

# **Wellington Regional Economic Development Agency**

## **Statement of Intent 2016 - 2019**

March 2016

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## Foreword

The Wellington Regional Economic Development Agency (WREDA) exists to catalyse economic growth in Wellington and to advance the prosperity and liveability of this great region.

This Statement of Intent sets out WREDA's ambitions and programmes of work for the 2016-2019 period. It builds on the initial 2015/16 Statement, and is an evolution of the work begun therein. Over the next twelve months we will continue building internal capability, focusing resources to deliver greater ongoing value for stakeholders, and coordinating operations to leverage the cross-sector potential of our amalgamated agency.

The period covered by this Statement of Intent sees WREDA transition from multiple agencies united in name, to a new, cohesive organisation, catalysing activity in the economy in new ways. This Statement of Intent is not written simply as a compliance document, but rather as a 'call to arms' for WREDA and the various stakeholders – residents, businesses, Government and City/Regional entities – who have a vested interest in Wellington's long-term success. Only consistent, constructive and collective action, motivated towards achieving our goals and enabling the 2025 vision for Wellington, can bring success.

Wellington is on the cusp of its next phase of significant evolution. The 2016 – 2019 period will be one of economic and cultural advancement, with investment in infrastructure, such as the Roads of National Significance, Wellington Convention Centre and Movie Museum, hotels, port and airport, being at the forefront. At the end of 2015, Wellington's economy showed clear signs of new momentum. WREDA's role is to further stimulate and leverage that momentum shift.

This Statement of Intent outlines a programme of action for WREDA, aligned wherever possible to quantifiable results. Our overarching goal for 2016 - 2019 is to 'shift the dial', generating significant measurable improvement across a range of regional economic indicators. This requires us to not simply maintain the momentum of our current core business programmes, but to also focus on new initiatives. Among these are programmes to leverage infrastructure investment to maximise return for the region, significantly increase our international student population, and scale up target sector businesses.

Our programmes of work are specifically designed around building effective partnerships for growth. We are committed to working collaboratively with all Councils in the region, as well as other Council-Controlled Organisations, business, government and civil society. We will further our relationships with regional iwi, both as unique and important economic entities, and as historic guardians of the story of this place. Nationally, we will further develop our partnership with central government, working in concert with their programmes and priorities, as well as building practical relationships with our economic development agency equivalents in the other major centres. We believe in a strong, growing, robust and resilient Wellington playing a leading role in 'New Zealand Inc.', and establishing a lasting legacy for both region and country.

Chris Whelan  
Chief Executive

Peter Biggs  
Board Chair

Wellington Regional Economic Development Agency

## Background

WREDA is owned by Wellington City Council (WCC) and Greater Wellington Regional Council (GWRC), on behalf of the region. Funding for WREDA comes from these two councils, central government and the private sector.

WREDA combines the activities and functions of legacy organisations, previously located within, and supported by the two shareholders – Grow Wellington and its subsidiary, Creative HQ; Positively Wellington Tourism; Positively Wellington Venues. Projects related to the Major Events function of WCC have been provisionally included in this document, with the expectation of the office formally joining WREDA by 1 July 2016.

This Statement of Intent responds to the Wellington Regional Strategy (WRS) Committee's December 2015 Letter of Expectation (refer to Appendix 1). This Letter of Expectation sets out the matters which the Committee wants WREDA to particularly consider in respect of the Statement of Intent.

The Statement of Intent reflects the work of the WREDA Chief Executive and leadership team (the 'WREDA Executive') in determining the optimal actions and outcomes for the next three years of this new, amalgamated organisation.

## Why? Our vision for Wellington

In early 2015 the WREDA board of directors set out the 'Plan on a Page' for WREDA (Appendix 2). This document is led by a vision of Wellington as:

### **The most prosperous, liveable, and vibrant region in Australasia by 2025**

The vision is deliberately bold, aspirational and provocative. The implicit challenge for WREDA is to lead a new phase of transformational change for Wellington's economy. The vision demands that Wellington exceed expectations, compete in a global context, and become internationally recognised as a leading city region.

Furthermore, the vision carries the notion that prosperity, vibrancy and liveability are symbiotic. Each quality enhances the other two, and success requires coordinated management of all three.

We see Wellington thriving in 2025, with robust growth and high social mobility, attracting people from across New Zealand and the world. Wellington will be the 'place of the possible', a destination of choice to visit, study, work, live, invest and succeed. Our commercial reputation will be as a 'living lab', a globally-connected leader in creative solutions and design-thinking, with a work-life balance opportunity that is the envy of the world.

Achieving this vision requires us to think and behave differently. Wellington is a city region with a distinctive set of skills, resources and opportunities. WREDA is committed to pursuing the realisation of this unique potential with the same boldness and ambition that informed our founding vision.

## What? Our mission and objectives

WREDA is fundamentally a catalyst agency. We work with partners and stakeholders across the economy to achieve our shared objectives. This principle is defined in our mission, which is to:

**Work with business, government and other leaders to enable the future economic growth and prosperity of the Wellington region.**

To achieve our mission we have identified seven fundamental objectives for our work. These objectives are aligned to the Letter of Expectation for the 2016-2019 period. However, they go beyond compliance and form the ‘true north’ indicators for the WREDA team to set their course of action at both the macro- and micro level. All of our programmes and projects contribute to these objectives, with many components contributing to several of them.

Table 1 lays out WREDA’s broad objectives. Key indicators, which WREDA will monitor, are set against each one.

OBJECTIVE	MEASURE
Enable increased employment	Number of jobs, employment rate
Accelerate and grow scalable businesses	Growth rates of participating companies
Develop, leverage and enhance the city region’s vibrancy and liveability	Global liveable city rankings (e.g. Mercer, Monocle, EIU)
Grow the visitor economy, attracting and retaining iconic events – sporting, cultural and business	Guest nights, visitor expenditure, event attendance
Increase international student numbers	International student enrolments
Increase in-migration	Migrant numbers
Attract and retain (foreign) direct investment	Number of businesses in the region

Table 1: WREDA objectives and measures

Year-by-year projections against these measures and objectives are contained in the Performance measures section (p.21).

### ‘Shifting the dial’

In addition to these longer-term objectives, we have identified six short- to medium-term priority objectives for the period of this Statement of Intent. These represent focus points designed to ‘shift the dial’ for Wellington’s economy, generating new momentum and growth. Complementary to WREDA’s ‘core business’ operational plans and objectives, they directly respond to specific areas of interest within the Letter of Expectation.

The six objectives between now and the end of FY2018/19 are:

1. Increasing the number of international, fee-paying student enrolments in the region to more than 10,000<sup>1</sup>;
2. Successfully accelerate the growth of 10 scale-up businesses, within Wellington’s target sectors (Technology, Education, Creative, High-Tech Manufacturing) each year of the scale up programme;
3. Catalyse investment to deliver 500 new hotel beds;

<sup>1</sup> Representing a net increase of 3300+ students (or 45%) 2015-2019

4. Support, via ongoing marketing and promotion, delivery of new air connectivity, including assisting Singapore International Airlines' Capital Express to achieve a minimum average 75% loading over the period;
5. Complete, articulate and obtain broad buy-in for the 'Vision 2025' regional narrative and scenarios (setting out a cohesive future vision for the region);
6. Establish and sustain the Wellington Partnership, bringing together Wellington's business, government and civil society leaders to collaborate around growth, prosperity, vibrancy and liveability opportunities;

Objectives 1-4 contain directly measurable results, with 5 and 6 representing specific actions which will enable and empower the development of further initiatives and targets. Collectively, these objectives will build deep-rooted, long-term regional success.

### **Internal objectives**

As a newly-amalgamated organisation, WREDA also has critical internal objectives that will underpin effective delivery on our mission. These are to:

1. Develop an integrated organisation; structurally, operationally and culturally;
2. Maintain responsiveness to our shareholders and other stakeholders;
3. Position WREDA as the go-to agency for regional economic data, trends, knowledge, opportunities, i.e. "Foresight Central"; and
4. Become an 'employer of choice' in Wellington, attracting highly skilled people to the team.

Our opportunity in WREDA's initial years is to build a positive, constructive culture and a strong foundation from which our employees can operate as a high-performing team. Our measure will be via an Organisational Culture Inventory survey, with a target of reaching and maintaining a score of greater than 90%.

## How? Strategies and tactics for 2016 - 2018

### Scope of activity

In the Plan on a Page (Appendix 2), five pillars of action delineate the scope of WREDA activity:

- Enable sustainable growth
- Deliver an outstanding events/activity programme befitting New Zealand’s most vibrant city region
- Become exceptionally influential and connected
- Be an acclaimed hub of creativity, culture and technology
- Create and sustain a compelling regional narrative

Figure 1. Extract from Strategic Plan on a Page



The Table of Key Projects and Programmes (pg.9) organises WREDA’s intended work and activity under these pillars. These projects and programmes comprise both short- to medium-term catalytic interventions and components of longer-term, ongoing work.

Wherever possible, measures have been included and formulated with ‘stretch’ targets, as mandated by the Letter of Expectation.



## Table of Key Projects and Programmes

Key Projects and Programmes	Description	Measuring Programme Success
<b>Enable sustainable growth</b>		
<ul style="list-style-type: none"> <li>• Enhance and strengthen competitive advantage sectors</li> <li>• Nurture and grow emerging businesses</li> <li>• Position the region as the destination of choice among quality companies, investors, migrants, visitors and students</li> <li>• Engage with iwi</li> <li>• Retain existing significant businesses</li> <li>• Champion new infrastructure development and the optimisation of existing assets</li> <li>• Encourage and drive collaboration and regional innovation to develop new commercial offerings and models</li> </ul>		
Leverage major infrastructure investment	<ul style="list-style-type: none"> <li>• Analyse, understand and articulate the economic opportunities unlocked by major private and public asset or infrastructure investment projects within the region</li> <li>• Coordinate direct activity in support of major investment projects, including:               <ul style="list-style-type: none"> <li>○ Singapore Airlines 'Capital Express' service</li> <li>○ Wellington Convention Centre and Film Museum</li> <li>○ Wairarapa Water Use Project</li> <li>○ Wellington Airport runway extension</li> <li>○ Hotel development</li> <li>○ Gracefield development</li> </ul> </li> <li>• Link each of these projects with Wellington's strengths/ gaps/ opportunities in our key sectors.</li> </ul>	<ul style="list-style-type: none"> <li>• Singapore Airlines Startup campaign successfully delivered</li> <li>• Singapore Airlines Capital Express load at or above 75%</li> <li>• Three tradeable/investable projects defined based on Singapore and/or Canberra opportunities</li> <li>• Three new conventions booked for Year 1 of operations</li> <li>• Wellington interest in participating in NZTE/TNZ 'Project Palace' bringing hotel investment to Wellington represented</li> </ul>
Execute Wellington scale-up programme	Create and conduct a targeted programme to assist scale-ready Wellington businesses to grow by enabling skills-, capital-, and market-access	<ul style="list-style-type: none"> <li>• 10 companies complete initial programme, achieving average 50% revenue growth (end FY17)</li> </ul>
Conduct Creative HQ programmes <sup>2</sup>	<ul style="list-style-type: none"> <li>• Execute incubation / high growth programme for startups</li> <li>• Conduct R9 v3 / GovTech Accelerator, co-developed and delivered with MBIE, delivering innovation for government</li> <li>• Execute Venture Up, delivering entrepreneurial education and training for young entrepreneurs in collaboration with MSD and Callaghan Innovation</li> </ul>	<ul style="list-style-type: none"> <li>• Creative HQ's portfolio value exceeds \$1.5m by FY2019</li> <li>• 50% of the GovTech accelerator teams receive funding to continue their work for at least 12 months</li> </ul>

<sup>2</sup> These initiatives are dependent on a funding decision from MBIE. The current Accelerator awards programme ends on June 2016

Key Projects and Programmes	Description	Measuring Programme Success
	<ul style="list-style-type: none"> <li>• Execute at least one Lightning Lab accelerator programme annually</li> </ul>	<ul style="list-style-type: none"> <li>• 50 students attending Venture Up programme, rising to 75 by FY2019</li> <li>• 50% of Lightning Lab teams receive investment offers on Demo Day</li> <li>• \$3.5M of investment raised six months post Demo Day (for Lightning Lab teams) in FY2017, rising to \$.5M in FY2019</li> </ul>
Deliver Regional Business Partner Programme	<p>Deliver the Regional Business Partner Programme in conjunction with the Wellington Chamber of Commerce. The programme includes facilitating access to:</p> <ul style="list-style-type: none"> <li>• Business and innovation support</li> <li>• Business mentors services</li> <li>• Capability development vouchers and getting started (R&amp;D) grants</li> <li>• Innovation advice and funding services</li> </ul>	<ul style="list-style-type: none"> <li>• Portfolio of 470 customers per annum actively managed</li> <li>• 168 of the 470 customers are matched with a business mentor</li> <li>• Regional businesses given access to over \$2M R&amp;D investment in priority sectors (Creative, Tech, High-tech manufacturing, Government, Visitor Economy, Education)</li> </ul>
Deliver Screen Wellington programme	<ul style="list-style-type: none"> <li>• Deliver support service for local and international screen production, including: <ul style="list-style-type: none"> <li>○ sourcing of locations &amp; facilities</li> <li>○ issuing film permits on behalf of councils</li> <li>○ liaising between productions and Wellington region businesses and public, to demonstrate and reinforce Wellington's "film-friendly" status</li> </ul> </li> <li>• Deliver screen production attraction programme, including: <ul style="list-style-type: none"> <li>○ famils and hosting focused on independent film producers</li> <li>○ leveraging co-production treaties in the mid-tier markets in the US and Australia</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Increase in number of screen permits issued by 10% p.a. <ul style="list-style-type: none"> <li>• FY15/16 = 300</li> <li>• FY16/17 = 330</li> <li>• FY17/18 = 363</li> <li>• FY18/19 = 400</li> </ul> </li> <li>• Host three familiarisation visits from international screen companies</li> <li>• Deliver Producers and Directors Masterclass in conjunction with SPADA (Screen Producers and Directors Association)</li> <li>• Enable screen production into the Wellington Region with a combined</li> </ul>

Key Projects and Programmes	Description	Measuring Programme Success
	<ul style="list-style-type: none"> <li>Increase commercial capability of screen producers, directors and writers</li> </ul>	<p>production value of \$100m p.a.</p> <ul style="list-style-type: none"> <li>FY14/15 = \$120M</li> <li>FY15/16 = \$74M</li> <li>FY16/17 = \$100M</li> <li>FY17/18 = \$100M</li> <li>FY 18/19 = \$100M</li> </ul> <p>Contributing to an overall Wellington Screen Sector value of +\$700M p.a.<sup>3</sup></p>
Conduct sector growth initiatives	<p>Deliver programmes and projects across priority sectors:</p> <ul style="list-style-type: none"> <li><u>Creative:</u> <ul style="list-style-type: none"> <li>Investigate potential benefits of a regional sound studio</li> <li>Scope and delivery of a creative services export programme</li> </ul> </li> <li><u>Tech:</u> <ul style="list-style-type: none"> <li>Profile the Wellington tech sector capability and seek trade results from it</li> <li>Deliver support for industry clusters such as Game Dev network</li> <li>Pending completion of validation, proposition developed to promote Wellington as a cybersecurity hub.</li> </ul> </li> </ul> <p><u>High Value Manufacturing (including food and beverage)</u></p> <ul style="list-style-type: none"> <li>Deliver support for industry clusters such as Wellington Wine Country and Craft Beer Capital</li> <li>Increase support for resident multinational companies and validation of off-shore multinational R&amp;D attraction programme</li> <li>Provide industry facilitation for projects such as Greenfield redevelopment and Wellington ICT Graduate School</li> </ul>	<ul style="list-style-type: none"> <li>Feasibility of regional sound studio confirmed (or rebutted)</li> <li>Resulting projects confirmed &amp; scoped (FY17)</li> <li>Placement of 200 interns into key sectors</li> <li>Business relocation into Wellington worth \$10M per annum</li> <li>One export programme delivered for creative services industries.</li> <li>Wellington tech week / SxSW feasibility confirmed (or rebutted)</li> <li>Leverage projects scoped (FY 17)</li> <li>Wellington cybersecurity hub scoped, costed and projects validated (FY17)</li> </ul>

<sup>3</sup> Total screen sector value (~\$700M) includes production and post-production companies operating in Wellington. Screen Wellington reports on the component of this total derived from incoming production projects facilitated by the office

Key Projects and Programmes	Description	Measuring Programme Success
	<p><u>Education</u></p> <p>Wellington International Student Growth Programme (WISGP)</p> <ul style="list-style-type: none"> <li>• Work in partnership with education sector to increase the number of IFPS in Wellington through projects which: <ul style="list-style-type: none"> <li>○ Market Wellington as a destination</li> <li>○ Increase local capacity for students</li> <li>○ Improve the Student Experience</li> <li>○ Enhance pathways to further education and employment</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• At least two destination marketing or agent training missions held in target markets</li> <li>• 10 secondary schools engaged in international student programme</li> <li>• International student enrolments: <ul style="list-style-type: none"> <li>○ 2016<sup>4</sup> = 7881</li> <li>○ 2017 = 8512</li> <li>○ 2018 = 9278</li> <li>○ 2019 = 10206</li> </ul> </li> </ul>
Address skills shortages in regional workforce	<ul style="list-style-type: none"> <li>• Complete a regional skills audit to identify current and future skills shortages</li> <li>• Develop programmes to attract, retain and develop workforce in partnership with target sector and education providers</li> </ul>	<ul style="list-style-type: none"> <li>• Regional skills audit complete in FY2017</li> <li>• Resultant programmes underway in FY2018</li> <li>• Shortages identified in audit demonstrate measurable improvement by FY2019</li> </ul>
<b>Deliver an outstanding events &amp; activity programme befitting New Zealand's most vibrant city region</b>		
<ul style="list-style-type: none"> <li>• Produce a strategically-driven, coordinated annual calendar of cultural, sporting and business events</li> <li>• Attract and develop events that fit and amplify the region's positioning</li> <li>• Significantly grow event reputation and attendance</li> </ul>		
Review and Reshape the Major Events calendar	<p>Implement a portfolio approach to how we invest, develop, retain and attract major events</p> <p>Achieve the following key outcomes:</p> <ul style="list-style-type: none"> <li>• Economic impact on the region's economy</li> <li>• Create leverage opportunity for the city and region</li> <li>• Contribute to the social wellbeing and liveability of Wellington</li> </ul>	<ul style="list-style-type: none"> <li>• New portfolio investment framework confirmed and operational by August 1, 2016</li> <li>• Review of all events in portfolio against the investment framework and scorecard and previously completed economic impact assessment completed by September 1, 2016</li> </ul>

<sup>4</sup> Student enrolments measured on calendar, rather than financial year

Key Projects and Programmes	Description	Measuring Programme Success
	<ul style="list-style-type: none"> <li>• Work with the Territorial Authorities to create a coordinated events calendar for the region</li> <li>• Leverage major events to strengthen and grow relationships with key sector leaders, including educational institutions (e.g. Massey University and Victoria University), the Creative including film and screen) sector, key cultural institutions (e.g. Te Papa, NZSO, RNZ Ballet)</li> </ul>	<ul style="list-style-type: none"> <li>• Review of events calendar, including the identification of future opportunities to improve and enhance the portfolio completed by December 1, 2016</li> <li>• 4 business leverage opportunities identified and activated</li> </ul>
Deliver 12 months 'major events' programme	<ul style="list-style-type: none"> <li>• Deliver compelling events programme and enhance relationship with key clients, event rights holders and partners</li> <li>• Manage key event partnerships to ensure the efficient delivery of operations, maximising leverage for the city region</li> <li>• Adopt protocols between WREDA and WCC City Events to ensure coordinated activities</li> <li>• Deliver committed 'major events' and integrate city region calendar of events</li> </ul> <p>Major Events calendar highlights include:</p> <ul style="list-style-type: none"> <li>• NZ Festival</li> <li>• CubaDupa</li> <li>• Jazz Festival</li> <li>• NZ v Wales rugby Test</li> <li>• Visa Wellington On a Plate</li> <li>• NZ v Australia rugby Test</li> <li>• World of WearableArt Awards Show</li> <li>• Black Caps Cricket</li> <li>• Pinot Noir Festival</li> <li>• NZ Brass Band Championships</li> <li>• British and Irish Lions Tour</li> <li>• Lux</li> <li>• Asia Pacific Amateur Golf Championships</li> </ul>	<ul style="list-style-type: none"> <li>• Investment in the portfolio of events delivers a return of 20:1, based on ROI of direct new spend from out-of-region visitors.</li> <li>• Total direct new spend from out of region visitors &gt; \$90M <ul style="list-style-type: none"> <li>○ FY14/15 = \$107.6M (actual)</li> <li>○ FY15/16 = \$90M (budgeted target in LTP)</li> <li>○ FY16/17 = \$90M</li> <li>○ FY17/18 = \$110M</li> </ul> </li> <li>• Total audience attending supported events of &gt; 500,000 <ul style="list-style-type: none"> <li>○ FY15/16 = 500,000</li> <li>○ FY16/17 = 600,000</li> <li>○ FY17/18 = 700,000</li> <li>○ FY18/19 = 700,000</li> </ul> </li> </ul>
Develop and grow performance event audiences	<ul style="list-style-type: none"> <li>• Extend collaborative working processes and promotion packages to raise local and out of town audiences in our venues and across the region</li> <li>• Provide an events programme that is stimulating to local audiences and raises the profile of Wellington to our target audiences, such as potential students and skilled migrants</li> </ul>	<ul style="list-style-type: none"> <li>• Grow audiences by 5%, with a 2.5% increase in out-of-towners p.a.</li> <li>• Client satisfaction through surveys is 90% or higher in our venues</li> </ul>

Key Projects and Programmes	Description	Measuring Programme Success
Develop product	Leverage key partnerships and contracts to enhance our event delivery and increase utilisation and showcase the Wellington story -	<ul style="list-style-type: none"> <li>• 5% increase in spend per person per event annually</li> <li>• Increase the number of sellable days per annum by 5 as a result of greater efficiencies from partnerships and faster set ups and turnarounds. (Average 400 days per year, actuals for 2014/15 is 405, tracking for 400 2015/16)</li> <li>• Venue utilisation &gt;56%</li> </ul>
Develop Client Services	Build our in-house venue services to enhance Wellington's reputation as an easy and highly sought-after place to host events <ul style="list-style-type: none"> <li>• Set industry benchmarks in our front and back of house delivery, striving for world class</li> <li>• Showcase 'Safety as a Service' by ensuring H&amp;S compliance is user-friendly for our hirers and suppliers and be at the forefront of H&amp;S in NZ's event and venue industry.</li> </ul>	<ul style="list-style-type: none"> <li>• Client satisfaction through surveys is 90% or higher</li> <li>• Deliver key hirer and supplier workshops in H&amp;S, solidifying PWV's position as industry-leaders in H&amp;S</li> </ul>
Leverage the 2017 Lions rugby tour	Wellington will host a week of Lions rugby in 2017. WREDA will build a programme of visitor attraction and activation to maximise visitor attendance, commercial accommodation, hospitality spend and overall economic impact. In addition, WREDA will work with business, central and local government agencies, and their dedicated programmes to maximise the exposure opportunity for the Wellington region	<ul style="list-style-type: none"> <li>• Media exposure, outside of WREDA proactive marketing, of \$500,000 (AVE)</li> </ul> <p>All Blacks vs Lions</p> <ul style="list-style-type: none"> <li>○ International visitors = 12,500</li> <li>○ Domestic OOR visitors = 6750</li> <li>○ Total economic impact = \$19,050,000</li> </ul> <p>Hurricanes vs Lions</p> <ul style="list-style-type: none"> <li>○ International visitors = 6000</li> <li>○ Domestic OOR visitors = 2500</li> </ul>

Key Projects and Programmes	Description	Measuring Programme Success
		Total economic impact = \$8,700,000
<b>Become exceptionally influential and connected</b>		
<ul style="list-style-type: none"> <li>• Win and retain the admiration and respect of regional, national and global leaders, influencers and key stakeholders</li> <li>• Enable the region to connect easily and quickly both internally and externally</li> <li>• Grow an active champions network for the region among key stakeholders</li> </ul>		
Form the Wellington Partnership	<ul style="list-style-type: none"> <li>• Establish a high-level network of leaders and influencers to assist with development and amplification of a credible Wellington 'proposition' optimised for specific business and sector opportunities – i.e. "Why Wellington?"</li> <li>• Coordinate regular engagement sessions with Wellington Partnership members to validate, influence and contribute to Wellington-wide projects</li> <li>• Ensure that WREDA relationships: <ul style="list-style-type: none"> <li>○ Are embedded in business, iwi government and civil society</li> <li>○ Are knowledgeable about Wellington's focus sectors</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly CEO hosted events, with participation by the region's senior business, government and civil society leaders</li> <li>• Quarterly Thought Leader working forum sessions, with between 50-75 leaders per session</li> </ul>
Enhance global liveability reputation	<p>Wellington recently achieved 12<sup>th</sup> position on Mercer's global Quality of Living Survey, highlighting the city region's good base for growth. In the 2016-2019 period, WREDA will work with the WCC, GWRC (and other regional councils) as well as central Government to address achieving 'Top 5' outcomes:</p> <ul style="list-style-type: none"> <li>• Engage with high-profile global ranking platforms to understand key metrics</li> <li>• Socialise plan to address development areas</li> <li>• Monitor achievements and articulate successes</li> </ul>	<ul style="list-style-type: none"> <li>• Wellington city region in Mercer 'Top 5' most Liveable Cities by 2018 (12<sup>th</sup> in 2016)</li> <li>• Wellington in Top 20 of Economist Intelligence Unit Global Liveability ranking (#23 in 2015)</li> <li>• Wellington featured in Monocle Cities Survey</li> </ul>
Conduct startup forum	WREDA, via Creative HQ, will facilitate a forum for key decision makers and leaders from the startup ecosystem in Wellington.	<ul style="list-style-type: none"> <li>• At least 25 leaders/investors participating in the forum on a regular basis</li> <li>• At least 5 events held p.a.</li> </ul>

Key Projects and Programmes	Description	Measuring Programme Success
Champion Wellington success in the media	Be the go-to organisation for media seeking comment on Wellington's regional economic development, and pro-actively generate media coverage highlighting Wellington success stories	<ul style="list-style-type: none"> <li>• Average 25 stories per month in national media outlets</li> </ul>
<h3>Be an acclaimed hub of creativity, culture and technology</h3>		
<ul style="list-style-type: none"> <li>• Attract and retain all national arts and cultural institutions</li> <li>• Be renowned for design and innovation across regional offerings with a competitive, distinctive edge</li> <li>• Ensure the events frameworks echoes this positioning</li> <li>• Be the preferred location for New Zealand's creative talent</li> </ul>		
Enhance the regional promotion role of the events calendar	<ul style="list-style-type: none"> <li>• Work with resident hirers and international embassies to develop product aimed at the key WREDA sectors such as students and skilled migrants</li> <li>• Showcase quality regional produce, in our venues</li> <li>• Work with a Canberra-based performing arts centre to investigate a capital-to-capital performance exchange to leverage and support new air connection</li> </ul>	<ul style="list-style-type: none"> <li>• Secure one new production per annum as a result of collaborating with resident hirers and international embassies</li> <li>• Secure one new performance annually via Canberra relationship</li> </ul>
Leverage World of Wearable Arts Exhibition	In July 2016, WOW will be launching their exhibition in Seattle. WREDA will utilise the opportunity (along with several central Government agencies) to develop trade, education and investment and visitor economy opportunities	<ul style="list-style-type: none"> <li>• 3 new relationships formed between Wellington institutions and North American design schools</li> <li>• 3 US study abroad programmes established between Wellington and tertiary institutions in North America</li> <li>• 3 partnership opportunities identified for Wellington based companies with an existing Seattle presence</li> <li>• Media exposure, of \$250,000 (AVE)</li> </ul>
<h3>Create and sustain a compelling regional narrative</h3>		
<ul style="list-style-type: none"> <li>• Create globally recognised, compelling and well-targeted marketing campaigns</li> <li>• Create a business development environment like no other</li> <li>• Reconfirm pride of place for Wellingtonians</li> <li>• Be an advocate for the interests of all Wellingtonians</li> </ul>		



Key Projects and Programmes	Description	Measuring Programme Success
Curate the Wellington narrative	<p>Wellington has several ‘narratives’ which together offer compelling reasons to live, work, play and study in the city region. WREDA will curate the bringing together of these narratives to inform the city region’s local, national and global positioning.</p> <ul style="list-style-type: none"> <li>• Collate existing narrative and assess global versus ‘internal’ perceptions</li> <li>• Articulate the ‘Why Wellington?’ story, clearly understanding the business case for talented, high-skilled migrants choosing to locate in the city region</li> <li>• Utilise the Wellington Partnership to both develop and test the narrative, i.e. socialise the narrative to ensure buy-in and ownership</li> <li>• Build the Wellington Narrative as a region-wide story</li> <li>• Leverage WREDA marketing and communication capabilities to disseminate the narrative globally</li> </ul>	<ul style="list-style-type: none"> <li>• Wellingtonians – across business, government and civil society – know and ‘tell’/speak the Wellington narrative</li> <li>• Participants in the Wellington Partnership are ‘bought into’ the broad Wellington narrative</li> <li>• The narrative is actively told by Wellington leaders and media (qualitative media analysis measures under development)</li> </ul>
Conduct destination marketing campaigns	<ul style="list-style-type: none"> <li>• Maintain, build and develop WellingtonNZ.com and the Wellington venues website audience through digital audience development, integrated marketing campaigns and maximising exposure through provision of a single portal</li> <li>• Deliver domestic marketing campaign in partnership with Wellington city region commercial partners</li> <li>• Execute Australia market visitor campaign with city and regional partners, (which is) integrated with trade and investment marketing activity. Leverage the Capital Connection</li> <li>• Represent Wellington in international visitor markets through participation in Tourism New Zealand-led international trade and media programmes</li> <li>• Provide marketing support to events held in the Wellington city region, providing priority to those events which bring increased visitor spend to the city region</li> </ul>	<ul style="list-style-type: none"> <li>• Domestic visitor nights increase by 6% annually <ul style="list-style-type: none"> <li>○ FY14/15 = 4.5%</li> <li>○ FY15/16 = 7.3%</li> <li>○ FY16/17 = 6.0%</li> <li>○ FY17/18 = 6.0%</li> <li>○ FY18/19 = 6.0%</li> </ul> </li> <li>• Direct Australian arrivals to Wellington increase by: <ul style="list-style-type: none"> <li>○ FY15/16 = 15.0%</li> <li>○ FY16/17 = 9.0%</li> <li>○ FY17/18 = 4.0%</li> <li>○ FY18/19 = 4.0%<sup>5</sup></li> </ul> </li> <li>• International visitor spend increases by 8% avg. p.a. <ul style="list-style-type: none"> <li>○ FY15/16 = +9%</li> <li>○ FY16/17 = +10%</li> <li>○ FY17/18 = 7%</li> <li>○ FY18/19 = 7%</li> </ul> </li> <li>• Maintain market share of NZ multi-day business events</li> </ul>

<sup>5</sup> Based on current and announced air services

Key Projects and Programmes	Description	Measuring Programme Success
	<ul style="list-style-type: none"> <li>• Deliver the destination marketing requirements for the region and commercial partners to increase awareness of and conversion to booking business events in Wellington</li> </ul>	<p>during Convention Centre construction</p> <ul style="list-style-type: none"> <li>○ FY14/15 = 16%</li> <li>○ FY15/16 = 16%</li> <li>○ FY16/17 = 16%</li> <li>○ FY17/18 = 16%</li> <li>○ FY18/19 = 17%</li> </ul> <ul style="list-style-type: none"> <li>• 10% increase in total digital subscribed audience of WREDA channels p.a.</li> <li>• Visitors to WellingtonNZ.com exceed 3,000,000 in FY16 <ul style="list-style-type: none"> <li>○ FY15/16 = 2,819,000</li> <li>○ FY16/17 = 3,000,000</li> <li>○ FY17/18 = 3,300,000</li> <li>○ FY18/19 = 3,600,000</li> </ul> </li> </ul>
Enhance visitor experience in Wellington	<ul style="list-style-type: none"> <li>• Operate the i-SITE Visitor Information Centre</li> <li>• Deliver Wellington City Ambassador programme, supporting cruise passengers on the ground</li> </ul>	<ul style="list-style-type: none"> <li>• Engage with 330,000 visitors in the i-SITE Visitor Information Centre p.a.</li> <li>• Welcome and support 175,000 cruise passengers p.a.</li> </ul>
Media hosting programme	Deliver a multi sector media programme that utilises third party writers/journalists/bloggers to promote Wellington in target geo locations and business sectors	<ul style="list-style-type: none"> <li>• 110 media hosted in Wellington <ul style="list-style-type: none"> <li>○ NZ media: 25</li> <li>○ Australian: 35</li> <li>○ Rest of World: 50</li> </ul> </li> </ul>

## Performance measures

Each WREDA project and activity has appropriate success measures above. In order to meet our overall objectives, WREDA will measure, monitor and evaluate performance – and where needed, ‘course correct’ – the following key performance indicators.

Objective	MEASURE	Forecast 2015/16	2016/17	2017/18	2018/19
1. Enable increased employment	Number of jobs	+2.0%	+2.0%	+2.0%	+2.0%
	Employment rate	67.5%	68%	68.5%	69%
2. Accelerate and grow scalable businesses	Average growth rate of companies participating in scale-up programme	n/a	8%	10%	10%
3. Develop, leverage and enhance the city region’s vibrancy and liveability	Mercer Quality of Living Survey	#12	#8	#7	#5
	EIU Global Liveability Ranking	#23	#21	#19	#17
	Monocle Quality of Life Top 25 Cities	<i>At least one appearance by FY18/19</i>			
4. Grow the visitor economy, attracting and retaining iconic events – sporting, cultural and business	Guest nights	+4%	+4%	+3%	+4%
	Visitor expenditure	+9%	+10%	+7%	+7%
	Event attendance	n/a	600,000	700,000	700,000
	NZ market share multi-day conference market	16%	16%	16%	17%
5. Increase international student numbers	International student enrolments	7800	8500	9200	10200
6. Increase in-migration	Permanent and Long Term Arrivals	9,000	9,500	10,500	11,000

<b>7. Attract and retain (foreign) direct investment</b>	Number of businesses established in region	+0.9%	+1.0%	+1.0%	+1.0%
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## Economy-wide indicators

In addition to the program success measures above, WREDA has identified a further set of metrics. Whilst impacted by a range of factors not in WREDA's control, the metrics are nevertheless important to overall regional success and will be reported on regularly by the WREDA team.

Measure	2014	2015	2016	2017
Wellington real GDP growth	2.1%	3.0%	3.0%	3.0%
Wellington exports growth	-1.9	n/a	3.0%	3.0%
Wellington productivity growth	1.3%	1.4%	1.2%	1.2%
Population	491,400	496,900	503,000	508,000
Visitor movements through WIA	374,662	397,196	445,922	471,755

## Appendix 1: Letter of Expectation

This letter sets out the Wellington Regional Strategy Committee's expectations of Wellington Regional Economic Development Agency (WREDA) for the 2016/17 financial year. It is intended to assist in WREDA's business planning and the preparation of its draft Statement of Intent (SOI) for 2016/17.

### General

1. Having completed the first full year we expect to see a significant move towards specific actions and measurable outcomes.
2. Consideration is given to the resilience of the region when completing the Statement of Intent.

### Specific

3. Outline specific actions and measures to attract and retain increased numbers of international students to the region
4. Specific actions and measures that support, facilitate and strongly contribute to a step change growth in migration, the creative and tech sectors.
5. Establish a process of business support from incubator to exports for growth companies in the target sectors.
6. Identify and assess what economic opportunities are there arising from the major infrastructure projects
7. What actions need to be taken to put in place for a major programme of targeted inward investment for the Region, including tourism.
8. With WREDA being one organisation are there opportunities to leverage off the Major Events portfolio with other business events. There will also be a need to continue to develop the Major Events portfolio
9. Constraints on business growth in the region are well understood and where practical WREDA will play a role in addressing such constraints. Of particular note is the need to help address skills shortages and develop a workforce that better reflects regional needs.
10. In addition to the above, it is expected that WREDA will ensure that the business as usual activities, namely tourist attraction, venues operations and major events will continue at a high standard.
11. Collaboration with business, the tertiary sector, government agencies, councils and the investment community is a regular theme in discussions on step changes for the Wellington regional economy. We expect that WREDA will play a primary facilitation role in driving collective action as appropriate in the action areas above.

The Key Performance Indicators in the 2016/17 Statement of Intent to be reviewed to ensure that the most appropriate measures are used. In particular, the matters noted above. We also expect that, where possible, the measures will have clear targets, define what success looks like, including specificity on job numbers. We also note that some of the targets in the 2015/16 are low and need some additional stretch in them for 2016/17.

## Appendix 2: Strategic Plan on a Page

### WREDA: STRATEGIC PLAN ON A PAGE – 2015-2020

**Vision:** By 2025 Wellington will be the most prosperous, liveable and vibrant region in Australasia

**Purpose:** To advance the prosperity and liveability of the Wellington region



### Positioning

Wellington is packed with achievers, creators, thinkers, dreamers, doers and lovers of life. A place where ideas happen, people live in style, connect with nature and find friends for life. Often wild, sometimes calm, but always alive with an energy and enthusiasm that makes the region the place of the possible.

**Values** Driven; Inclusive; Rigorous; Brave: Creative



## Appendix 3: Governance and accounting

### **Dividend policy**

WREDA is a not for profit council-controlled organisation, as such the Board is not intending to pay any dividends in the foreseeable future.

### **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 Constitution and this Statement of Intent.

The Board will comprise up to ten directors, all will be independent directors. The Board's approach to governance is to adopt "best practice" with respect to:

- The operation of the Board
- The performance of the Board
- Managing the relationship with the Company's Chief Executive
- Being accountable to all Shareholders and reporting to the WRSC

The Board will meet on a regular basis and no less than 8 times each year. The Board will have 2 committees, Audit and Risk and the People & Culture Committee.

### **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 Shareholders on that performance on a periodic basis
- Make recommendations to Shareholders as to the appointment, removal, 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. The WREDA will adhere to a 'no surprises' approach in its dealings with its Shareholders and WRSC

### **Annual Report**

WREDA's balance date is 30 June.

By 30 September each year, WREDA will provide to the WRSC and its Shareholders an Annual Report complying with Sections 67, 68 and 69 of the Local Government Act 2002 and the Companies Act. The Annual Report will contain the information necessary to enable an informed assessment of the operations of the company, and will include the following information:

Directors' Report

- Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity,

Statement of Financial Position, Statement of Cashflows, Statement of Accounting Policies and Notes to the Accounts

- Comparison of the WREDA's performance with regard to the objectives and performance targets set out in the SOI, with an explanation of any material variances
- Auditor's Report on the financial statements and the performance targets
- Any other information that the directors consider appropriate

### **Half Yearly Report**

By the end of March each year, WREDA will provide to the Shareholders a Half Yearly Report complying with Section 66 of the Local Government Act 2002. The Half Yearly Report will include the following information:

- Directors' commentary on operations for the relevant six month period
- Comparison of WREDA's performance with regard to the objectives and performance targets set out in the SOI, with an explanation of any material variances
- Un-audited half-yearly Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position and Statement of Cashflows

### **Quarterly Report**

By 31 October and 31 January each year, the Company will provide to the Shareholders a quarterly report. The quarterly report will include the following information:

- Directors' commentary on operations for the relevant quarter.
- Comparison of WREDA's performance with regard to the objectives and performance targets set out in the SOI, with an explanation of any material variances

### **Statement of Intent**

By 1 March in each year WREDA will deliver to the Shareholders its draft SOI 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.

### **Shareholder Meetings**

The Board may hold an Annual General Meeting (AGM) between 30 September and 30 November each year to present the Annual Report to all Shareholders. If no AGM is held then the shareholders will pass the required resolutions.

### **Acquisition/Divestment policy**

Any subscription, purchase or 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.

### **Activities for which compensation is sought from Shareholders**

At the request of Shareholders, WREDA may (at its discretion) undertake activities that are not consistent with its normal commercial objectives. Specific financial arrangements will be entered into to meet the full cost of providing such as activities.

Currently there are no activities for which compensation will be sought from Shareholders.

### **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.

It is unlikely that WREDA will deliver a financial dividend to its Shareholders as it is deemed to be a not-for-profit council controlled organisation.

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

Shareholders funds at 30 June 2015 is expected to be \$2.7 million, 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 New Zealand International Financial Reporting Standards and generally accepted accounting practice. The detailed policies are as disclosed in WREDA's 2014/15 Annual Report.

STATEMENT OF COMPREHENSIVE INCOME			
	2016-2017	2017-18	2018-2019
WREDA excluding Venues Project			
Revenue			
Shareholder grants	20,961,659	21,290,482	21,510,549
Other revenue	6,871,679	6,486,708	5,922,133
Total Revenue	27,833,338	27,777,190	27,432,683
Operating costs			
Employment costs	12,214,359	11,861,276	12,138,140
Marketing	9,813,000	10,178,000	10,140,000
Other expenses	5,830,372	5,714,577	5,125,751
Operating expenditure	27,857,731	27,753,853	27,403,891
Net Surplus/(deficit)	-24,393	23,337	28,791

STATEMENT OF FINANCIAL POSITION			
	2016-2017	2017-18	2018-2019
WREDA excluding Venues Project			
Shareholders funds	1,519,255	1,564,093	1,592,884
Current assets	2,214,168	2,120,692	2,071,438
Investments	1,400,000	1,500,000	1,500,000
Fixed assets	288,200	268,700	276,200
Total assets	3,902,368	3,889,392	3,847,638
Current Liabilities	2,383,113	2,325,299	2,254,754
Net Assets	1,519,255	1,564,093	1,592,884

STATEMENT OF CASH FLOWS			
	2016-2017	2017-18	2018-2019
WREDA excluding Venues Project			
Operating cash receipts	23,189,427	23,854,456	23,289,881
Operating cash payments	-23,108,930	-23,823,933	-23,300,135
Other receipts	6,000	6,000	6,000
Other payments	-70,000	-45,000	-45,000
Net cashflow	16,497	-8,477	-49,253

STATEMENT OF COMPREHENSIVE INCOME	2016-2017	2017-18	2018-2019
<b>WREDA Venues Project</b>			
Revenue			
Event revenue	12,624,388	12,163,609	13,017,462
Other revenue	710,116	756,850	807,725
Total Revenue	<u>13,334,503</u>	<u>12,920,459</u>	<u>13,825,187</u>
Operating costs			
Employment costs	4,806,659	4,735,482	4,955,549
Marketing	387,000	372,875	399,050
Other expenses	8,009,006	7,704,138	8,233,656
Operating expenditure	<u>13,202,665</u>	<u>12,812,495</u>	<u>13,588,254</u>
Net Surplus/(deficit)	<u>131,838</u>	<u>107,964</u>	<u>236,932</u>

STATEMENT OF FINANCIAL POSITION	2016-2017	2017-18	2018-2019
<b>WREDA Venues Project</b>			
Shareholders funds	1,674,794	1,732,759	1,819,691
Current assets	3,088,249	2,946,604	3,153,361
Investments			
Fixed assets	1,586,271	1,507,555	1,439,810
Total assets	<u>4,674,520</u>	<u>4,454,159</u>	<u>4,593,171</u>
Current Liabilities	2,999,726	2,721,400	2,773,480
Net Assets	<u>1,674,794</u>	<u>1,732,759</u>	<u>1,819,691</u>

STATEMENT OF CASH FLOWS	2016-2017	2017-18	2018-2019
<b>WREDA Venues Project</b>			
Operating cash receipts	16,183,120	15,937,905	16,642,777
Operating cash payments	-16,141,171	-15,923,515	-16,531,076
Other receipts	49,876	37,409	28,057
Other payments	249,565	190,168	191,164
Net cashflow	<u>341,390</u>	<u>241,967</u>	<u>330,922</u>