie Museum / Convention Centre in the city.

WREDA has provided advice and insight to a number of proposals for increased hotel accommodation across the Wellington region.

WREDA has worked with the Wellington City and Regional Councils to consider the development of an indoor arena in the region.

In Q3 WREDA will employ a specialist to activate the Wellington Regional Trails framework.

WREDA Commissioned Boffa Miskell to conduct a review of growth plans for each territorial authority in the region and test the alignment with current and forecast transport infrastructure investment. Out of this work and ongoing conversation is occurring with the Council's collectively.

Venues Wellington

Events and Sales activity

The business performance of Venues Wellington has continued on strongly from the good start established in the first quarter.

In this quarter the venues WREDA manages hosted over 70 business events and conferences that together enjoyed 87,000 delegates. This business has been reflected in revenue growth and looking ahead growth in future bookings demonstrates the work of the sales team in conjunction with colleagues in other parts of WREDA.

117,387 patrons attended 77 different performance events during the quarter, 29% of these people were from outside the Wellington region. Also in this quarter the Michael Fowler Centre has been the venue for around 6000 student graduations from Victoria University.

The Sales team target conferences that reflect Wellington's business sector strengths working in the IT sector has brought about hosting Trade Me's Annual "Unconference". In Quarter 3 we will again host the successful Webstock event.

In the Health Sector our sales team has succeeded in securing the 'Involve 2018' event for Wellington. This is a 600+ conference supporting their four collaborating partners in August 2018 with content delivered by a variety of agencies focussed around Mental Health & Youth. Venues Wellington provided a collaborative proposition with other WREDA venue partners to secure this important conference.

A focus on strong client relations remains with the sales team securing an increase in event enquiries for the government sector of 32% compared to the same period last year.

The beginning of October saw a change in the delivery of catering services across the Venues WREDA manages. Our new catering partners have received some excellent accolades on their hospitality offer in Q2 with Sarah Searancke our preferred partner getting especially good feedback. The new caterers have all made contracted commitments to focus on and highlight their use of Wellington region produced food and beverage.

Working in a collaborative fashion is delivering positive feedback from many important customers:

Z Energy Dinner 600pax - 15/12/17

*I just wanted to say a big thank you for all your help with the Christmas Party. Was amazing!! So, thank you so much! 😊 **Katie Davis Z Energy***

Augusta Tournament Evening 350pax - 28/10/17

On behalf of the Augusta National Management Team, I wish to extend our sincere thanks at making our Gala Function such a successful event. Your team was an outstanding part of the night and we have had nothing but amazing feedback from all those who attended - so well done to you all.

Thank you for allowing me the opportunity to have a food tasting, we know that creates a lot of work for you and we are grateful for your extra-mile efforts to ensure we knew what quality our guests were getting.

Libby Carson Events Management

Wellington Free Ambulance Dinner 500pax - 25/11/17

I just wanted to say a huge thank you to you and your team for the event on Saturday. As you know, it was a great success and it wouldn't have been possible without you and the team.

Thank you also for your flexibility with the timing issue around dinner!

Mikayla Whetton Wellington Free Ambulance

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The second quarter has seen a very strong line up of performance events – as a result delivering big audience numbers.

Highlights included a number of international acts, including sold out Lorde, Brian Cox, Angus & Julia Stone and alt J. WREDA presented Cirkopolis, at the St James Theatre in December, with over 3000 people attending the 4 shows.

The forward calendar is also strong with NZ Festival, Stomp, Imagine Dragons, and The Muppets. With the St James closing for earthquake strengthening in April the pressure on the Opera House and Michael Fowler centre will be considerable.

Venues Operations

The Venues Wellington Operations team have been working with Wellington City Council colleagues to identify opportunities to effect changes in building maintenance and improvement schedules such that the sales team can increase the utilisation of the venues; this work is considering activities over the next five years.

In this quarter 1800 new flat floor seats have been purchased these have received very positive responses from regular customers; they are a little wider than what they replace – chairs that were over 20 years old.

Client Health & Safety remains a strong focus, in this quarter new publications and easy to use guides have been developed to assist our clients manage their events and suppliers using the venues WREDA manages.

The operations team have been completing in depth feasibility studies on a range of new technology for the venues. WREDA aims to use technology in the Venues it manages to show case Wellington as technology city and improve customer experience.

PARTNERSHIPS AND EVENTS

Business Events Wellington

In the second quarter the Business Events Wellington (BEW) team were successful in winning 13 bids for Wellington to host international and national conferences. These events will inject a projected economic value of \$6.1 million into the Wellington economy.

Amongst the bids won by the BEW team was the, the Bunnings Conference and Trade Expo 2018 (500 delegates – estimated Economic Impact \$1,002,950), the Australian Human Genetics 2019 (400 delegates – est. EI \$803,600) and the NZ Principles Federation 2018 conference (700 delegates – est. EI \$1,080,100)

Major Events

Investment into the Major Events portfolio showed strong returns in the second quarter, with over 110,000 people attending events in the portfolio. Events in the second quarter included

World of WearableArt Awards Show

The quarter started with the final weeks of the World of WearableArt Award show season. Overall just over 60,000 people attended the show season, with 67% of tickets sold being sold outside of the Wellington region.

Asia Pacific Amateur Golf Championships

Royal Wellington Golf Club hosted the prestigious Asia Pacific Amateur Golf Championships in late October. The event is owned and managed by Augusta National and the Royal & Ancient golf clubs; it provides the pinnacle and more prestigious event for amateur golf in the Asia Pacific region. A full economic impact report has been commissioned and results are expected back in Q3.

FIFA Intercontinental Qualifier

The All Whites vs Peru match at Westpac Stadium hosted in excess of 35,000 supporters, with 34% being visitors from outside of the region. The atmosphere flowed on into the city and brought in an estimated \$8million to the Wellington economy

Rugby League World Cup

Westpac Stadium hosted the Rugby League World Cup quarter final between New Zealand and Fiji in front of an audience of 11,500.

International Basketball

New Zealand began the qualification process for the World Basketball Championships at the TSB Arena where the Tall Blacks played South Korea in November. The match attracted over 2,700 fans with 31% from outside the region.

NZ Special Olympics

The NZ Special Olympics were hosted by the Wellington region in December. 95% of the competitors were from outside the region thus bringing in over 3,000 athletes, supporters and officials to Wellington for a week of competitions.

International Cricket

The Black Caps hosted the West Indies in a Test match in front of 8,300 fans over four days to round out the year. Q3 will see another four international limited overs matches played in Wellington, with both Pakistan and England touring.

Partnerships

NZ China Mayoral Forum – Business Forum

In association with Wellington City Council WREDA managed a Business Forum as part of the NZ China Mayoral Forum. The focus was on opportunities for Chinese and New Zealand businesses to connect and discuss opportunities for trade, investment, knowledge sharing, innovation, and developing mutually beneficial partnerships.

The business forum programme was themed *Smart Business for Smart Cities*. Sir Richard Taylor from the WETA group and Manda Maggie Zhou, Managing Director of Alibaba (Australia and New Zealand) were the key note speakers, with the other highlight being a number of mini events run in conjunction with Alibaba, providing Wellington and New Zealand businesses to gain a better understand and a direct introduction of the Ali Baba e-commerce platforms.

Māori Economy

Te Matatini

WREDA have worked closely with Te Matatini (Te Matatini is a significant cultural festival and the pinnacle event for Māori performing arts), Wellington City Council and Westpac Stadium to confirm that Te Matatini will be hosted in Westpac Stadium in February 2019. WREDA will work with mana whenua partners, Māori business, central government agencies and local government to ensure that the opportunities provided by hosting Te Matatini are leveraged to benefit Wellington's Māori economy.

Ara Tahi – Māori Development Strategy

In association with Greater Wellington Regional Council an initial meeting has been held with the Ara Tahi leadership forum, to discuss the potential of working in partnership on the development of a Māori Development Strategy for the region. It was agreed that as a first step an audit of the Māori sector and economy in Wellington would be completed before agreeing on next steps.

Te Awe

WREDA have held initial meetings with the Wellington Maori Business Network - *Te Awe* – to look at opportunities to work in partnership on programmes that benefit the Māori business sector in Wellington.

Business Growth and Innovation

Regional Business Partner Programme

The Regional Business Partner programme (RBP) is a continuum of business growth services, from light-touch general support to hands-on business capability development and in-depth innovation support. We manage c. 800 businesses per annum across the spectrum. Based on their potential for growth and their willingness to engage, businesses may be supported through multiple stages of growth over several years.

All engagements involve a business assessment and problem discovery exercise, one-on-one with the business. Depending on the current stage and aspirations of the business, the focus can go from helping the customer prioritise a single problem, to agreeing on an action plan for growth, or identifying opportunities for technology innovation. The support delivered ranges from general resources, to engagement with a mentor, connection to professional business services providers, technical services providers, and capability-development and innovation-skills programmes. Where appropriate, we help businesses access NZTE and Callaghan Innovation funding grants.

In the second quarter of the year, WREDA's Business Growth Team supported 144 regional businesses. This includes 74 businesses receiving hands-on support, in the form of growth capability development, innovation support, and mentorship. 37% of these businesses are located outside of Wellington City.

Businesses receiving capability and innovation support show a very high average likelihood to recommend our services of 89%. This is a strong indicator of the value they see in our services.

In Q2, we delivered \$114,000 of Capability Voucher funding and \$755,000 of R&D funding to businesses in the region. This funding helps businesses access growth advice, and invest in new technology development.

A recent example of an intervention is a regional company that first engaged through a Business Clinic run in partnership with the local Chamber of Commerce in 2016. This decades-old family business had recently created a new GM role. The business had identified growth opportunities outside of the region, but was faced with the challenges of scaling, managing resources and staff.

We supported the new GM by assessing the business capability, gaps, and opportunities. We then connected the GM with an experienced business advisor with strengths in governance and scaling. Together, they developed a clear direction for growing the business, put solid, scalable processes in place, and built the confidence to tackle new opportunities. This resulted in the company capturing new seven-figure sales, with the potential to further grow their revenue to double what it was when our intervention was first initiated. During these two years, the business grew their staff numbers by a third, and is likely to create several new positions still.

Business Growth

We ran or participated in several one-to-many initiatives for businesses, to expand and deepen our impact on business growth: supporting the Porirua Pop-Up Business School, presenting to the Martinborough Business Association and to the Mahuki accelerator alumni, and running an event for business mentors. Focussing on Porirua Pop-Up Business School the results from this pilot funded alongside Porirua City Council and Te Puni Kokori, had the following summary results:

- 10 day course over 2 weeks
- 43 people attended the event, with an average of 7 days participation from participants
- 22% Maori, 31% Pacifica, 14% Asian, 33% European
- 71% female, 29% male
- 37% achieved sales within 2 weeks of the event as a result of what they learned

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Pop-Up Business School are following up with the participants and have established an Alumni. They have also been funded to run a second pilot in Upper Hutt and are firming up a third one with Kapiti Coast District Council. Any clients who have been part of the Pop-Up Business School who are suitable for receiving Regional Business Partner support can come into WREDA's direct client base for support.

During Quarter 2 WREDA has with Councils and Chambers of Commerce determined the importance of mapping the business support ecosystem in the Wellington region. This work to be delivered in Quarter 3 will enable the understanding of where duplication and gaps in the ecosystem exist.

Scale Ups

WREDA has tested the concept of supporting the growth of scalable businesses during 2017. We have been working with our subsidiary Creative HQ engaging over 50 suitable businesses and possible service providers to a programme. This process has led us to change from the proposed scale-up programme that had previously been proposed because:

- There was limited appetite for a programme amongst businesses who were at the stage of being able to scale. This was due to their diverse needs and timing constraints.
- There is demand by those businesses to find the services they need more efficiently and with confidence

Based on these findings the project is now focused on developing a channel through which businesses can find 'Experts on Demand'.

During the second quarter, we worked with Creative HQ to run a workshop to develop the offering. The outcome from the workshop points to provision of a digital platform that delivers efficient matching capability based on ratings and performance of providers who are deployed into the businesses.

Wellington International Student Growth Programme

The Wellington International Student Growth Project (WISGP) team brought 4 Indian agents, 4 Chinese agents and 14 Auckland-based international agents to Wellington to familiarise them with the city and the institutions. The team have undertaken a promotional trip to India and a digital marketing campaign has been delivered targeting the Vietnamese market. The video we created was viewed more than 1.4 million times and generated over 14,000 visits to wellingtonnz.com/study.

The team hosted 50 paying students from Xi'an, China, resulting from an MOU signed with their Education Bureau in 2015.

The Wellington International Student Excellence Awards were successfully held and were made newsworthy by editorial coverage in a primary education trade magazine, The Pie.

This has all added to the increased presence of Wellington in the key target markets for the members of the WISGP.

Interns

WREDA continues to work with Summer of Tech, providing sponsorship and active support. This year 132 tech interns were placed, up from 118 in 2017. With WREDA support, Summer of Biz successfully piloted for HR and marketing students and resulted in 23 internships.

60 R&D internship placements were funded by Callaghan Innovation and 25 students for funded internships were sourced through Summer of Tech.

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Through Work Integrated Learning opportunities, a further 42 tech students completed projects with 11 businesses as part of their course work. Additionally, 240 students undertaking the Victoria University Wellington marketing capstone course worked with 4 SME's to provide a marketing management plan. Top students presented to the business and provided a written report.

In total, 81 businesses have hosted interns or completed university projects with students.

Talent Attraction

The LookSee programme continues to deliver results with some 24 jobs now placed in 16 businesses in the region from the original LookSee Week candidates. A further 30 candidates are still at varying levels of discussion regarding job opportunities with the recruitment lead *WorkHere New Zealand*.

WREDA is engaging with LookSee candidates and Looksee applicants who have remained engaged to promote travel to Wellington to further their interest in living and working in Wellington. Immigration New Zealand are supporting this activity. By talking to these candidates about opportunities such as visiting during TechWeek is further maintaining their engagement and pursuit of a career in Wellington.

To assist with these communications to the candidates who are on the LookSee database and assist with bringing them down the decision-making funnel, WorkHere have set up an online portal for communicating with the candidates through webinars and online methods.

The original campaign has continued to receive accolades as a new way to undertake international talent recruitment, with a special article ran by Development Counsellors International (a leading talent campaign organisation from the US), highly commended at the New Zealand Innovation Awards and the Marketing Directors Asia Pacific Awards, as well as earlier winning the Economic Development NZ MBIE best practice award.

Screen Sector

A number of MOU's have been signed between our Screen Wellington function and overseas counterparts to strengthen collaboration with the screen sector in Beijing and Canberra. This is intended to support work on screen and TV productions between the cities and regions. A Memorandum of Understanding between the NZ Film Commission and the Regional Film Offices of NZ will create a more collaborative approach between these partners thus providing a more seamless experience for those looking to make films in New Zealand. At its centre is an agreed approach for dealing with screen production enquiries that come into New Zealand via the NZ Film Commission and / or various Screen Offices (and consequently relevant Economic Development Agencies) across the country for best effect.

WREDA sponsored the Screen Production and Development Association (SPADA) conference which took place in Wellington. This brings together key screen industry professionals and with a significant speaker line up enabled the highlighting of Wellington as New Zealand's screen capital.

Alongside the SPADA conference, we also supported the last instalment for the 2017 Angus Finney master-classes, concentrating specifically on pitching your product, marketing and distribution, as well as talent development for producers working in a global market.

We continue to facilitate the permitting process across the region for movie shooting, working alongside local authorities on this process. We are looking at how this process can be improved to ensure greater efficiency to the clients (the movie-makers). In the first half of the year we facilitated 267 permits.

Creative Industries

WREDA worked with WCC's international team to organize the mayoral sister-city delegation to Beijing, Seoul and Sakai. The mayor was accompanied by a cohort of 40 Wellington businesses representing our

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Creative Industries. WREDA participated in the trip and hosted an event in Seoul bringing Wellington participants together with counterparts from that city. Several Memorandum of Understanding were signed or muted during the visit. Of particular interest to the creative sector was a major project that Pukeko Pictures signed with their partner in Beijing to deliver a major new tourism facility based around Chinese herbal medicines.

WREDA is supporting 'ProjectR', a co-working space and technology studios for Augmented Reality (AR) / Virtual Reality (VR) initiatives. This support will promote collaboration between universities, government and businesses working in this field and provide WREDA with the opportunity to joint venture on events. Apart from the events run at the ProjectR facility it has become the base for 7 AR / VR start-up organisations over the first half of 2017/18.

WREDA hosted two speakers participating in the 'Inspiring Speakers Programme' developed to promote the growth of Wellington's Technology & Creative communities. Sam Gill, a game developer/storyteller from Singapore was hosted in partnership with the NZ Film Commission which attracted 80 entrepreneurs from screen and creative industries. Secondly Kate Drane is from Indiegogo, a crowdfunding platform in San Francisco, attracting 25 entrepreneurs looking for investment.

ICT Sector

WREDA has committed to work with 'NZ Tech', ATEED and ChristchurchNZ on the delivery, promotion and organisation of TechWeek 2018. Our commitment will maximise the opportunity provided by TechWeek which bring individuals and organisations together to learn and celebrate the nations Technology sector. WREDA will host one of the four 'headline events' for TechWeek – 'Creative Realities – inventing the future'.

We're supporting an Artificial Intelligence initiative of storytelling on a worldwide platform; reinforcing Wellington as New Zealand's lead AI-city. We also have supported NZ Tech and their AI Forum delivering a stocktake on New Zealand's Artificial Intelligence capability, including that of Wellington.

Callaghan Innovation have started running 'Innovation Forum's' around the country and asked WREDA to engage suitable local businesses for the Wellington region to participate in this peer-to-peer learning exchange. 3 events have been held with between 12 and 20 businesses at each event. The participating businesses are: Endgame, Stratamap, Beca, NEC, Rabid Technologies, Whosonlocation, Psoda, Springload, Weta Workshop, FarmIQ, BlackeyeVR, Kaynemail, Intela Data Science, Clicksuite, Elastic Green, Mexted, TouchTech, Tour writer, Wood design, Experience, StoryInc, Pledgeme, StarNow, NyukNyuk, Seekom, Press Patron, Regen, Signify, Enspiral, L2VR, Embrium, Big Ears, and Bostic.

The aim of the forum sessions is to help businesses become aware of their own innovation needs and to resolve those through collaboration with other local businesses or engaging in the WREDA led Regional Business Partner Programme.

High Value Manufacturing / Food & Beverage Sector

WREDA supports the Wellington Culinary Events Trust, to deliver Visa Wellington on a Plate, part of this is working with the WCET team to bring more Wellington produce to hospitality businesses participating in the festival. The team assists by ensuring new producers and manufacturers are invited to participate in a Supplier Showcase which took place at the end of January.

As local Project Manager of MPI funded Wairarapa Cropping Strategy, WREDA led the delivery of a strategy workshop attended by parties from around NZ to brainstorm market-led cropping options. The output from this workshop has led to some small trials being planted and a plan developed for food industry engagement.

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Science Sector

WREDA organised November's Wellington Health Tech Networking Event, which addressed a key barrier in the region - lack of commercialisation skills amongst life science entrepreneurs. The event was hosted at AJ Park and at maximum capacity (50 people). Very positive feedback received from the health tech community, including this comment from a US medtech entrepreneur considering Wellington as a base for his business, "Your ability to segue Harmony into introductions with these people and to speak about us is... a good thing for both our young company and the city." This event tackles feedback from investors that science entrepreneurship has a low profile in the Wellington region, meaning early stage investors are not aware of emerging science opportunities.

WREDA's efforts are also driven by MBIE's "The Impact of Science" paper, which found that the average lag between academic research findings and the commercialisation of the innovations based on those findings was seven years. Building valuable connections between industry and research can be a source of competitive advantage for our region. Our efforts to speed connections are already attracting the interest of the Ministry of Health who are developing plans for a region to host Emerging Technology projects.

Creative HQ

General business overview

During the first half of FY 2017/2018 CHQ completed the delivery of three high profile acceleration programmes – the Lightning Lab Electric accelerator for the energy industry, the R9 GovTech Acceleration programme and Fonterra’s corporate acceleration programme (Fonterra Disrupt). The feedback on our services to Fonterra was outstanding and consequently Creative HQ was selected as the preferred global partner for acceleration to take on full responsibility for the global delivery of “Disrupt 3” in 2018.

The excellent results of the first Kiwibank FinTech Accelerator (KFA), delivered in 2017, with the stand out performance of cohort venture *Sharesies* have resulted in Creative HQ being able to further its partnership with Callaghan Innovation and Kiwibank through their committal to another FinTech Accelerator in 2018. The KFA 2 will commence on 12 Feb 2018 with a cohort of 10 national and international teams coming to Wellington to go through the programme and pitch their ventures to investors in May 2018.

In light of the change of Government and some uncertainty of the Result Area 9, Better for Business programme (which has been responsible for funding the R9 Accelerators to date), Creative HQ saw an opportunity to bring the programme in house and under Creative HQ’s acceleration brand *Lightning Lab*. With the support of colleagues in WREDA, the Wellington City Council and the Wellington Regional Council, Creative HQ was able to announce the new *Lightning Lab GovTech* programme (which will serve as the successor of the R9 Accelerator) for delivery in 2018.

Creative HQ was able to end the Q2 on a high with a successful submission to the Wellington ICT Grad School for providing an entrepreneurial boot-camp in 2018.

Creative HQ’s business units

Acceleration and Incubation

Creative HQ’s Acceleration and Incubation business unit has experienced a steady period in the first six months of the financial year. Following the successful completion of the acceleration programmes started in the previous year, focus has turned to preparations for the upcoming accelerator programmes. Of particular interest was the exploration of new verticals for our accelerators – namely the tourism, agriculture, food and beverage, transport and entertainment industries.

In preparation for acceleration programmes in these industry verticals events have been organised to provide market validation data to determine whether accelerator programmes are viable in these industries. Most notable was the delivery of the *Feed the World – Power of Plants* hackathon in collaboration with Lincoln University which was attended by the new Minister for Science and Innovation, Dr. Megan Woods.

Following the award of a dedicated acceleration programme for Māori founders and entrepreneurs in early 2017, work has continued with programme partners Te Wānanga o Aotearoa and a range of other suppliers. The *Kōkiri Accelerator* which will be supported by Creative HQ will commence in February 2018.

Creative HQ’s incubation programme has grown significantly over the last 6 months with a cohort of 23 companies in the programme which surpasses expectations and targets set by Callaghan Innovation. As at December 2017 3 high growth exits had occurred and tracking demonstrates that Creative HQ is on track to achieve all incubation metrics targets this year.

At the beginning of FY2017-18 Creative HQ launched a software platform *SCALE* which allows the team to manage and support accelerator teams regardless of their location and programme. Creative HQ's *SCALE* is being used by almost all regions in the South Island and is becoming the de facto standard for managing innovation programmes. The software platform allows the measurement and tracking of previously unavailable data about the execution performance of teams in incubation and acceleration programmes and also provides detailed information to stakeholders (such as Callaghan Innovation) and potential future investors (e.g. for use during due diligence processes).

Customer and Community Engagement

The main programmes delivered by this business unit are hardware prototyping space *1st Assembly*, the youth entrepreneurship programme *Venture Up*, the entrepreneurial upskilling programme for researchers *Get Funded* and community engagement initiatives such as *Start-up Garage* and Creative HQ hackathons.

Following challenges with the premises of *1st Assembly* in Hutt City a move is anticipated in March 2018.

Following the successful delivery of three *Get Funded* programmes in FY 2016/17 Creative HQ delivered another 3 events in late 2017. *Get Funded* is an impactful 2-day workshop for researchers, academics and IP generators in Crown Research Institutes to learn about entrepreneurial methodologies and funding sources from the private sector (i.e. angel investment). The programme is a collaboration with Kiwinet, MBIE, Callaghan Innovation and most of New Zealand tech transfer offices and research institutes with strong support from Victoria University and VicLink.

In collaboration with WREDA colleagues, Creative HQ also completed preparation for a local variant of the youth entrepreneurship programme "*Venture Up*" which kicks off on 22 January 2018 with 30 keen high school and university students from the Wellington region.

Creative HQ's start-up community *Start-up Garage* has become the largest organised group of business professionals in Wellington with over 2700 members in Wellington. In addition to *Start-up Garage* we also look after a specialist meet-up group for practitioners of exponential organisations *ExoSphere* with just under 200 members.

Another highlight of 2017 was the delivery of a Hackathon with Victoria University on improving interest in language learning for students in New Zealand. The *EduHack* attracted over 50 passionate professionals, practitioners and students from Wellington's vibrant language learning communities and organisations.

Enterprise Innovation

While the innovation activity in the public sector slowed down markedly in the first half of FY2017-18 Creative HQ was able to continue with delivery of innovation programmes in the private sector, attracting new clients such as Sealord, Sanford, the Social Investment Agency, Foodstuffs, Lincoln University, PHARMAC, Gareth Morgan Investments, AliPay and The Warehouse. Working with these new clients provides our team with excellent opportunities to expand our areas of expertise of innovation in different industries, and to further broaden Creative HQ's reputation, brand and reach for assisting organisations of all sizes to improve their innovative capabilities and outcomes whilst generating service revenues for Creative HQ.

WREDA Key Performance Indicators – Quarter Two, 2017/18

| Programme of Activity | | Measure | 2017/18 Target | YTD Actual Q2 | YTD Budget Q2 | 2017/18 Forecast |
|---------------------------------|-------------------------------------|---|----------------|----------------|---------------|------------------|
| Grow Business and Innovation | Business Support Development | No. of companies on the scale-up programme ⁽¹⁾ | 10 | 0 | 0 | 0 |
| | Sector Events | No. of events supported in key sectors. ⁽²⁾ | 3 | 3 | 1 | 3 |
| | Regional Business Partner Programme | Number of actively supported businesses ⁽³⁾ | 445 | 230 | 222 | 445 |
| | Creative HQ | No. of Wellington start-up ventures and early stage businesses on the CHQ Platform ⁽⁴⁾ | 25 | 18 | 12 | 25 |
| | | No of acceleration programmes (Lightning Lab and Venture Up) ⁽⁵⁾ | 2 | 2 | 2 | 2 |
| | | No. of members in "Start-up Garage" ⁽⁶⁾ | 3,000 | 2,758 | 2,750 | 3,000 |
| | | No. of companies becoming investable ⁽⁷⁾ | 5 | 3 | 2 | 5 |
| Attract Business and Investment | Screen Wellington | Conversion rate of logged enquiries to confirmed production or business ⁽⁸⁾ | 25% | 33% | 25% | 25% |
| | | Value of facilitated screen production ⁽⁹⁾ | \$100m | \$64.5m | 50 | \$100m |
| | | Customer satisfaction survey ⁽¹⁰⁾ | 80% | 76% | Annual figure | 80% |
| | Grow businesses and innovation | Number of jobs created from WREDA intervention ⁽¹¹⁾ | 335 | 110 | 120 | 335 |
| Attract, Retain and Grow Talent | International Student Attraction | International student visas ⁽¹²⁾ | 6,930 | 5,775 | 5,200 | 6,930 |
| | | International student enrolments ⁽¹³⁾ | 9,200 (+8.2%) | Annual measure | Annual figure | 9,200 (+8.2%) |
| | | NZ Market share of International students ⁽¹⁴⁾ | 7% | 5% | 7% | 6.5% |
| | Student Employment Pathways | Interns placed in priority sectors ⁽¹⁵⁾ | 225 | 233 | 150 | 260 |
| | Talent Attraction | Net permanent and long-term arrivals ⁽¹⁶⁾ | 3,600 | 3,888 | 2,000 | 3,600 |
| | | Wellington share of total net permanent and long-term arrivals ⁽¹⁷⁾ | 6% | 5.6% | 5.6% | 6% |

| | | | | | | | |
|---|---|--|---|----------------|----------------|----------------|---------|
| Nurture Environment Conducive to Economic Growth | Partner / Stakeholder Engagement | Partner/Stakeholder satisfaction score with engagement ⁽¹⁹⁾ | 80% | Annual measure | Annual measure | 80% | |
| | Iwi Economy | Mana Whenua satisfaction score with engagement ⁽²⁰⁾ | Set baseline | Annual measure | Annual measure | Set baseline | |
| Grow the Visitor Economy | Visitor Marketing Campaigns | Total Commercial Guest Nights ⁽²¹⁾ | 3.2m | 1.5m | 1.2m | 3.3m | |
| | | Visitor spend: Total ⁽²²⁾ | \$2600m | \$1219m | \$1130m | \$2600m | |
| | | - International | \$860m | \$364m | \$300m | \$860m | |
| | | (of which from Australia) | \$240m | \$111m | \$100m | \$240m | |
| | | (of which from China) | \$79m | \$25m | \$30m | \$79m | |
| | | - Domestic | \$1700m | \$855m | \$830 | \$1700 | |
| | | Australian arrivals via Wellington Airport ⁽²³⁾ | 160.9K | 77.6k | 84k | 160.9K | |
| | Business Events Wellington | NZ market share multi-day conferences ⁽²⁴⁾ | 18% | 22% | 18% | 18% | |
| | | Number of international business event bids submitted and/or supported in FY ⁽²⁵⁾ | 20 | 22 | 10 | 40 | |
| | | Value of business events (international and domestic) secured in FY ⁽²⁶⁾ | \$15m | \$12.05m | \$7.5m | \$15m | |
| | | Value of expenditure by out of town venue attendees ⁽²⁷⁾ | \$45.4m | \$33.1. | \$25.20 | \$58.4m | |
| | Venue Management | Advance the Cultural well-being of Wellington – Number of Wellingtonians attending performance events at Venues Wellington ⁽²⁸⁾ | 290,720 | 162,415 | 116,288 | 290,720 | |
| | | Total number of Events: ⁽²⁹⁾ | 624 | 289 | 295 | 621 | |
| | | - Performance | 320 | 153 | 142 | 324 | |
| | | - Conference | 304 | 146 | 153 | 297 | |
| | Promote Wellington's Brand and Unique Identity | Major Events Programme | ROI via out of Wellington spend ⁽³⁰⁾ | 20:01 | Annual Measure | Annual measure | 20:01 |
| | | | Economic value of major events invested in. ⁽³¹⁾ | \$80m | \$57.2m | \$40m | \$80m |
| | | | Total event attendance ⁽³²⁾ | 700,000 | 226,407 | 255,000 | 700,000 |
| | | Media Programme | Visitor attraction stories in NZ, Australian media | 500 | 348 | 250 | 625 |

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| | | | | | | |
|--|--|---|----|----|----|-----|
| | | ⁽³³⁾ | | | | |
| | | Live, work, do business, invest stories in local NZ and Australian media ⁽³⁴⁾ | 85 | 73 | 42 | 125 |

Sources:

- 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 15, 18, 25, 29, 33, 34 – internal count of activity outputs and outcomes
 12, 13, 14 – Student Applications, Visas and Permits report (Stats NZ)
 16, 17 – Immigration/Migration Reports (Stats NZ)
 21 – Commercial Accommodation Monitor (Stats NZ)
 22 – Monthly Regional tourism estimates (MBIE/Stats NZ)
 23 – International Visitor Arrivals (Stats NZ)
 24 – Convention Activity Survey (MBIE)
 26 – delegate number multiplied by Convention Activity Survey (MBIE) spend data
 27 – Total number of tickets sold to people from outside the Wellington region multiplied the average visitor spend (Stats NZ) for visitors from the places tickets are sold
 28 – Total number of tickets sold to Wellington region addresses

Macroeconomic -Benchmark Indicators

| Benchmark Indicator | 2017/18 Target | YTD Actual Q2 | YTD Budget Q2 | 2017/18 Forecast |
|------------------------------|----------------|----------------|---------------|------------------|
| Wellington real GDP growth | 3.0% | Annual measure | 3.0% | 3.1% |
| Wellington employment growth | 2.5% | 4.0% | 2.5% | 2.5% |

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WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LIMITED
FINANCIAL REPORT FOR 6 MONTHS TO 31 DECEMBER 2017
(Consolidated with Creative HQ, excludes Venues)

STATEMENT OF COMPREHENSIVE INCOME

| STATEMENT OF COMPREHENSIVE INCOME | YTD Actual 31-Dec-17 | YTD Budget 31-Dec-17 | Variance YTD | FY Forecast 30-Jun-18 | FY Budget 30-Jun-18 | Variance 30-Jun-18 |
|--|-------------------------|-------------------------|------------------|--------------------------|------------------------|-----------------------|
| Revenue | | | | | | |
| Event revenue | 0 | 0 | 0 | 0 | 0 | 0 |
| Shareholder grants | 12,817,849 | 13,030,648 | (212,799) | 23,456,529 | 23,697,495 | (240,966) |
| Government grants | 666,199 | 327,402 | 338,797 | 654,800 | 654,800 | 0 |
| Partner revenue | 831,970 | 898,000 | (66,030) | 1,512,570 | 1,460,500 | 52,070 |
| Visitor Centre | 837,760 | 931,600 | (93,840) | 1,962,486 | 2,300,000 | (337,514) |
| Sub lease and carpark revenue | 50,151 | 24,000 | 26,151 | 74,252 | 24,000 | 50,252 |
| Interest income | 36,191 | 30,546 | 5,645 | 68,444 | 64,092 | 4,352 |
| Other income | 870,141 | 495,002 | 375,139 | 2,017,009 | 1,257,504 | 759,505 |
| Total Revenue | 16,110,261 | 15,737,198 | 373,063 | 29,746,090 | 29,458,391 | 287,699 |
| Direct Costs | | | | | | |
| Cost of sales | 695,040 | 748,715 | 53,675 | 1,730,518 | 1,900,000 | 169,482 |
| Wages (events etc) | 0 | 0 | 0 | 0 | 0 | 0 |
| Other direct costs | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Direct Costs | 695,040 | 748,715 | 53,675 | 1,730,518 | 1,900,000 | 169,482 |
| Operating Expenses (overheads) | | | | | | |
| Salaries and wages | 6,377,708 | 6,367,590 | (10,118) | 12,690,983 | 12,675,197 | (15,786) |
| Other employment costs | 437,946 | 405,504 | (32,442) | 604,793 | 670,879 | 66,086 |
| Occupancy costs | 312,191 | 312,430 | 239 | 620,861 | 624,860 | 3,999 |
| Marketing & activity expenses | 8,045,534 | 7,174,766 | (870,768) | 12,793,330 | 11,954,950 | (838,380) |
| Utilities | 20,513 | 8,800 | (11,713) | 30,445 | 17,600 | (12,845) |
| IT and communications | 178,160 | 239,568 | 61,408 | 449,060 | 420,411 | (28,649) |
| Insurance | 0 | 0 | 0 | 16,836 | 16,000 | (836) |
| Administration costs | 310,500 | 365,141 | 54,641 | 597,082 | 636,529 | 39,447 |
| Vehicle expenses | 24,859 | 23,856 | (1,003) | 49,930 | 47,712 | (2,218) |
| Travel costs | 96,669 | 66,796 | (29,873) | 135,374 | 133,592 | (1,782) |
| Professional fees | 55,783 | 15,000 | (40,783) | 69,554 | 30,000 | (39,554) |
| Director fees | 94,699 | 75,000 | (19,699) | 133,588 | 150,000 | 16,412 |
| Other operating expenses | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Operating Expenditure | 15,954,562 | 15,054,451 | (900,111) | 28,191,836 | 27,377,730 | (814,106) |
| Total Expenditure | 16,649,602 | 15,803,166 | (846,436) | 29,922,354 | 29,277,730 | (644,624) |
| Net Surplus/(Deficit) before Depreciation and Tax | (539,341) | (65,968) | (473,373) | (176,264) | 180,661 | (356,925) |
| Interest expense | 0 | 0 | 0 | 0 | 0 | 0 |
| Depreciation | 82,314 | 69,680 | (12,634) | 134,958 | 133,481 | (1,477) |
| Movement in investment valuation | 0 | 0 | 0 | 0 | 0 | 0 |
| Taxation expense | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Surplus/(Deficit) | (621,655) | (135,648) | (486,007) | (311,222) | 47,180 | (358,402) |

WREDA has had a positive start to the 2018 financial year. Whilst we are recording a deficit currently above our budgeted YTD this is the result of timing of invoices received for some supported Major Events during December, rather than the original January budgeted. This is reflected in Marketing and Activity Expenses.

Our year end forecast position is also reflective of the surplus that we made in the 2017 year end, due to accounting treatment of some of our revenue, being partially spent (using the same accounting treatment methodology) in the 2018 financial year bringing us to the deficit position. When preparing the 2018 budget we were not anticipating treating revenue this way.

A reduction in shareholder grants is reflective of the timing of our Destination Wellington programme of work funding being received later than anticipated and lower funding by shareholder of our subsidiaries programme of works.

Our subsidiary Creative HQ, has however been successful with new funding of programme of works and this is shown by the increase in government grants.

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Our Visitor Centre income continues to improve since an initial drop off in income after the relocation of the Visitor Centre to outside the MFC after the 2016 earthquake. It does however continue to track below budget YTD but a positive start to the 17/18 cruise season and a favourable start to the Wellington weather during summer has seen this income improve toward budget month by month. We anticipate that this income should be close to budgeted by the end of the financial year. The Visitor Centre will again be subjected to difficult trading conditions whilst the Town Hall strengthening project occurs next door.

We are currently working through various scenarios to minimise the impact disruption to our Visitor Centre and visitors.

WREDA, the parent, has seen a positive financial impact to its relocation of its non MFC staff to Victoria Street in April 2017. Savings have been higher than anticipated and this along with an emphasis on rigorous analysis of staffing requirements as staff have left the organisation is resulting in the ability to have more agility in funds available for deployment into programmes of work as opportunities arise during the year.

STATEMENT OF FINANCIAL POSITION – AS AT 31 DECEMBER 2017

| STATEMENT OF FINANCIAL POSITION | As at 31-Dec-17 | Budget 31-Dec-17 | FY Budget 30-Jun-18 |
|--------------------------------------|--------------------|---------------------|------------------------|
| Shareholders Equity | | | |
| Paid up capital | 1,000 | 1,000 | 1,000 |
| Retained earnings | 991,253 | 1,335,458 | 1,518,256 |
| Total Shareholder/Trust Funds | 992,253 | 1,336,458 | 1,519,256 |
| Current Assets | | | |
| Cash and cash equivalents | 1,990,732 | 1,439,457 | 1,618,445 |
| Other current assets | 824,749 | 675,000 | 595,724 |
| Total Current Assets | 2,815,481 | 2,114,457 | 2,214,169 |
| Investments | 1,413,177 | 1,400,000 | 1,400,000 |
| Non-current Assets | | | |
| Fixed assets | 422,958 | 352,001 | 288,200 |
| Other non-current assets | 0 | 0 | 0 |
| Total Non-current Assets | 422,958 | 352,001 | 288,200 |
| Total Assets | 4,651,616 | 3,866,458 | 3,902,369 |
| Current Liabilities | | | |
| Accounts payable | 2,530,745 | 1,400,000 | 1,262,677 |
| Other current liabilities | 1,128,618 | 1,130,000 | 1,120,436 |
| Total Current Liabilities | 3,659,363 | 2,530,000 | 2,383,113 |
| Non-current Liabilities | | | |
| Total Liabilities | 3,659,363 | 2,530,000 | 2,383,113 |
| Net Assets | 992,253 | 1,336,458 | 1,519,256 |

WREDA is in a positive cash holding position. Slightly higher than anticipated accounts payables than budgeted at the end of the half year are primarily the result of timing of invoices received for Major Events Support as noted above.

WREDA has had to incur earlier than anticipated technology replacements during the year which has assisted in higher than budgeted holdings of fixed assets. This higher balance is also reflective of the subsidiaries asset purchase programme with increasing delivery of programmes of work. Additionally

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WREDA finished the previous financial year with higher than anticipated fixed assets, which resulted in the financial year starting with higher assets than budgeted.

STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

| STATEMENT OF CASH FLOWS | YTD Actual 31-Dec-17 | YTD Budget 31-Dec-17 | FY Budget 30-Jun-18 |
|-------------------------|-------------------------|-------------------------|------------------------|
| Opening Cash | 1,706,958 | 2,100,000 | 2,100,000 |
| Operating Cash Received | 16,074,070 | 15,706,652 | 29,057,895 |
| Operating Cash Paid | (15,677,344) | (16,367,741) | (29,543,542) |
| Other Receipts | 36,191 | 30,546 | 64,092 |
| Other Payments | (149,143) | (30,000) | (60,000) |
| Closing Cash | 1,990,732 | 1,439,457 | 1,618,445 |

WREDA has no cash flow issues.



| | |
|------------------|--|
| Report | 18.144 |
| Date | 16 April 2018 |
| File | CCAB-15-224 |
| Committee | Wellington Regional Strategy Committee |
| Authors | Samantha Seath, WRS Office Barry Turfrey, WCC |

WREDA Draft Statement of Intent 2018-21

1. Purpose

To consider the Wellington Regional Economic Development Agency's (WREDA) draft Statement of Intent (SOI) for 2018-2021.

2. Background

Under the Local Government Act 2002, Council Controlled Organisations are required to submit a draft SOI to their shareholders on or by 1 March for the 3 years commencing on 1 July following.

WREDA's draft SOI was received on 1 March, the draft SOI is included as [Attachment 1](#).

A Letter of Expectation for WREDA, which outlined the stakeholders' expectations in respect of its SOI, was agreed by this Committee at its meeting on 21 November 2017 (Report 17.462). The Letter of Expectation was then sent to WREDA.

A copy of the Letter of Expectation is included in the draft SOI. WREDA will present their draft SOI at this meeting.

3. Comment

In 2017 WREDA introduced the Big 6, a series of work streams to provide a sharper focus for its work. The Committee noted that the Big 6 could result in a tighter focus for WREDA work program but requested that a further activity relating to the Maori Economy be added. In addition, the Committee noted that the focus on the Big 6 should not downplay the importance of the visitor economy.

The Big 6 has now been incorporated in the SOI through WREDA's key goals, namely:

- Promote the region's brand and identity and tell Wellington's stories that will:
 - Grow the visitor economy
 - Attract and retain business, skill and talent in the region
 - Attract an increased number of students to the region
- Grow and expand innovative new businesses, especially in the creative and tech sectors
- Be a partner in the Māori Economy
- Work with others to leverage opportunities from new investment in the region
- Build workforce and employer capability
- Deliver an unrivalled business, consumer and major events programme
- Utilise the management of Wellington City venues to make Wellington more vibrant and deliver an outstanding customer experience.

The structure of the SOI is based around the key goals with the resultant actions and plans providing a clarity and focus requested in the Letter of Expectation.

In regard to economic development activities, WREDA has responded to the Letter of Expectation's request to leverage off Creative HQ (CHQ) activities and broaden its scope as well as proposing a shift in its approach to regional economic growth by;

- Utilising to a greater extent the expertise held by CHQ to accelerate the growth and expansion of innovative new businesses, particularly in the tech and creative sectors.
- Business growth resources of WREDA will be focused on delivering specific programmes that contribute in a tangible way to the growth of the regional economy.

Placing further emphasis on the work of CHQ and expanding their area of focus is a positive step, however officers would be concerned if too much of WREDA's economic development activity was filtered through to CHQ and by doing so deterring them from their core business.

Equally, economic development should be a core business of WREDA and requires a focus on sector strategies and skills and employment, among other things. The Board and Chief Executive of WREDA must have strong oversight of these areas.

The final SOI should address further the impacts of these changes. For example, we would expect some detail outlining the expanded activities of CHQ and to have clearly articulated outcomes and performance measures in the final SOI for CHQ.

With regard to the performance measures there is a large number in the draft SOI, officers feel that some of the targets could have more ambition about them. The SOI would benefit from a review of the performance measure framework to ensure that;

- There is a clear line of sight between WREDA's actions and the outcomes being measured.
- The performance measures are meaningful.
- The targets have some stretch in them. Not be easily achievable and have some growth in the targets, particularly when additional funding has been provided.
- The source of the measurement should be noted.

Additional matters that the Committee may also wish to consider are:

- Economic development has a long term focus and the SOI may benefit from a deeper discussion of what WREDA considers are the constraints to economic growth and some longer term strategic thinking that supports this analysis.
- Is there a need to expand on the economic growth activities that may arise from new visitor infrastructure?
- The Letter of Expectation requested that WREDA take every opportunity to utilise council shared services to reduce its cost base, this needs to be addressed in the final SOI.

4. Financials

| WREDA SUMMARY FINANCIALS \$'000' | | | | | |
|---|------------------------|-----------------------------|------------------------|------------------------|------------------------|
| Income statement \$'000' | SOI 2017/18 | Forecast 2017/18 | SOI 2018/19 | SOI 2019/20 | SOI 2020/21 |
| Shareholder grants | 21,508 | 23,456 | 21,286 | 21,371 | 21,459 |
| Other revenue | 7,580 | 6,290 | 9,406 | 10,347 | 11,287 |
| Total revenue | 29,088 | 29,746 | 30,692 | 31,718 | 32,746 |
| CoGS - iSITE | | | 1,900 | 2,090 | 2,299 |
| Personnel costs | 12,446 | 13,295 | 11,749 | 12,043 | 12,344 |
| Investment in Projects and Events | 14,578 | 14,262 | 14,511 | 15,301 | 16,041 |
| Other expenses | 2,964 | 2,500 | 2,473 | 2,225 | 2,003 |
| Total expenses | 29,988 | 30,057 | 30,633 | 31,659 | 32,687 |
| Net surplus (deficit) | 100 | (311) | 59 | 59 | 59 |
| Balance Sheet \$'000' | SOI 2017/18 | | SOI 2018/19 | SOI 2019/20 | SOI 2020/21 |
| Current assets | 3,284 | | 3,714 | 3,948 | 4,181 |
| Investments | 1,500 | | 1,500 | 1,500 | 1,500 |
| Fixed assets | 331 | | 350 | 375 | 400 |
| Total assets | 5,115 | | 5,564 | 5,823 | 6,081 |
| Current Liabilities | 3,500 | | 3,500 | 3,700 | 3,900 |
| Net Assets | 1,615 | | 2,064 | 2,123 | 2,181 |
| Shareholder's Funds | 1,615 | | 2,064 | 2,123 | 2,181 |
| Cash Flows \$'000' | SOI 2017/18 | | SOI 2018/19 | SOI 2019/20 | SOI 2020/21 |
| Opening cash | 2,100 | | 2,100 | 2,000 | 1,900 |
| Operating cash receipts | 29,058 | | 30,692 | 31,718 | 32,746 |
| Operating cash payments | (29,288) | | (30,906) | (31,937) | (32,687) |
| Other receipts | (30) | | 114 | 119 | 124 |
| Net cash flow | (260) | | (100) | (109) | 183 |
| Closing cash | 1,840 | | 2,000 | 1,900 | 2,083 |

The forecast deficit in 2017/18 is due to a timing difference with the revenue being received in 2016/17, but the associated expenditure being spent in 2017/18.

The decrease in shareholder grants next year is due to the closure of the St James Theatre which results in lower salaries in WREDA and hence a lower management fee (shareholder's grant) from WCC to WREDA.

The increase in Other Revenue is due to additional revenue from an expanded CHQ programme and WREDA forecasting to increase other revenue with its partners by 10% each year.

5. Performance Measures

| PERFORMANCE MEASURES (These are a summary of the performance measures) | | | | | | |
|---|--|----------------|------------------|---------------|---------------|----------------|
| Activity | Measure | Budget 2017/18 | Forecast 2017/18 | SOI 2018/19 | SOI 2019/20 | SOI 2019/20 |
| | Total commercial guest nights | 3.2m | 3.3m | 3.3m | 3.35m | 3.4m |
| | Australian arrivals via Wellington Airport | 160.9k | 152.9k | 154.9k | 155.7k | 158.1k |
| Visitor economy | Visitor spend: Total | \$2.6b | \$2.6b | \$2.6b | \$2.8b | \$3.05b |
| | International | \$860m | \$860m | \$890m | \$950m | \$1,005m |
| Media Programme | Visitor attraction stories | 500 | 500 | 500 | 500 | 500 |
| | | | | | | |
| International students | International student enrolments | 9,200 | 8,500 | 9,000 (+5.8%) | 9,500 (+5.5%) | 10,200 (+7.3%) |
| Talent attraction | Net permanent arrivals | 3,600 | 3,500 | 3,600 | 3,700 | 3,800 |
| | | | | | | |
| | ROI out of Wellington spend | 20:1 | 20:1 | 20:1 | 20:1 | 20:1 |
| Major events | Economic value of major events invested in. | \$80m | \$80m | \$80m | \$80m | \$90m |
| | Total event attendance | 700,000 | 700,000 | 700,000 | 700,000 | 700,000 |
| | | | | | | |
| | Value of expenditure by out of town venue attendees | \$45.4m | \$46.5m | \$35.9m | \$42.7m | \$48.7m |
| Venue Management (1) | Advance the Cultural well-being of Wellington – Number of Wellingtonians attending performance events at Venues Wellington | 290,720 | 308,904 | 230,720 | 265,465 | 310,800 |
| | Number of Events | 624 | 621 | 480 | 570 | 650 |
| | | | | | | |
| Creative HQ | Number of acceleration programmes | 2 | 2 | 2 | 2 | 2 |
| | Number of stat up ventures on the CHQ platform. | 25 | 25 | 25 | 40 | 60 |
| | Generate income from CHQ's innovation services | n/a | \$2.5m | \$3.8m | \$6.25m | \$8.25m |

(1) Assumes the planned closure of the St James for strengthening from April 2018 for a year which impacts attendances etc, until 2019/20

6. Communication

Following the meeting, the points above and any other matters determined by the Committee will form the contents of a letter to the WREDA Board.

7. The decision-making process and significance

Officers recognise that the matters referenced in this report may have a high degree of importance to affected or interested parties.

The matter requiring decision in this report has been considered by officers against the requirements of Part 6 of the Local Government Act 2002 (the Act). Part 6 sets out the obligations of local authorities in relation to the making of decisions.

7.1 Significance of the decision

Part 6 requires Greater Wellington Regional Council to consider the significance of the decision. The term ‘significance’ has a statutory definition set out in the Act.

Officers have considered the significance of the matter, taking the Council's significance and engagement policy and decision-making guidelines into account. Officers recommend that the matter be considered to have low significance.

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

7.2 Engagement

In accordance with the significance and engagement policy, no engagement on the matters for decision is required.

8. Recommendations

That the Committee:

- 1. Receives the report.*
- 2. Notes the content of the report.*
- 3. Agrees to provide feedback to the WREDA Board on the draft SOI based on the issues outlined in this report and the deliberations of the Committee.*

Report prepared by:

Report prepared by:

Report approved by:

Samantha Seath
Greater Wellington
Regional Council

Barry Turfrey
Wellington City Council

Luke Troy
GM Strategy
Greater Wellington Regional Council

Attachment 1: WREDA Draft Statement of Intent 2018-21



**WELLINGTON REGIONAL ECONOMIC
DEVELOPMENT AGENCY**

**STATEMENT OF INTENT
2018 - 2021**

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WREDA STATEMENT OF INTENT 2018-21

Foreword

This Statement of Intent (SOI) sets out the Wellington Regional Economic Development Agency's strategic framework, activities and performance measures for the next three years.

Through the Letter of Expectation, the Wellington Regional Strategy Committee has articulated an expectation that WREDA will use its resources to support, facilitate and contribute to the growth in Wellington's economic performance that is aspired to by the communities that make up this region. WREDA's specific activities towards this aim are detailed in this SOI.

WREDA's commitment is to advance the prosperity, vibrancy and liveability of the Wellington region through a programme of work that is based on promoting and substantiating the unique character of our city-region, supporting existing and new businesses to thrive, and driving projects which lead to enhanced economic growth. Our vision is for Wellington to be the most prosperous, liveable and vibrant region in Australasia by 2025.

Over the next three years WREDA will work closely with its shareholders, other territorial authorities, agencies of central government and the private sector to build a Wellington which is more famous, has more for people to enjoy, and in which business is enabled to grow on a stronger platform that is injected with innovation and inspiration.

Peter Biggs
Chair

1. Purpose of the SOI

In accordance with the Local Government Act 2002, this annual Statement of Intent (SOI) publicly states the activities and intentions of the Wellington Regional Economic Development Agency (WREDA) for the next three years, and the objectives to which those activities will contribute. It is written in response to the Wellington Regional Strategy (WRS) Committee's December 2017 Letter of Expectation (refer to Appendix).

WREDA STATEMENT OF INTENT 2018-21

2. About WREDA

2.1 Who we are

WREDA is the Wellington region's Economic Development Agency. It is owned by Wellington City Council (WCC) and Greater Wellington Regional Council (GWRC), on behalf of the region. Funding for WREDA activities comes from these two councils, central government, other local and central government agencies and the private sector.

2.2 WREDA's purpose and aim

WREDA is the region's marketing and destination story telling engine promoting Wellington as the most liveable and vibrant region in Australasia, and establishing a platform for the regions businesses to prosper.

Our aim is to tell and substantiate the Wellington story in a compelling and distinctive way, providing the unifying narrative for the region and a context for all other activity directed towards our ultimate outcomes of vibrancy, liveability and prosperity. We will be New Zealand's best destination marketer, facilitator of a stronger regional economy, accelerator of business start-ups and growth, builder of cross sector support for workforce development, venues manager and curator of a vibrant events programme.

To achieve this aim we will work closely with key partners including councils, government agencies, individual businesses and business organisations, institutions and venue service providers, and ensure that they too understand and support that story. A number of the activities we describe will be carried out through WREDA's subsidiary, Creative HQ.

In this document we set out our Key Goals as an organisation – and the areas of activity that drive work to fulfil our vision.

WREDA will work in a collaborative, focussed, innovative, action-oriented, engaging and bold manner. WREDA will empower our people to make good decisions.

2.3 What we do

WREDA's work in 2018-19 will focus on delivering upon a strong and consistent Wellington story, and on specific interventions or actions that can make a significant difference to the Wellington regional economy and are appropriate for a Council Controlled Organisation.

WREDA's work revolves around promoting and marketing Wellington as a destination (for tourists, migrants, students, businesses, and investors) and establishing an environment where all businesses have the opportunity to flourish and innovate.

The environment we create is made vibrant through our delivery of a number of programmes. These include management of key venues in Wellington city and the attraction of significant

WREDA STATEMENT OF INTENT 2018-21

international and domestic business and consumer events. WREDA recognises that there are business sectors for which Wellington has, or is becoming, famous. WREDA will prioritise these sectors in driving our economy and the interest that they create in positioning Wellington as region that is more desirable than any other.

WREDA will work with its key stakeholders and partners to expedite the progress of key programmes and projects identified by the Wellington Regional Strategy Committee and its Office from the formation of the Wellington Regional Investment Plan. WREDA will take the lead on projects to which it can offer the appropriate resource and skills, especially where these projects are the identification of how the region can leverage major investment projects to get better commercial returns or to further enhance the vibrancy and liveability of the Wellington region.

WREDA considers whether programmes of activity it delivers are appropriate for investment by other private and public organisations and businesses. Where such investment is found it leverages the public investment and creates working partnerships which help WREDA determine the best and most appropriate interventions.

WREDA will build and use its networks to identify ways to enhance its programmes of activity to increase the economic resilience of the Wellington region and contribute to the retention of key businesses and cultural institutions.

WREDA has the role of telling the story of the region and playing a role in projects and activities that make the most impact and substantiate that story by making the region more prosperous, liveable and vibrant.

To take on this role it is proposed that the way WREDA organises its regional economic growth programmes will change:

- WREDA will leverage Creative HQ's proven experience to accelerate the growth and expansion of innovative new businesses, especially in the tech sector and across the breadth of the creative industries including AR/VR.
- The business growth resources of WREDA will be focused on delivering specific programmes that contribute in a tangible way to the growth of the regional economy.
- Similarly, to establish working groups with employers and education institutions WREDA will employ a project management approach to establish a results led culture that enables decision making to drive capability in workforce development.

3. Vision for Wellington

Consistent with the Wellington Regional Strategy, WREDA's vision for Wellington is:

**To be the most prosperous, liveable
and vibrant region in Australasia by 2025**

The vision is deliberately bold. It demands that Wellington exceed expectations, compete in a global context, and become internationally recognised as a leading city-region.

We see Wellington as 'the place of the possible', a destination of choice to visit, study, work, live, invest and succeed.

We will know Wellington has achieved this vision when it:

- Enjoys constant recognition by people in other places as one of the best city-regions in the world to visit, live, learn and do business
- Is growing sustainably;
- Has an outstanding events programme befitting New Zealand's most vibrant city region;
- Is exceptionally connected, both internally and globally;
- Is an acclaimed hub of creativity culture and technology.

In conjunction with the activities of other local and central government agencies, and the private sector, delivering on the activities noted in this Statement of Intent will support progress towards the vision of being the most prosperous, vibrant and liveable region in Australasia.

To achieve this vision not only does Wellington have to demonstrate these characteristics but its reputation needs to be heard far and wide. WREDA plays the critical role in leading the telling of the Wellington story to the world – in making Wellington famous.

4. WREDA's Contribution to the Wellington Regional Strategy

WREDA works towards achieving the goals of the Wellington Regional Strategy (WRS). There are a number of other policies, plans and strategies of local government in the Wellington region with which our work is aligned to further keep the Wellington economy growing.

Wellington Regional Strategy

This Strategy was developed by the nine local authorities in the region, working in tandem with central government and business, education, research and voluntary sector interests. The Strategy, which was created prior to the formation of WREDA, was most recently refreshed in 2012. We will work with relevant stakeholders during this SOI period to further refine the strategy to deliver the greatest value to shareholders and ratepayers.

WREDA activates the WRS in five of its six focus areas:

1. Commercialisation of Innovation
2. Investment mechanisms for Growth
3. Building World Class Infrastructure
4. Attracting Business, Investment and Talent to the region
5. Education and Workforce development to service the regional economy

The WRS aims to build a resilient, diverse economy - which retains and creates jobs (especially high-value jobs), supports the growth of high-value companies and improves the region's position in relation to New Zealand's Gross Domestic Product (GDP) and employment. Taking the stories of Wellington and telling them to a global audience through marketing, storytelling and media activity is an important part of this.

Policy Alignment with Wellington City Council

WREDA also aligns its work with a number of specific policies of Wellington City Council these include its Economic Development Strategy, the Events Policy, the Arts and Culture Strategy and Wellington Towards 2040: Smart Capital.

In particular WREDA activates the policies of Wellington City Council in regards to:

1. Driving the Visitor Economy
2. Developing, growing, attracting and retaining events both in Venues Wellington and across the region

Vibrancy and liveability are crucial to long-term prosperity. WREDA manages several Wellington City Council civic venues and runs the major events attraction programme, both of which play an important role in making Wellington a better place to live and visit. Our work in attracting tourists and the development of the visitor economy also contribute to this.

In 2018-19 WREDA will work in partnership with the Wellington Regional Strategy Office and territorial authorities to develop a growth plan for the region detailing a ten year investment plan

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designed to fulfil the capability and infrastructure needs of the region to meet the goals of the WRS.

5. WREDA's Key Goals

In the latter part of 2017 WREDA categorised its activities as the 'Big 6' so that stakeholders with whom WREDA works were better able to understand its activity relative to that of the previous organisations which were amalgamated under the WREDA banner. All these activities inter-relate and some areas of work such as partnering with Māori and growing the tourism economy cut across all the areas of work defined in the *Big 6*.

The *Big 6* also served the internal purpose of focussing WREDA team members by challenging their activation of work in asking the question of any initiative. The initiatives the WREDA team and partnerships now activate will supercharge Wellington's events, pump NZ's creative heart, accelerate the big projects, talk up tech, sell student city, or ramp up business growth.

The traction that WREDA gained late in 2017 through applying this far more focussed action framework will propel WREDA further forward as it pursues its *Key Goals* in the year ahead. To achieve these goals WREDA will continue to assess its placement of resources and as required move them to deliver increased impact on the economic vitality of the Wellington region.

WREDA has identified the following key goals for the period of this Statement of Intent:

- Promote the region's brand and identity and tell Wellington's stories that will:
 - a. Grow the visitor economy
 - b. Attract and retain business, skill and talent in the region
 - c. Attract an increased number of students to the region
- Grow and expand innovative new businesses, especially in the creative and tech sectors
- Be a partner in the Māori Economy
- Work with others to leverage opportunities from new investment in the region
- Build workforce and employer capability
- Deliver an unrivalled business, consumer and major events programme
- Utilise the management of Wellington City venues to make Wellington more vibrant and deliver an outstanding customer experience.

These key goals inform the development of programmes of activity for WREDA to which the board will attach specific success measures (KPIs) to ensure effective measurement and tracking of delivery. The KPIs are selected to be consistent with improved prosperity, liveability and vibrancy and achievement of these KPI's will demonstrate progress towards the vision. Wider regional economic indicators, which are impacted by a range of factors outside of WREDA's direct control, will also be monitored.

The full performance measurement framework is articulated in the remainder of the SOI.

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6. Key Activities and Programmes

The Wellington Regional Strategy Focus Area, Wellington City Council Policy and WREDA Goal Matrix

| | Commercialisation of Innovation | Investment mechanisms for Growth | Building World Class Infrastructure | Attracting Business, Investment and Talent to the region | Education and Workforce development to service the regional economy | Driving the Visitor Economy | Develop, growing, attracting and retaining events both in Venues Wellington and across the region |
|---|---------------------------------|----------------------------------|-------------------------------------|--|---|-----------------------------|---|
| Promote the regions brand and identity | | | | ✓ | | ✓ | ✓ |
| Grow the Visitor Economy | | | ✓ | ✓ | | ✓ | ✓ |
| Attract and retain business, skill and talent in the region | | | | ✓ | ✓ | ✓ | |
| Attract an increased number of students to the region | | | | ✓ | ✓ | ✓ | ✓ |
| Grow and expand innovative new businesses especially in the creative and tech sectors | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ |
| Be a partner in the Māori Economy | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ |
| Work with others to leverage opportunities from new investment in the region | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ |
| Build workforce and employer capability | | ✓ | | ✓ | ✓ | ✓ | ✓ |
| Deliver an unrivalled business, consumer and major events programme | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ |

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7. Programme of Activity Description Table

The following section lists and describes these programmes of activity. The WREDA Business Plan which describes the planned activity programmes of the various parts of WREDA provides additional detail.

7.1 Promote the region's brand and identity

| Programme | Description |
|---|--|
| <i>WREDA as the region's marketing and destination story telling engine - Making the Wellington region famous</i> | |
| Leverage Digital Platform | Maintain and enhance WellingtonNZ.com and the Venues Wellington website experience to grow Wellington's digital audience and continually provide new content that will provoke digital visitors to visit, study, meet, invest and move to Wellington. Provide website platform for utilisation by other organisations / districts etc. to further leverage the investment made in WellingtonNZ.com |
| Drive Media Programme | Pro-actively generate media coverage highlighting Wellington's economic success stories and data releases to enhance the reputation of Wellington as a place of innovation, a place to visit, do business and to enjoy life. Deliver a multi-sector media programme that utilises third party writers/journalists/bloggers to showcase and promote Wellington in target geographical locations and business sectors. Continue to work in partnership with central government agencies (Tourism NZ, Immigration NZ, NZTE, ENZ etc.) to drive content to media in wider international markets. Position Wellington as a global leader of GovTech and the place where other jurisdictions come to innovate using Lightning Lab GovTech which provides an experimentation environment for new ideas in public sector administration. |
| Enable Arts Capitalisation | Through our investments in the events fund, management of the major Venues, and engagement with the Arts and creative sectors we will collaborate to enhance business/producer capability and refocus Wellington's creative brand reputation. |
| Grow the visitor/tourism economy | |
| Australasian Visitor / Tourism Marketing Campaigns | Deliver targeted seasonal domestic marketing campaigns in partnership with Wellington commercial partners to increase visitation at quieter times of year, for instance by promoting event programmes. Execute Australia market visitor campaign in air-linked Australian cities with city, air sector and regional partners including Tourism New Zealand, Air New Zealand and Singapore Airlines. Provide marketing support to Major events such as World of Wearable Arts and Visa Wellington On a Plate. Represent Wellington in international visitor markets through participation in Tourism New Zealand-led international trade familiarisation and media programmes. |
| Long Haul Visitor / Tourism trade marketing activity | Work with tourism industry partners to deliver increased international visitor numbers from target markets across the world through travel-trade programmes in coordination with the activities of Tourism New Zealand. Specifically increase activity in China to increase Wellington's market share of Chinese visitors to New Zealand. |

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|--|--|
| Enable Regional Promotion Through Events | <p>Promote events happening in the city, region and in Venues Wellington to highlight the wealth of different experiences to be had by visitors to and residents in the region.</p> <p>Secure event product that reflects Wellington’s creative and arts interest and that leverages the visitation of international artists and talent through supporting media and promotional programmes. Work with visitor attractions, for example Te Papa, to promote visitation at otherwise quieter times of the year.</p> <p>Provide promotional support to conferences happening in Wellington to increase delegate numbers particularly in targeted sectors for growth in Wellington such as the tech sector.</p> |
| i-SITE Visitor Information Centre | <p>Enhance the visitor experience in Wellington through operation of the Wellington i-SITE Visitor Information Centre. Promote and sell Wellington tourism product and support cruise passenger management.</p> <p>Redevelop the interior of the MFC i-SITE location to integrate regional story telling into the visitor experience</p> |
| Attract and retain business, skill and talent in the region | |
| Drive Media Programme | <p>Pro-actively generate media coverage highlighting Wellington’s Tech sector success stories to enhance the reputation of Wellington as a place to do business and to enjoy life. This work will maximise the exposure of Wellingtons AR/VR and AI sectors as being world leading. Utilise third party writers/journalists/bloggers to showcase and promote Wellington’s Tech sector in target geographical locations and audiences.</p> |
| Talent Attraction | <p>Responding to the Labour Market plan for the region WREDA will deliver marketing and PR campaigns in key domestic and international markets to attract target-sector, skilled migrant talent to the Wellington region, particularly in the tech, screen and creative sectors. WREDA will partner with the Edmund Hillary Fellowship and Immigration New Zealand to attract Global Investment Visa applicants to locate in the Wellington region.</p> |
| TechWeek | <p>We will be a Partner City to NZ Tech to drive exposure and interest in tech in Wellington and help position the region as a leading tech centre through continued participation in TechWeek.</p> |
| Attract increased number of students to the region | |
| International Education agent partnerships | <p>WREDA will work with international student recruitment agencies, promoting the regions education establishments through events and familiarisations of the region in conjunction with Education New Zealand.</p> |
| Marketing to prospective students | <p>WREDA’s marketing team will work with education providers to position Wellington as the most attractive student region in New Zealand through marketing campaigns.</p> |

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7.2 Grow and expand innovative new businesses especially in the creative and tech sectors

| Programme | Description |
|--|---|
| <i>Creative HQ leading the way in innovation, start-ups, acceleration and scale-ups.</i> | |
| Business Start-ups, Incubation and Scale-ups. | <p>Through Creative HQ we will deliver incubation services for start-ups and scale-ups in the Wellington region whilst also establishing Creative HQ's incubation platform ('Scale') as the de-facto standard in New Zealand.</p> <p>Through this activity we will increase the number of ventures utilising the platform in order to move those companies to graduate to investable status. Creative HQ's extensive alumni will be continue to be worked with to promote their growth and development.</p> <p>Our Community Engagement initiatives through Creative HQ will focus on building on the strong foundation of community based programmes we have established and developed over the last three years. Key initiatives in this area include:</p> <ul style="list-style-type: none"> • Growing the community platform "Start-up Garage" to 3500+ members • Delivering a hackathon in Wellington that will contribute to the city's positioning of being New Zealand's innovative and creative capital <p>We will deliver a structured innovation programme for Wellington's creative sector that focuses on helping develop business skills, commercial propositions and value creation for the small to medium sized businesses in this sector</p> <p>We will deliver a new digital interface – for businesses, innovators and entrepreneurs in the Wellington Region to be able to access the services that are provided by Creative HQ, the Regional Business Partner Programme and business development professionals across the Wellington region. This will target those business that are looking to grow through innovation, scaling and a broadening of IP.</p> |
| Business Growth Acceleration | <p>Through Creative HQ we will deliver industry-specific acceleration programmes through our Lightning Lab brand.</p> <p>In particular the focus for FY2018-19 will be on GovTech, FinTech, Food/AgriTech and exponential technologies such as artificial intelligence, mixed realities and autonomous transport.</p> <p>GovTech – public sector innovation through structured programmes and the use of 21st century methodologies and technologies – provides Wellington with an excellent opportunity to lead this exciting new industry vertical globally. New Zealand has an excellent international reputation and is seen as progressive, neutral, innovative and stable – for the development of new approaches and government services using new technologies and a focus on human centred design.</p> <p>In addition, Creative HQ will also focus on increasing diversity and inclusiveness in our programmes, delivering wider social impact with the continued roll out of programmes such as Kōkiri – the acceleration programme for Māori entrepreneurs and Venture Up – the youth entrepreneurship acceleration programme.</p> |
| Emerging industries | <p>Through Creative HQ we will work directly with 'ProjectR' and the AR / VR companies they house to accelerate those companies growth and further generation of start-ups in this sector</p> |

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7.3 Be a partner in the Māori Economy

| Programme | Description |
|---|---|
| Working in partnership with Māori to maximise the potential of the Māori economy in the Wellington region | |
| Developing a regional Māori Economic Development strategy with Māori | Work with Māori and others to understand the economic development needs of the Māori economy - In partnership with Ara Tahi, GWRC and others work towards the development and implementation of a regional Māori Economic Development strategy. This will include gaining a full understanding of the regional Māori economy, identifying resource and capability needs and developing action plans to support the growth of the Māori economy of the region. |
| Creating commercial opportunity through the development of Māori tourism opportunity | Work with Tangata Whenua to support their telling of the stories of the Wellington region through both established and nascent tourism ventures. Provide support for Māori tourism businesses from market intelligence and start-up advice. |
| Maximising the business and cultural opportunity provided through events | WREDA, in partnership with Mana Whenua and Māori business, will leverage Te Matatini 2019 to maximise economic opportunities for Wellington and showcase Wellington's Māori identity. Activity will celebrate and showcase Māori culture and innovation and provide a vehicle to leverage Māori business and investment opportunities. |

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7.4 Work with others to leverage opportunities from new investment in the region

| Programme | Description |
|---|--|
| <i>WREDA working with key stakeholder groups to enable an improved platform for economic growth in the Wellington region.</i> | |
| Local / Central Government engagement | WREDA will as appropriate work with the Wellington Regional Strategy Office to identify the ways in which the region can access the new Provincial Growth Fund for projects which will boost the Wellington region economy. WREDA will work with local authorities and the Regional Council as appropriate to identify the projects which meet the necessary criteria. |
| Incentives for commercial investment | WREDA will deliver a report to examine the role of local government incentive schemes and their place and success or otherwise in growing business investment in other jurisdictions similar to the Wellington region |
| Policy Advocacy | By forming coalitions of interest and employing compelling arguments, we will influence central government policy formation through working with other regions and representative groups for the betterment of Wellington in areas that directly affect the programmes of activity we work on. |
| Screen Wellington | Work with the NZ Film Commission and other regional film offices around New Zealand to bring forward the decisions made to shoot films in Wellington, facilitated by film permitting services of Screen Wellington. Be the on-the-ground support for those looking to choose to make films in the Wellington region. We will work with the screen sector to identify their infrastructure needs in the region. |
| Trails framework | Deliver the implementation programme of the Wellington Regional Trails Framework |
| Student experience | The tertiary education institutions in Wellington invest significantly in improving the student experience of Wellington. WREDA will work with these organisations to support initiatives of theirs. |
| WREDA working with the Wellington Regional Investment Plan to leverage other public investment projects | |
| Partnering the Wellington Regional Investment Plan | <p>WREDA will be a partner to the Wellington Regional Strategy Office and the Councils of the region in the establishment of the Wellington Regional Investment Plan (WRIP) WREDA will work with other participants identify programmes that it can lead that will derive benefit to both the region as a whole and individual communities within the region. Frequently these programmes are likely to involve investigating and reporting to the effected parties about the opportunities that new major investment in projects identified by the WRIP could lead to, and then securing public/private sector funding to deliver such opportunities as appropriate.</p> <p>WREDA's role as facilitator and advocate means that is unlikely to be the lead in major capital projects but can play an important role in advocacy by telling the story of the opportunities that will assist in accelerating major projects including roading and rail, port redevelopment, airport extension and resultant land use opportunities.</p> <p>The leveraging programmes we work on may be considered to work under the thematic sub-heading Economic Development identified by the WRIP – Making the most of comparative advantage, new opportunities opened up by improved transport connectivity, and leveraging place-making initiatives for the region.</p> <p>There are a number of regional development initiative programmes of activity that WREDA is already involved in that may be considered for work in this stream; these include:</p> <ul style="list-style-type: none"> · Establishing a region-wide understanding of the audiences that will use sport / |

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| | <p>performance / entertainment facilities in the future to support investment making decisions.</p> <ul style="list-style-type: none"> · Utilize the Technology Valley initiative to prompt increased direct correlation between the domiciling of CRI's such as ESR and Callaghan in the Wellington region and the development of the sub-sectors and disciplines they represent such as the commercialization of Artificial Intelligence concepts. Leverage Creative HQ's operation of 1st Assembly as a springboard to building networks which support the Tech Valley concept · Establish the relationships and process for delivering on the business case to establish a high performance sports campus and other complementary activities on the former site of CIT · Support the consenting process for the Porirua Adventure Park. Upon consent, work with the investor and Porirua to develop promotional plans. Explore how the Adventure Park can be a catalyst for other initiatives made possible by Porirua's improved connectivity provided by the Wellington Northern Gateway motorway development · Establish what type of inward investment might be attracted through commercial development that leverages accessibility provided by the new Wellington Northern Gateway Motorway. · Detail what type of new business opportunities and investment can be attracted by the delivery of an improved rail link between the Wellington urban region and Wairarapa. · Provide expertise to individual territorial authorities to assist them in designing their own visitor promotion, tourism product and tourism infrastructure needs. This work will inform WREDA's wider regional marketing activities. |
| Visitor Infrastructure | <p>Work in partnership with stakeholders and investors in the forwarding of planning for and delivery of a variety of major visitor / venue infrastructure projects:</p> <ul style="list-style-type: none"> · Convention Centre and Movie Museum – develop internal planning of Convention Centre ready for build. · Entertainment Arena – Continue investigation into business case for development with consideration of future demands for entertainment venues across the region · Civic Music Hub and Wellington Town Hall auditorium – continued work with investment partners of the reopening, management and promotion of the Town Hall auditorium for event. · Hotel development in Wellington and sub-regional centres |

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7.5 Build workforce and employer capability

| Programme | Description |
|---|--|
| <i>Bringing individual and business learning and working together to create opportunity for residents of the region</i> | |
| Regional Business Partner Programme | <p>Deliver the third year of the contract with NZTE and Callaghan Innovation to provide business support, innovation vouchers and growth vouchers for over 400 businesses across the region.</p> <p>WREDA will use the delivery of the RBP programme alongside its activity in Creative HQ to maintain a network of entrepreneurs that can be used as:</p> <ul style="list-style-type: none"> • A reference point for business sector health across the region • A bank of case studies for promotion of region and sector beyond Wellington • A channel for engaging in local economy issues in different communities • A reference point for the requirements of workforce development across sectors and parts of the region <p>The current contract for provision of the RBP programme finishes June 2019. WREDA will negotiate with NZTE and Callaghan Innovation about the future requirements for such schemes in our region.</p> |
| Co-worker space in sub-regional centres | Establish the business case for, and work with the sub regional business districts and specific industry sectors as appropriate to provide co-worker spaces in such locations and the delivery of activations that will enhance small-medium enterprise business growth. |
| Employment Pathways | |
| Regional Young Enterprise Scheme support | WREDA will support and fund the delivery of the Young Enterprise Scheme across the region. WREDA will look to opportunities to support the entrepreneurship of college students who focus their initiatives on solutions that reflect the important sectors in our region's economy. These might include supporting science, technology, engineering, and math (STEM) enterprise projects or creating a mentorship program for high school students to promote enterprise in the creative and visitor economies. |
| Internship programmes | To provide employment pathways for students we will continue to work with Summer of Tech as a partner and establish a mechanism to grow the number of interns across the region significantly from its current base of c. 200 pa. This will include development of a scholarship programme that looks to provide Māori students from the Wellington region with the opportunity to pursue careers in the Tech sector |
| Career Resource Centre | <p>Working with employers and the education sector, build – using the WellingtonNZ platform – an online Career Resource solution for Wellington region residents that provides information about:</p> <ul style="list-style-type: none"> • Academic opportunities • Vocational opportunities • Workplace training • Finding mentors • Connecting businesses to interns • Today's work opportunities |
| Labour Market Plan | WREDA will partner with the WRS office to deliver a completed Labour Market Plan for the Wellington region. To do this WREDA will need to work with local businesses, tertiary education organisations and industry training organisations to identify the changing workforce requirements of the region. The author of this report will be the WRS office |

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|---|--|
| <p>Curriculum development to support the Labour Market Plan</p> | <p>WREDA will partner with local businesses, tertiary education organisations and industry training organisations to stimulate the creation of tailored programmes in the curriculum that prepares students for jobs in high-priority industries including technology, creative and construction sectors.</p> <p>Specifically WREDA will work with Education NZ, the creative sector and tertiary institutions to ensure that Wellington’s reputation as a place to learn is especially applied to the creative sector, especially in relation to the screen sector.</p> |
|---|--|

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7.6 Deliver an unrivalled business, consumer and major events programme

| Programme | Description |
|---|--|
| <i>Investment in support of events to create vibrancy in Wellington and a liveable city for Wellingtonians. Managing the 'Venues Wellington' portfolio of venues to build business and the arts whilst providing memorable experiences for residents of the region and visitors</i> | |
| Conduct Major Events Programme | Effectively manage the investment in Wellington's major events programme, including leveraging the investment in events to market and promote Wellington and attract visitors to the region. |
| Manage Venues | Manage portfolio of Wellington City major venues, maximising utilisation rate, sellable days, client satisfaction, audience numbers and spend-per-attendee. Develop event programme that contributes to talent, business and visitor attraction priorities. Support Wellington arts and cultural organisations through prioritising opportunities for major hirers such as NZSO and World of Wearable Art, and the performance of new New Zealand content through preferential pricing for targeted local organisations. |
| Alternative Venue opportunities | WREDA will work with building and land owners to consider the provision of alternative venues and use of alternative event locations to help offset the necessary closure of venues for strengthening work. |
| Leverage Major Events | Leverage investment in major events to develop trade, tourism, education, investment and visitor opportunities using major events both in Wellington and overseas. |
| Performance Events | Work with promoters to secure new performance event product with a particular emphasis on content that appeals to a student and millennial audience. |
| Business Events Wellington | Deliver marketing and convention bureau support for the region and commercial partners to increase business event bookings in Wellington, sustaining market share for Wellington through high utilisation of public and private sector venues. Use business events to address seasonality in the visitor economy, and to support growth of Wellington's key sectors. Partner with Tourism New Zealand to attract international events to Wellington. Encourage the utilisation of international business events as a platform for organisations in the region to tell their story from an indigenous culture perspective. Increased partnership with tertiary institutions and academic staff to secure conferences, which will benefit the standings of the universities and academics. |
| Major Events Portfolio Development | WREDA constantly reviews the Major Events portfolio, and works with the industry to identify and secure new events, and lead the ongoing development of the Major Events portfolio to attract visitors to Wellington and making it a more attractive place to live. The events WREDA seeks to bring to and grow in Wellington are ones that activate the city, bring broader regional opportunities and ones that support the creative and supporting sector. |
| World of Wearable Arts | Utilise the occasion of WOW's 30th anniversary to partner with WOW and Wellington City Council to bolster activity and experience for audiences and residents this year and in the future. |

8. Internal Management

8.1 Insights and Analysis

WREDA will maintain an in-depth knowledge and understanding of the Wellington economy, how it is evolving and what is driving it which will help it determine which areas of its business to allocate resources. It will provide reports to stakeholders, keeping them informed of trends and how WREDA is responding to them.

8.2 Revenue Sources

WREDA receives funding from shareholding councils in the form of operating contributions as well as additional payments for contractual services delivered. It also receives funding from commercial and government partners for a range of activities where the benefits lie jointly across them and the economy as a whole.

As well as reducing the demands on scarce council funds, the latter sources provide valuable sector involvement, partnership and scrutiny. This ensures the work we do is relevant to and supported by identified key sectors.

WREDA's approach to business is founded upon carrying out activities in partnership with others.

Our partners include other parts of local and central government institutions and organisations, individual businesses, business collectives, event owners and event promoters. By working in partnership with others we test the appropriateness of our ideas and leverage the investment being made to grow the economy of the Wellington region.

WREDA secures significant partner funding each year from a variety of business and public sector organisations partners. Their investment in our activities is often monetary but can also be in-kind, or aligned investment. WREDA has now examined all its current streams of work to identify gaps in the co-investment portfolio such that new investing partner opportunities can be identified, sought and secured.

In this way WREDA will be always look to grow its external revenue and look to secure private and other non-local government public investment in its initiatives and activities. The partnership of others not only provides funding to leverage the investment by the local rate payer but also confirms that the activities we carry out are consistent with the expectations of the communities we look to serve. These partnerships will enable us to deliver better outcomes without significantly increasing the rate-funding requirement.

To maintain existing partnership investments and to build new ones, it is critical for WREDA to manage its broad portfolio of partners effectively. WREDA will use planned engagement schedules to ensure that investing partners are kept informed of our activities and that their views and aspirations are able to influence our decision-making processes.

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WREDA considers the activation of and funding for new programmes by considering what partners will co-invest in our activity and how such programmes leverage our shareholders core funding of the organisation.

8.3 Finding Efficiencies

In keeping with best management practice, WREDA continually aims to operate efficiently and effectively.

WREDA has now moved beyond its merger activities and has systems, processes that are organisation wide. In 2017-18 the functions of finance, human resources, health and safety, IT, marketing, digital asset management, sales and partnership development have all been centralised. In 2018-19 we are proposing to look at opportunities for greater sharing of operational functions between Creative HQ and WREDA.

Monetary savings that will be found from these efficiencies, as well as new, will be redeployed within WREDA and allocated to existing or new programmes of activity consistent with our goals of growing Wellington's economy.

8.4 Health and Safety

WREDA is very aware of the importance of Health and Safety for its employees, partners, those we host, and venue patrons. As such WREDA will ensure it meets its obligations with respect to New Zealand laws and regulations and will undertake an annual review based on established best practice guidelines. WREDA aims to provide a workplace that not only meets requirements but one that is operating by best practise. We aim to enable employees to thrive through excellence in all areas, including health and safety.

Through our venues management agreement with WCC, WREDA will, along with WCC ensure that Health and Safety requirements are fully considered as part of asset management.

WREDA operates a two level approach to management of Health and Safety in its operation. The Venues Wellington business unit considers its provision of a healthy and safe environment for employees and patrons with its own management and employee committee. The Venues Wellington Health and Safety process and activity progress is independently reviewed by an external professional on an annual basis.

This work is then fed into the senior management consideration of Health and Safety in the workplace which reports through to the WREDA Board. WREDA also maintains a number of key organisation relationships with whom regular two-way meetings are held to learn and share best practise.

WREDA will report on its Health and Safety in the work place activities in its quarterly reporting process to its shareholders.

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8.5 Human Resources

Our people are our greatest asset – we say it often and with good reason. It is only with the dedication and determination of our people that we can generate long-term value for our stakeholders and make a positive contribution to the communities that we serve.

At the core of our efforts is a focus on cultivating and sustaining a diverse workforce, which is critical to meeting the unique needs of the diverse projects and communities we operate within.

We will aim to ensure that in every step of our employee’s time with us, that we will invest in them and ensure their interests remain focused on the goals we set and that they remain aligned to our wider stakeholders. Our goal is to maximise individual potential, increase our effectiveness, develop and reinforce our culture and expand our people’s professional opportunities so that they contribute positively.

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9. Performance Measures

WREDA's performance measure framework identifies quantifiable measures of our programmes and activities as well as a number of key indicators tightly aligned to our objectives. These form the basis of our accountability and will be reported on quarterly.

The specific programmes of activity that WREDA will deliver in regards to Partnering the Wellington Regional Investment Plan will be determined on completion of that plan in partnership with the Wellington Regional strategy office and the territorial authorities of the region. Measurement of the delivery of these activities will be determined with the Wellington regional strategy at such time as they embarked upon.

At a business planning level, qualitative as well as quantitative measures will be used to assess the delivery and effectiveness of the full range of WREDA activity.

| Key Goals | | Measure | 2017/18 (forecast) | 2018/19 | 2019/20 | 2020/21 |
|--|---|--|-----------------------|------------------|------------------|-------------------|
| Promote the region's brand and identity and tell Wellington's stories | Media programmes to boost the reputation of the Wellington region | Lifestyle and visitor attraction content in NZ, Australian media | 500 | 500 | 500 | 500 |
| | | Work, do business, invest content in local NZ and Australian media | 85 | 85 | 85 | 85 |
| Grow the visitor economy | Marketing to the Visitor sector locally and internationally | Total commercial guest nights | 3.3m | 3.3m | 3.35m | 3.4m |
| | | Visitor spend: Total | \$2600m | \$2.6b | \$2.8b | \$3.05b |
| | | International | \$860m | \$890m | \$950m | \$1005m |
| | | (of which from Australia) | \$240m | \$250m | \$260m | \$270m |
| | | (of which from China) | \$79m | \$85m | \$90m | \$95m |
| | | Domestic | \$1700 | \$1.7b | \$1.75b | \$1.85b |
| Attract and retain business, skill and talent in the region | Marketing to attract talent to move to the Wellington region | Net permanent and long-term arrivals | 3,500 | 3,600 | 3,700 | 3,800 |
| | | International student enrolments | 8,500 | 9,000 (+5.8%) | 9,500 (+5.5%) | 10,200 (+7.3%) |
| Attract an increased number of students to the region | Marketing to the Student sector locally and internationally | Market share of all students enrolled in tertiary education in New Zealand | 6% | 7% | 7% | 7.5% |
| | | No. of Wellington start-up ventures and early stage businesses on the CHQ Platform | 20 | 25 | 40 | 60 |
| Grow and expand innovative new businesses, especially in the creative and tech sectors | Creative HQ leading the way in innovation, start-ups, acceleration and scale-ups. | No of acceleration programmes (Lightning Lab and Venture Up) | 2 | 2 | 2 | 2 |
| | | No. of members in | 3000 | 3000 | 4000 | 5000 |

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|--|--|---|--------|--------|---------|---------|
| | | “Start-up Garage” | | | | |
| | | No. of companies becoming investable | N/a | 5 | 10 | 15 |
| | | Deliver LL GovTech programme with # of teams / agencies participating | N/a | 8 | 10 | 12 |
| | | Generate income from Creative HQ’s innovation services | \$2.5m | \$3.8m | \$6.25m | \$8.25m |
| Be a partner in the Māori Economy | Establishing a working relationship with Mana Whenua and Māori business in the Wellington region | Mana Whenua satisfaction score with engagement | 75% | 80% | 85% | 90% |
| | | Deliver specific initiatives and projects in partnership with Māori business | 2 | 3 | 3 | 3 |
| Facilitate the leveraging of the opportunities from new investment in the region | Screen Wellington | Number of permits for film production issued | 380 | 400 | 420 | 440 |
| | | Value of facilitated screen production | \$100m | \$100m | \$105m | \$110m |
| | Visitor Infrastructure | WREDA will have activated plans in place for the delivery of visitor infrastructure projects reflecting their advancement by investing stakeholders | No | Yes | Yes | Yes |
| | Trails framework | Working reports of the Trails Framework Specialist will show active plan against every action item | 20% | 50% | 75% | 100% |
| | Partnering the Wellington Regional Investment Plan | Satisfaction level of identified project partners | 0 | 75% | 75% | 75% |
| Build workforce and employer capability | Regional Business Partner Programme | Number of actively supported businesses | 445 | 445 | 445 | 445 |
| | Development and delivery of a Labour Market plan for the region | Wellington regional Labour Market Plan completed with WRS office | No | Yes | Yes | Yes |
| | | Students supported in youth entrepreneurship programmes | 300 | 300 | 300 | 300 |
| | | Interns placed in priority sectors | 200 | 225 | 250 | 300 |
| Deliver an unrivalled business, | Business Events Wellington and Wellington | ROI via out of Wellington spend | 20:1 | 20:1 | 20:1 | 20:1 |
| | | Economic value of | \$80m | \$80m | \$80m | \$90m |

WREDA STATEMENT OF INTENT 2018-21

| | | | | | | |
|--|----------------------------------|--|---------|---------|---------|------------------|
| consumer and major events programme | Major Events | major events invested in. | | | | |
| | | Total event attendance | 600,000 | 700,000 | 700,000 | 700,000 |
| | | NZ market share multi-day conferences | 20% | 20% | 18% | 16% ¹ |
| | | Number of international business event bids submitted and/or supported in FY | 40 | 35 | 35 | 35 |
| | | Value of business events (international and domestic) secured in FY | \$25m | \$25m | \$25m | \$25m |
| Utilise the management of Wellington City venues to make Wellington more vibrant and deliver an outstanding customer experience. | Venues Wellington | Value of expenditure by out of town venue attendees | \$46.5m | \$35.9m | \$42.7m | \$48.7m |
| | | Advance the Cultural well-being of Wellington – Number of Wellingtonians attending performance events at Venues Wellington | 308,904 | 230,720 | 265,465 | 310,800 |
| | | Number of Events: Total | 621 | 480 | 570 | 650 |
| | | Performance | 324 | 220 | 280 | 340 |
| | | Conference | 297 | 260 | 290 | 310 |
| WREDA in action | Partner / Stakeholder Engagement | Partner/Stakeholder satisfaction score with engagement | 75% | 80% | 85% | 90% |

Benchmark Indicators*

| | 2017/18 (forecast) | 2018/19 | 2019/20 | 2020/21 |
|------------------------------------|--------------------|---------|---------|---------|
| Wellington GDP per capita | 2.9% | | | |
| Wellington jobs growth | 301,000 | | | |
| Population | 1.8% | | | |
| Net permanent / long-term arrivals | 3,888 | | | |

* These indicators are not direct measures of WREDA performance but provide an indicator of the economic health of the Wellington region

(Confirmation of forecasts for future years will be included in the final Statement of intent at which point more up to date forecasts will be available from applicable sources)

WREDA STATEMENT OF INTENT 2018-21

10. Risk and Mitigation

We have identified a number of risks to WREDA achieving these KPIs. These are listed below together with how we intend to mitigate each of them.

| Area of Risk | Risk Description | Mitigation |
|--|---|--|
| Availability of partner funding | Partner funding is provided to a number of WREDA's programmes of activities. This funding is dependent upon several factors such as affordability, a return made on the investment made, and alignment of activity with partner goals. | <ul style="list-style-type: none"> • Maintain a regular schedule of meeting with and reporting to commercial partners • Engage partners in planning sessions to ensure programmes meet their expectations • Understand what is happening in the business market of individual partnership groups so that their concerns can be anticipated. |
| External impacts on Wellington's reputation | As the key external marketing and messaging agent for the Wellington region around the globe the impact of natural and man-made circumstances can be significant. WREDA needs appropriate plans to mitigate these impacts in all circumstances. | <ul style="list-style-type: none"> • Focus on telling the Wellington story with facts to support and emphasising its strengths and diversity. • Have a tone of voice in communications that highlights the positives of living in a dynamic environment • Use personal stories of Wellingtonians to bring authenticity to storytelling / messaging |
| Rise of competing cities | City-Regions around the world compete with Wellington for visitors, students, migrants, investors. Representing a small and for most part distant city WREDA needs to make sure its interventions are targeted | <ul style="list-style-type: none"> • All activity must fit within parameters of Statement of Intent and Business Plan intention. • Each business unit is responsible for regularly working through its activity programme with sector support to determine priority. |
| Changing international geo-political climate | Wellington is not isolated from global factors that will affect the prosperity of Wellingtonians. WREDA must be ready to adapt its work to changing circumstances. | <ul style="list-style-type: none"> • WREDA will always use messaging on the constant positives of Wellington relative to other places such as safety, environment and economic/political stability. • If economic factors change, such as exchange rate movements WREDA will consider the impact of such changes on the outcomes of its activities and changes programmes when required. • Where political changes happen elsewhere WREDA will look to maximise the opportunity for Wellington by changing programme activity to increase the awareness of Wellington as a good place to live and invest. |
| Imbalanced project delivery focus | WREDA is involved in the development of various infrastructure projects across the region. WREDA needs to ensure that its work outcomes are sufficiently broad based not to depend on individual project outcomes | <ul style="list-style-type: none"> • WREDA employees will keep abreast of major initiatives in the region so that different opportunities are understood and leveraging programmes are considered • WREDA corporate communications will focus on a spread of initiatives boosting the region rather than being focused on individual projects. |
| Venue Availability | To allow seismic strengthening at the St James Theatre, the theatre will need to close for 14-15 months from March 2018. | <ul style="list-style-type: none"> • WREDA will work with organisations that utilise the St James theatre to facilitate their relocation of activity to the Opera House and Michael Fowler Centre. • WREDA will work with other Venues in Wellington city |

WREDA STATEMENT OF INTENT 2018-21

| | | |
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| | | and across the region to accommodate increased usage during the period of closure and restricted use of the MFC whilst strengthening works are underway at the Wellington Town Hall. |
| Maintaining working relationships across the Wellington region | As an organisation that is invested in and works for the whole Wellington region it is critical that WREDA maintains processes which continually meet the needs of the whole region at a local level | <ul style="list-style-type: none"> • WREDA will work with both its shareholders and the other Councils in a structured manner such that both elected officials and employees of these organisations are well informed of WREDA's programme of activities at all times • WREDA will participate in work groups and meetings across the Wellington region to support economic development activity. • Where appropriate WREDA will provide expertise it houses to support project development by individual councils or groups of councils in the region |
| Shrinkage of key sectors | Over time different sectors gather more prominence in their growth within the regional economy. WREDA needs to retain a balanced sectoral portfolio to sustain a mixed economy in the region | <ul style="list-style-type: none"> • WREDA works with the private sector to understand the changing dynamics of sector growth in the Wellington region. Where appropriate WREDA will change, or alter its programmes to reflect the changing needs and opportunities of the region. • WREDA will through its annual Statement of Intent and Business Planning process identify to shareholder's changes in programmes as a result of changing sectoral priorities |

Appendices

- 1) Appendix 1 – Letter of Expectations
- 2) Appendix 2 - Governance and Accounting

WREDA STATEMENT OF INTENT 2018-21

Appendix 1 – Letter of Expectations

12 December 2017

Peter Biggs
Chair
Wellington Regional Economic Development Agency

Email Peter Biggs pbiggs@assignmentgroup.com

Dear Peter

This letter sets out the Wellington Regional Strategy (WRS) Committee's expectations for the Wellington Regional Economic Development Agency and its subsidiary, Creative HQ (WREDA), regarding their Statement of Intent for 2018/19.

The Committee notes that WREDA has recently embarked on a process of bringing a sharper focus to its work with the launch of the WREDA Big 6, namely:

1. Supercharge Wellington's Events
2. Pump NZ's Creative Heart
3. Accelerate the Big Projects
4. Talk up Tech
5. Self Student City
6. Ramp up Business Growth

The Committee agreed at its meeting on 21 November that a seventh priority should be added: The Māori economy. The Committee's view was that the importance of the Māori economy is not adequately represented by treating it as an activity that goes across all of the Big 6, but rather that it needs to be given the emphasis that would be achieved by making it a 'seventh priority'. Members of the Committee referred to other parts of the country where in a post-treaty settlement world the Māori economy has become a powerhouse of growth for the region. We see this seventh priority as placing greater emphasis on the opportunities to work more closely with our iwi partners and request that WREDA work with the WRS Office and Aro Tahi in the development and ongoing support of a Māori Regional Economic Development plan.

The Committee supports a tighter focus and expects that the Statement of Intent will provide insight into the key actions planned to drive the agreed programme, including the expected outcomes with clear targets and measures.

One of the core functions of WREDA is to drive the visitor economy and it is important that this key role is not relegated behind other areas. The Committee would like to understand the key activities planned to market Wellington, to drive growth in visitation and tell Wellington's stories.

The Committee also requests that further consideration be given to the focus of the WREDA work programme to ensure that it is appropriately lined up with regional priorities. The following areas have been identified as requiring a strong focus over the next few years.

- The Committee agreed that there needs to be a joined up growth plan for the region (ten-year investment plan, with a supporting chronological work programme). The development of this will be led by the Committee, through the WRS Office and working along with WREDA and other stakeholders.

WREDA STATEMENT OF INTENT 2018-21

- The Region is benefitting from a significant programme of investment in infrastructure and this is expected to continue, with planned investments in roading, public transport, housing and other major construction projects. The Committee requests that WREDA consider the constraints to economic growth along with the opportunities to leverage growth off the investment programme and the role that WREDA can play in these areas. For example, the commercial accommodation sector has existing capacity issues at peak periods. This inhibits the region's ability to grow and will be compounded through success in delivering a supercharged events programme, accelerating the big projects, growing business and leveraging our creative edge.
- A core role for WREDA should be in understanding the implications and opportunities for the region around changes in the working environment and the skills and other interventions that may be needed to support the changing nature of the market.
- The Committee would like WREDA to assist the region in partnering with the Government as it rolls out its regional economic development investment fund over the next three years. In particular, it expects WREDA to work with the region (including the Wairarapa) to promote projects that will grow the regional and rural economy and improve the wellbeing of those communities.
- The region has a strong position in the areas of technology and innovation and significant potential to continue to grow. The Committee would like WREDA to consider the opportunities to accelerate and leverage off the activities of Creative HQ and identify whether there are benefits from broadening the scope of its activities.
- In the area of events the Committee would like WREDA to review major events to identify those that need to be renewed and those we need to invest in and grow.

The Statement of Intent should reflect a strong focus on efficiency in delivering activities and the cost of delivery. WREDA is expected to take every opportunity to use shared services available in partnership with Councils to reduce its cost base. The core funding provided by the Councils is seed funding and WREDA is expected to use this funding to partner in delivering activities. The SOI should demonstrate an emphasis on partnerships and partner funding to deliver programmes.

With respect to all of these points and the SOI in general, we expect clear actions and expected outcomes with clear and measurable KPIs. Wherever possible there should be a clear line of sight between WREDA's actions and the outcomes being measured.

The Committee expects WREDA to be able to demonstrate its compliance with the relevant Health and Safety legislation and is expected to meet best practice governance standards.

Yours sincerely



Justin Lester

Chair

Wellington Regional Strategy Committee

cc Derek Fry derek.fry@wellingtonnz.com

Appendix 2 - Governance and Accounting

WREDA is a not for profit council controlled organisation as defined by the Local Government Act 2002. WREDA is owned 80% by the Wellington City Council and 20% by the Greater Wellington Regional Council.

Governance Board

The Board is responsible for the strategic direction of WREDA's activities. The Board guides and monitors the business and affairs of WREDA, in accordance with the Companies Act 1993 and the Local Government Act 2002, the Company's constitutions and this Statement of Intent.

All current Board directors are independent and appointed by our shareholders. The Board will meet on a regular basis. The Board will have 2 sub-committees, Risk and Audit; and People & Culture.

Dividend policy

It is unlikely that WREDA will deliver a financial dividend to its Shareholders, due to it being deemed a not for profit council controlled organisation.

Wellington Regional Strategy Committee (WRSC)

The WRSC is made up of ten local body elected members.

The role of the WRSC is to:

- Review the performance of WREDA and the Board, and report to the Shareholders on that performance on a periodic basis,
- Make recommendations to Shareholders as to the appointment, removal and replacement of directors;
- Make recommendations to Shareholders as to any changes to policies, or the SOI, requiring their approval.

The Board aims to ensure that the WRSC and the Shareholders are informed of all major developments affecting WREDA's state of affairs, while at the same time recognising that commercial sensitivity may preclude certain information from being made public. WREDA will adhere to a 'no surprises' approach in its dealings with its Shareholders and WRSC.

Reporting

By 1 March in each year WREDA will deliver to the Shareholders its draft **Statement of Intent** for the following year in the form required by Clause 9(1) of Schedule 8 and Section 64 (1) of the Local Government Act 2002.

Having considered any comments from the WRSC received by 30 April, the Board will deliver the completed SOI to the Shareholders on or before 30 June each year.

WREDA STATEMENT OF INTENT 2018-21

By 31 October and 30 April each year, WREDA will provide to the Shareholders a **quarterly report**. The quarterly report will include WREDA's commentary on operations for the relevant quarter and a comparison of WREDA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.

By the end of February each year, WREDA will provide to the Shareholders a **Half Yearly Report** complying with Section 66 of the Local Government Act 2002.

By the end of September each year, WREDA will provide to the Shareholders an **Annual Report** on the organisations operations during the year. This will include audited financial statements in accordance with generally accepted accounting practices and NZ International Financial Reporting Standards. The Annual report shall also contain an Auditor's report on both those financial statements and the performance targets and other measures by which performance was judged in relation to that organisation's objectives.

Acquisition/Divestment Policy

Any subscription, purchase of acquisition by WREDA of shares in a company or organisation will require Shareholder approval, other than those shares received in return for providing mentoring services.

Commercial value of Shareholder's investment

WREDA will seek to achieve the outcomes as set by the WRSC and its Shareholders from time to time.

WREDA's share capital is represented by \$1,000 fully paid shares.

Shareholder's funds at 30 June 2017 was \$2.4m, this is considered by the Board to be the current commercial value of WREDA.

Accounting Policies

WREDA has adopted accounting policies that are in accordance with the NZ International Financial Reporting Standards and generally accepted accounting practice. The detailed policies are as disclosed in WREDA's 2016/2017 Annual Report.

WREDA STATEMENT OF INTENT 2018-21

Financial Forecasts

| STATEMENT OF FINANCIAL PERFORMANCE | | | |
|---|-------------------|-------------------|-------------------|
| | 2018/19 | 2019/20 | 2020/21 |
| REVENUE | | | |
| Revenue from Shareholders | 21,285,675 | 21,371,527 | 21,459,096 |
| Other Revenue | 9,406,092 | 10,346,701 | 11,287,310 |
| TOTAL REVENUE | 30,691,767 | 31,718,228 | 32,746,406 |
| EXPENDITURE | | | |
| Cost of Goods Sold in iSITE | 1,900,000 | 2,090,000 | 2,299,000 |
| Personnel Costs | 11,749,583 | 12,043,322 | 12,344,405 |
| Investment in Projects and Events | 14,510,619 | 15,300,624 | 16,041,273 |
| Other Expenditure | 2,472,825 | 2,225,543 | 2,002,988 |
| TOTAL EXPENDITURE | 30,633,027 | 31,659,488 | 32,687,666 |
| SURPLUS | 58,740 | 58,740 | 58,740 |

| STATEMENT OF FINANCIAL POSITION | | | |
|--|------------------|------------------|------------------|
| | 2018/19 | 2019/20 | 2020/21 |
| SHAREHOLDER FUNDS | 2,064,056 | 2,122,796 | 2,181,536 |
| ASSETS | | | |
| Current Assets | 3,714,056 | 3,947,796 | 4,181,536 |
| Investments | 1,500,000 | 1,500,000 | 1,500,000 |
| Fixed Assets | 350,000 | 375,000 | 400,000 |
| TOTAL ASSETS | 5,564,056 | 5,822,796 | 6,081,536 |
| CURRENT LIABILITIES | 3,500,000 | 3,700,000 | 3,900,000 |
| NET ASSETS | 2,064,056 | 2,122,796 | 2,181,536 |

WREDA STATEMENT OF INTENT 2018-21

| STATEMENT OF CASHFLOWS | | | |
|-------------------------------|------------------|------------------|------------------|
| | 2018/19 | 2019/20 | 2020/21 |
| OPENING CASH | 2,100,000 | 2,000,000 | 1,900,000 |
| Operating Cash Receipts | 30,691,767 | 31,718,228 | 32,746,406 |
| Operating Cash Payments | 30,905,867 | 31,937,328 | 32,687,666 |
| Other Receipts | 114,100 | 119,100 | 124,100 |
| Other Payments | 0 | 0 | 0 |
| NET CASHFLOW | - 100,000 | - 100,000 | 182,840 |
| CLOSING CASH | 2,000,000 | 1,900,000 | 2,082,840 |



| | |
|------------------|---|
| Report | 18.146 |
| Date | 16 April 2018 |
| File | CCAB-15-228 |
| Committee | Wellington Regional Strategy Committee |
| Authors | Samantha Seath, WRS Office |

Wellington Regional Investment Plan

1. Purpose

To provide an update on the Wellington Regional Investment Plan (WRIP) Project.

2. Background and comment

At the WRS Committee workshop on the 29 August 2017 the Committee first discussed the possibility of developing a Wellington Region Investment Plan.

Intent of the plan is to identify and bring together the opportunities and challenges across the region to support a joined up approach to regional economic growth.

This was further discussed and agreed at the WRS Committee on 21 November and by the Chief Executives on 8 December 2017.

Purpose

The purpose of the Wellington Regional Investment Plan is to support the Wellington Regional Strategy in building a resilient economy that retains and creates jobs and enables the growth of high value companies.

It will do this by identifying and assessing the significant opportunities that will encourage economic growth and employment across the Wellington region. Understanding the constraints to growth and what actions need to be taken to realise that growth over the medium term (1-10 years).

One of the key purposes will be to enable the region to collectively have a conversation with central Government about the opportunities for partnership.

Outcome

A Plan that identifies existing and new potential opportunities for investment across the region. The Plan will be action oriented, build on the strengths of the region as well as address any limitations. It will include a supporting chronological work programme to enable partnerships and help unlock resources which are potentially available to assist with implementation.

The work will identify where value can be added, integration achieved and opportunities already in train across the region leveraged – including local activity, Government actions and private sector.

It is envisaged that the Plan will be live and updated over time as new information becomes available.

Process

The Plan is being developed through a series of facilitated workshops involving senior council officers, businesses and investors and other stakeholders, supported by an external consultant.

It builds on and integrates existing regional reports and economic data and knowledge, including investment proposed by councils through their Long Term Plans and Government.

It brings together existing prioritised programmes and looks at these from an integrated perspective across the region, focussing on the potential to drive economic development outcomes.

The project is being managed through the WRS Office with a steering group of senior managers from all councils, WREDA and the New Zealand Transport Agency (NZTA). Council CEOs are also providing guidance to the project.

Scope

The scope of the Plan is envisaged to include the following:

State of the Economy

An economic analysis of the region identifying:

- What is working well
- Where we are underperforming
- Cross cutting issues
- An understanding of current and future local, regional, national & global trends

Collective Investment Plans (Infrastructure, growth projects, skills etc)

- When are they planned
- By whom

- What is the desired outcome

Other Interventions that are planned

Identification of other interventions across the region which may impact and/or support growth and investment opportunities.

Gaps and Opportunities

Identification of the gaps and opportunities across the Region. Understanding of any possible cross regional opportunities.

Action Plan

Utilising the above information the plan will include:

- Specific achievable and measurable projects
- A chronological mapping of the opportunities
- Clearly identified leaders and support partners for each project

Separate projects looking at the Māori economy and the labour market will be factored into the development of the Plan as they are progressed.

The Plan will identify both regional and sub-regional priorities including:

- Wellington City CBD
- Metro areas
- Wairarapa

The Plan will identify where projects support these particular areas but also show their overall impact on the Region.

Timeframe

It is intended that a first draft Plan will be completed by June 2018.

Focus Areas

Initial work has identified the following key focus areas for the WRIP:

- Housing and liveability
- Economic enablers (i.e. workforce, enterprise, education)
- Visitor Sector
- Specialisation (i.e. sector stimulation, clustering)

These are supported by the key infrastructure enablers of:

- Water
- Transport
- Resilience
- Digital

3. Communication

Following completion of a draft Plan, further discussions will be held with central Government on the opportunities and the region's priorities.

The strength of this Plan will be the collective voice that it brings advocating the region's priorities and bringing resources to enable implementation. As such, careful consideration will need to be given as to how local projects and opportunities are advanced in the interim period. In particular it is important that a collective discussion with central Government is advanced on potential partnership opportunities.

4. The decision-making process and significance

Officers recognise that the matters referenced in this report may have a high degree of importance to affected or interested parties.

The matter requiring decision in this report has been considered by officers against the requirements of Part 6 of the Local Government Act 2002 (the Act). Part 6 sets out the obligations of local authorities in relation to the making of decisions.

4.1 Significance of the decision

Part 6 requires Greater Wellington Regional Council to consider the significance of the decision. The term 'significance' has a statutory definition set out in the Act.

Officers have considered the significance of the matter, taking the Council's significance and engagement policy and decision-making guidelines into account. Officers recommend that the matter be considered to have low significance.

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

4.2 Engagement

In accordance with the significance and engagement policy, no engagement on the matters for decision is required.

5. Recommendations

That the Committee:

- 1. Receives the report.*
- 2. Notes the content of the report.*
- 3. Endorses the work underway to implement the Wellington Regional Investment Plan.*

Report prepared by:

Report approved by:

Report approved by:

Samantha Seath

WRS Office

Greater Wellington Regional Council

Nicola Shorten

Manager, Strategic and

Corporate Planning,

Greater Wellington Regional

Council

Luke Troy

GM Strategy

Greater Wellington Regional

Council