



# **Q3 Report**

**2016/17**

**January-March 2017**

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## EXECUTIVE SUMMARY

Projecting a compelling and attractive image of the Wellington region in key markets and sectors during a challenging summer characterised our work in the third quarter of the 2017 financial year.

The success of the first phase of the LookSee Wellington tech talent attraction programme looms large over this report. More than 48,000 candidates from around the world completed applications, in the hopes of coming to live and work in Wellington. At almost ten times our target, this exceptionally high level of interest was driven by international media coverage. Some 130 articles to date have been carried by international media outlets in Asia, Europe, Africa, Australia and North America, including, *The New York Times*, *USA Today*, *CNBC*, *US China News*, *The Independent*, *The Straits Times*, *Forbes*, and *The Seattle Times*.

There can be little doubt this coverage has fundamentally shifted the needle in terms of the perception of Wellington in the international tech community. Purely as a marketing exercise, LookSee Wellington has been an outstanding success, with talent attraction benefits still to follow.

LookSee Wellington's influence also saw WellingtonNZ.com traffic almost triple the total for the previous Q3, with visitors exploring beyond the campaign landing page to discover more about living and working in Wellington. We also received nine enquiries from tech businesses in Israel, Brazil, Argentina, India, Yemen and the United States. These companies were intrigued by LookSee Wellington's depiction of the region as a rising Asia-Pacific tech hub, and are keen to explore relocation and expansion options here.

Our tourism teams continued to manage the post-earthquake softening, exacerbated by poor summer weather, and a nationwide slowing in domestic visitation. Additional resources upweighted our summer brand and event marketing, as we pushed back against these adverse circumstances. Latest figures for December to February show a 3.2% decline in guest nights, although February 2016, with the massive upsurge of visitation via the Edinburgh Tattoo (not to mention an additional night for leap year), makes the comparison somewhat unbalanced.

More positively, our marketing and PR support for Te Papa's summer exhibition *Bug Lab* helped it perform very strongly, and international guest nights continued to grow. Our commitment to offshore travel trade marketing is key here, where a long-term market expansion strategy enhances resilience in the sector, mitigating unpredictable domestic impacts.

Our international education team was very active in our critical Asian markets in the past quarter. Over 100 education agents, (the primary sales channel), met with WREDA's International Education Business Development Manager and representatives from 17 regional institutions during a recruitment tour in China. The delegation also spoke directly with prospective students and their parents at one the largest education fairs in China, and at a Wellington-specific event in Guangzhou, China's third most-populous city.

Business Events Wellington had another successful quarter, involved in winning bids for more than \$5 million in major international conference business for Wellington, lifting their year-to-date contribution to Wellington above \$15 million. Our major events programme generated an estimated \$21.5 million in out-of-region spending, reaching \$59 million for the year, while our Venues team delivered 107 business and performance events, hosting over 124,000 attendees.

Our subsidiary Creative HQ is performing ahead of forecasts in terms of service delivery revenue, due to the success of its incubation and acceleration programmes. In the past quarter, Creative HQ won all three of its bids for programme delivery, completed the Lightning Lab Energy Innovation Challenge, and delivered innovation programmes for government and corporate clients. Meanwhile, two companies successfully made high-growth exits from Creative HQ's incubation programme.

Wellington's screen sector was once again in the international limelight this quarter, with the release of *Ghost in the Shell*, which spent four months shooting in the region, with local production expenditure topping \$87 million. Despite mixed reviews for the film, Wellington's reputation as a creative design, production and post-production destination was further enhanced. Wellington City itself was showcased as an urban shooting location, a valuable addition to our pitch to international producers. Alongside the major projects, our Screen Wellington programme continues to support the breadth of the local screen sector, facilitating 114 filming permits worth almost \$2 million in production expenditure during the quarter.

Looking ahead, early data suggests the post-earthquake 'shadow' over domestic tourism is passing, and the incoming British & Irish Lions supporters will be a welcome boost to the sector at the end of Q4. Our major events team are finalising arrangements for fan engagement activity, to ensure Wellington is vibrant and welcoming for locals and visitors alike. Meanwhile, with participating employers now reviewing a shortlist that represents the top 2% of LookSee Wellington's international applicants, focus now shifts to their interview week in May. International media interest in this phase is once again high, making it another opportunity to present Wellington's credentials as an exceptionally prosperous, vibrant and liveable destination to create your future.

There are no shortcuts to successful city/regional transformation, economic development and long-term prosperity. Global examples abound that 15 to 25 year horizons are the most appropriate to aim for. To that end, steady action, focussed on clear priorities, brings success.

This goes to the heart of the economic development agency rationale, where strong placemaking (including storytelling, destination marketing and advocacy), leveraging the 'regional vitals', with a consistent focus, are key. It is this framework which enables high-profile intervention projects like LookSee Wellington to effectively complement WREDA's continuing drive towards our core development objectives. WREDA is well-positioned to build on this foundation for success.

Chris Whelan  
Chief Executive  
WREDA

## 1. WREDA ACTIVITY REPORT

### 1.1. BUSINESS GROWTH AND INNOVATION

The key activities over this quarter for the Business Growth & Innovation team were continued delivery of the core Regional Business Partner programme, sponsor activity around Webstock and Techweek'17, China market promotion for international education, and the launch of LookSee Wellington.

On the Primary/Food & Beverage front, we managed the Visa Wellington On a Plate Supplier Showcase, securing new business for several regional producers. Screen Wellington facilitated almost \$2 million worth of production in the quarter, and the ongoing success of the Summer of Tech internship programme gave rise to a new programme on the same model, for the HR and marketing sectors.

Table 1: SOI Measures subset

Programme	Measure	2016/17 Performance Measures	YTD Actual	YTD Forecast
<b>Regional Business Partner Programme</b>	Performance against measured contract KPIs	100%	90%	100%
<b>Screen Wellington</b>	Conversion rate of logged enquiries to confirmed production	25%	30%	25%
	Total revenue from screen industry	\$650M	\$706M (FY 2016) <sup>1</sup>	\$650M

#### 1.1.1. Regional Business Partner (RBP) Programme

Through the Regional Business Partner Programme, we provide regional businesses with access to mentorship, capability development, and R&D support services and funding.

Our performance against measured contract KPIs is accelerating and narrowing down on target, from 80% at the half-year point, to 90% currently. Actions put into place during the past quarter to improve performance have been successful, and will be continued and augmented.

<sup>1</sup> On 12 April Statistics NZ released the results of the latest Screen Industry Survey, which provided figures for the 2016 Financial Year. This showed a significant lift in Wellington's screen revenue, driven by a \$644 million in film production, more than double the total for 2015.

Table 2: RBP Programme activity Q3 2016

Measure	Result
In-depth business engagements	123
Connections to providers	96
Businesses matched with a mentor	40
Capability voucher funding delivered	\$77,725
R&D grant funding delivered	\$281,348

Customer satisfaction of our business clients under the programme is averaging at 77% across all surveyed customers. While this is an acceptable result, the team is focussed on lifting it further.

### 1.1.2. Catalytic Initiatives: Wellington International Student Growth Programme

In February, Education NZ released international student enrolment data for Jan – Aug 2016. Wellington achieved a 12% (+770) increase. This compares with 10% growth in Auckland and 9% growth in Canterbury.<sup>2</sup> Enrolment data for the full 2016 calendar year is released in July.

Asia is the largest and most important regional target market for international education, and education agents are the primary sales channel. In the past quarter, eight agents from Vietnam and Thailand were hosted and introduced to institutions throughout the region as part of a familiarisation trip. Leveraging Education NZ activity, we also presented to eight key Chinese, Hong Kong and Taiwanese agents.

In March, a WREDA International Student Growth Business Development Manager (BDO) accompanied representatives from 17 regional institutions on a recruitment tour of four Chinese cities. During the trip, the group met with over 100 agents, with the BDO conveying destination, lifestyle and workforce messaging, and providing information on regional institutions that were unable to attend.

As well as agent training, this trip included the Beijing leg of the consumer-focussed Chinese International Education Exhibition Tour (CIEET), one of the largest education fairs in China. In Guangzhou, WREDA hosted a Wellington-specific event, in partnership with a local education agency. At both these events, we met directly with prospective parents and students.

We also attended the Australia New Zealand Agents Workshop in Auckland, organised by ICEF (International Consultants for Education and Fairs), briefing a further 27 agents.

Brazil is an emerging international market with tremendous growth potential. We hosted Brazilian journalists from Exame, (a large lifestyle magazine) and Huffington Post Brazil, who immediately published an article on LookSee Wellington, with further results are pending.

<sup>2</sup> This data was presented verbally to committee with the Q2 report, and is recorded in the current report as it was released in the past quarter.

Three Japanese education journalists were also hosted in Wellington, with media results pending.

In March, we organised and hosted the Wellington International Student Welcome event for approximately 500 new-to-region international students. Wellington regional Mayors Lester, Wallace and Guppy were in attendance.

### 1.1.3. Catalytic Initiatives: The Wellington Partnership

As part of the Partnership programme, WREDA is represented on the Kapiti Economic Development Leadership Group (KEDLG).

In the past quarter, a short notice international investment opportunity presented itself to the Kapiti region. WREDA worked with Kāpiti Coast District Council (KCDC) and business interests to develop and produce investment collateral. This collateral will be used and adapted for future investment opportunities which KCDC will manage going forward.

This was also an opportunity to build stronger relationships with KCDC and increase their capability by sharing WREDA's knowledge, tools and resources.

### 1.1.4. Catalytic Initiatives: Scale-Ups

Paused for reprioritisation of personnel and resources following the November earthquake, the Scale Up programme is once again moving forward. In the past quarter, the pilot programme was fully scoped and written into a Request for Proposal (RFP), which is now being legally reviewed for risk and compliance.

Next quarter, the RFP will be sent out to selected service providers to deliver the pilot programme in partnership with WREDA.

Success metrics for businesses participating in the programme will include; increased turnover, profitability and employment; new markets and clients; new products and intellectual property; plus favourable survey feedback in survey for WREDA and our delivery partner.

### 1.1.5. Talent & Skills

Table 3:SOI Measures subset

Programme	Measure	2016/17 Performance Measures	YTD Actual	YTD Forecast
Talent Attraction	Net permanent and long-term arrivals	2000	3914	2000
	Wellington share of total net permanent and long-term arrivals	4%	5.4%	4%
Business attraction	Number of jobs in successfully attracted prospect businesses	50	40	37.5

<b>Sector Growth Initiatives</b>	Interns placed in priority sectors	200	205	187
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Launched in the past quarter, the first phase of the **LookSee Wellington** tech talent attraction programme has been a tremendous success. More than 48,000 candidates from all around the world completed their submissions, almost ten times our programme target. The scale of success means participating employers will be able to select from the very best of a substantial talent pool for interviews.

LookSee Wellington's global media coverage has been unprecedented. In the United States alone, cumulative circulation to date is over 400 million, with an Advertising Value Equivalent of approximately \$4 million. Considered purely as a destination marketing campaign, positioning Wellington in the minds of the global tech community, LookSee Wellington has already delivered a significant return on investment.

In May, we host the 100 candidates who secure multiple interviews with participating employers. While the ultimate outcomes of the recruitment phase of LookSee Wellington depend on these interviews and subsequent negotiations, the promotional phase has created ideal conditions for success.

The next phase of national and international media communications regarding LookSee Wellington is planned, with numerous media requests received already.

We are exploring options to further leverage the interest and talent database generated by LookSee Wellington.

One hundred and eighteen **Summer of Tech** internships were completed in February, with 80% of interns converting their placement into full- or part-time employment. To date, for this summer's programme we have more than 200 registered students. The programme of pre-internship "bootcamps" is underway.

Based on the successful Summer of Tech model and platform, in the past quarter we launched a new internship programme for HR and marketing students. **Summer of Biz**, an industry-led initiative supported by WREDA, has a target of 30 paid internships in its first year.

#### **1.1.6. Business & Investment Attraction**

In March, we received nine enquiries from offshore tech businesses interested in potentially setting up their business in Wellington. Enquiries came from Israel, Brazil, Argentina, USA, India, Yemen.

These businesses all became aware of Wellington's potential as a tech location through LookSee Wellington.

Our team has responded to the enquiries and will report results.

#### **1.1.7. Primary/F & B Sector**



In January, we ran the Supplier Showcase at Shed 6, in support of Visa Wellington On a Plate. Approximately 150 Wellington hospitality sector representatives attended, while 46 suppliers from across the region exhibited.

We hosted buyers from Foodstuffs South Island and My Food Bag at the Supplier Showcase. Foodstuffs' buyer took a range of products first seen at the Showcase to their buyer forums. As a result, four new Wellington products immediately secured listings with Foodstuffs, and three additional regional suppliers are engaged in individual store negotiations.

At the bi-annual PinotNZ conference in late January, we convened a discussion dinner with key industry contacts, including:

- Wellington Culinary Events Trust,
- Toast Martinborough,
- Wellington Wine Country,
- Tranzit Wine Tours,
- Destination Wairarapa,
- Colliers International's vineyard specialist, and
- South Wairarapa Mayor.

We discussed WREDA's role in supporting promotion and development of the regional wine industry, and the role of wine in Wellington's destination story. Participants now have greater shared understanding and cohesion in terms of future projects and strategy.

#### **1.1.8. Tech**

WREDA is regional sponsor for **Techweek'17** (6-9 May), acting as coordinator and point of contact for Wellington event organisers. We also support digital marketing through our channels and media promotion in partnership with the national organisers.

We have more than 50 events scheduled across the region, from large conferences and hackathons, to specialist seminars on global market entry and venture capital attraction. Hutt STEMM Festival and Lux Light Festival are also participating as Techweek'17 events.

WREDA is supporting the **Space & Science Festival** to bring two NASA astronauts to Wellington for the event in May. We introduced organisers to key personnel at Te Papa and the Ministry of Education, resulting in commitments for partnership with next year's event.

In February, as **Webstock** sponsor, we hosted a session with keynote speaker Genevieve Bell, and organised a private session for WCC and WREDA staff with architect Indy Johar on the future of cities.

We hosted tech journalist Juha Saarinen from the NZ Herald at the Webstock, who interviewed WREDA in relation to LookSee Wellington, as part of his coverage. We also managed media access and coverage for Wellington-based tech journalists from Geekzone.co.nz and Fairfax.

Webstock's reputation as a world-class conference continues to grow. Of the 825 Webstock attendees this year, 40% travelled to Wellington for the event, with 112 coming from outside New Zealand.

#### **1.1.9. Screen Sector**

In the past quarter, we facilitated 114 filming permits, worth a total of \$1,939,745 in production expenditure across the region. This brings the financial year-to-date total of Screen Wellington-facilitated production to \$93.2 million. The comparatively low figure for the quarter as compared to the preceding half-year relates to the major project *Mortal Engines* being counted in full in Q2, although production continued in Q3.

*Ghost in the Shell* premiered in the quarter, having shot in Wellington for four months and spending \$85 million. We collaborated with the New Zealand Film Commission to tell a strong Wellington story alongside the release. This included a feature on *Breakfast* including Wellington Mayor and WREDA spokesperson, live coverage on One News for the New York premiere, and the creation of a behind the scenes video talking about the urban transformation of Wellington for this production.

We began drafting a tripartite agreement with Screen ACT in Canberra and Info-communications Media Development Authority (IMDA) in Singapore. Due to be signed by the end of the financial year, this agreement pledges collaboration on screen sector development across the three centres. Specific opportunities for Wellington include improved access to the Asian film market, capital investment in co-productions, and participation in talent development programmes for Wellington screen creatives.

## 1.2. MAJOR EVENTS & BUSINESS EVENTS

Major events have contributed an estimated \$21.5 million to Wellington during the past quarter.

In addition to enhancing Wellington's vibrancy and quality of life, supported Major Events attracted significant out-of-town visitation over the past quarter, including an average of 49% out of region attendance across music and arts events.

Table 4: SOI Measures subset

Programme	Measure	2016/17 Performance Measures	YTD Actual	YTD Forecast
Major events	Total event attendance	600,000	487,316	450,000

### Stadium Concert: Guns n Roses

This one-night concert attracted 31,634 people with an out of region attendance of 12,504 people.

### Pinot Noir 2017

This four-day international Pinot Noir wine conference held every four years in NZ. The event achieved sell out registration, attracting 688 high net worth and influential wine industry individuals.

Over 95% of participants travelled to Wellington for the event.

### International Cricket

Wellington hosted a Test match against the Bangladesh as well as Test and ODI matches against South Africa. Attendance was 25,844 across the three matches.

### HSBC Wellington Sevens

NZ leg of the World Rugby Sevens tournament. Attendance was 17,600 over two days.

### Jim Beam Homegrown

One day NZ music festival showcasing the best of kiwi music across a range of genres. A sellout audience of 18,150 people attended, with 62% travelling from out of region.

### CubaDupa

CubaDupa again brought the inner-city streets to life with 250 performances by 1,350 artists across the two-day street arts festival.

### Hurricanes Rugby

Super Rugby matches played at Westpac Stadium against the Rebels and Highlanders achieved cumulative attendance of 32,696. Out of region average for home pool play matches is 10%.

### Cindy Sherman Exhibition

Leading photographer and social commentator Cindy Sherman's collections of work exhibited in the City Gallery over four months. The public programme included guest speakers, education visits and celebrity commentators. The exhibition was attended by 20,398 people in this quarter, with 46% out of region visitation.

### All Whites vs Fiji

This FIFA Oceania Conference qualifying pool match was played at Westpac Stadium. Event attendance was 10,133 with strong last minute ticket sales and walk up crowd. The match is a prelude to an Intercontinental Playoff against the South American Conference qualifier in November 2017 (subject to All Whites qualification).

#### 1.2.1. Business Events Wellington

Our business events team won 14 bids, worth an estimated \$5,015,000 to the region in the past quarter, including:

- NZ Maritime Pilots Association 2018 (300+ delegates)
- Asia Pacific Climate Change 2018 (500+ delegates)
- IEEE Congress on Evolutionary Computation 2019 (500+ delegates)
- International Internet Consortium 2018 (150+ delegates)
- 51st International Conference on Architectural Science 2017 (150+ delegates)

It is notable that, in line with our strategy, these wins are for knowledge-intensive, internationally networked professional communities.

Table 5: Major conference wins – Q3 2017

Event name	Estimated value
NZ Maritime Pilots Association 2018	\$675,000
Asia Pacific Climate Change 2018	\$875,000
IEEE Congress on Evolutionary Computation 2019	\$875,000
International Internet Consortium 2018	\$350,000
51st International Conference on Architectural Science 2017	\$280,000

We are currently tracking ahead of our market share KPI target, at 21% of New Zealand's multi-day conferences.

The Business Events team conducted the following sales activity over the past quarter;

- Sales calls in Auckland, Wellington, Melbourne and Sydney,
- Tourism New Zealand Roadshow - Sydney, Melbourne, Canberra and Brisbane,
- Asia-Pacific Incentives and Meetings Expo in Melbourne,
- Hosted buyers at Show Me Wellington, and 8 clients from the Association of Anaesthetists of Australasia.

### 1.3. DESTINATION & MARKETING

Tourism in the past quarter was impacted by the November earthquake and sub-par summer weather, as well as a soft trend across the whole of New Zealand, particularly in terms of domestic visitation.

Marketing activity focussed on mitigating the effect of these events and the associated media coverage. We significantly upweighted both summer event marketing, and our summer domestic brand campaign, as well as increasing promotional media activity.

Latest commercial accommodation figures show a 3.2% decline in guest nights in the months Dec-Feb. However, this figure is deceptive, given the largest decline is seen in February 2017, where it is exacerbated by comparison with February 2016. That month contained the bi-annual New Zealand Festival, with the Royal Edinburgh Military Tattoo in particular providing an extraordinary boost to visitation.

It is notable that over the December - February period, international guest nights in Wellington remained in steady growth, increasing by 4%.

Overall effect is a flattening of our year-ending-February visitor spending to 0.7% growth.

Preliminary indications from our partner hotel data suggests the worst of the post-earthquake effect has passed, with March likely to return to growth. From late in the quarter we continued our business-as-usual campaign and media activity, while looking ahead to the welcome boost to the sector of the British & Irish Lions Tour at the end of the financial year.

Table 6: SOI Measures subset

Programme	Measure	2016/17 Performance Measures	YTD Actual	YTD Forecast
Destination marketing	Total commercial guest nights	3.15M	2.08M	2.1M
	Estimated Australian visitor spend	\$195M	\$233M	\$180M

#### 1.3.1. Domestic Marketing

In late March, we launched our winter domestic visitation campaign, featuring a lead television/cinema commercial, backed by digital advertising, social video content and outdoor display advertising in Auckland and Christchurch.

The campaign positions Wellington as New Zealand's 'creative heart', and features our winter events programme, nightlife and culture. The campaign runs through mid-June.

#### 1.3.2. Australia Marketing

Our 'always on' digital activity targeting Australia includes monthly e-newsletters to a subscriber base of more than 46,000 Australians, social activity and content marketing via the Outbrain<sup>3</sup> platform.

In the past quarter, our Outbrain content marketing achieved an average of 2,200 clickthroughs per month to tailored promotional content, notably;

- Five spots for a summer beer,
- Get your fix of festivals in Wellington,
- 20 awesome things to do in Wellington under \$20, and
- Tasty reasons to break your New Year's resolution in Wellington

Our Shoulder Season Campaign targeting Canberra and Melbourne has been developed during the past quarter and will be in market May-June 2017.

### 1.3.3. Events marketing

The third and final phase of our campaign with Te Papa supporting the **Bug Lab** exhibition focused on a 'closing soon' message to trigger visitation. Combining digital video content and banner advertising, the campaign also included experiential activations in the drive-range centres of Palmerston North, Whanganui and Hawkes Bay. Hundreds of children and families across the three centres took part in our insect face-painting and travelling photo booth experience, which sought to drive excitement for a Wellington road-trip to Bug Lab.

Te Papa has indicated that Bug Lab performed ahead of expectations.

### 1.3.4. Travel Trade

WREDA represented the region at the Pacific Asia Travel Association (PATA) Exchange UK event, followed by three Tourism New Zealand training events. We also undertook independent sales calls with travel trade in England, Scotland and Germany.

Three additional training evenings were held with Trailfinders, (the United Kingdom's largest seller of New Zealand holidays) with KiwiRail and Weta Workshop.

We also met with Lions Rugby Travel to train their staff on Wellington tourism product, ahead of their team becoming Lions Ground Crew during the tour.

*Table 7: Travel trade training activity*

<b>Q3   In-market training &amp; sales calls</b>	<b>Total agents seen/trained</b>
TNZ Australia RTO Workshop	24
PATA UK	20
TNZ UK training in Glasgow, Manchester and London	153
UK/Europe training	158
<b>Q3   Trade Famils</b>	

<sup>3</sup> Outbrain is an online advertising service which uses behavioural targeting to recommend articles, slideshows, blog posts, photos or videos to internet users as 'sponsored links' embedded in web articles on popular sites

Total trade hosted	81
Total famils hosted	14

Appointment scheduling and operation liaison for TRENZ, New Zealand tourism's annual trade show in May, is well advanced. Thirteen regional operators will attend, the highest number in several years.

A WREDA-led post-earthquake meeting with around 65 regional tourism operators provided an update on the i-SITE situation and offered actionable advice to help bookings during the period.

Tourism NZ hosted the annual Regional Tourism Organisation Workshop in Sydney where we met with 24 Australian independent, coach and online sellers. Overall the mood of these sellers with regards Wellington was very positive, with their key question being the availability of accommodation and activity inventory for large group bookings in the next two years.

### 1.3.5. Digital

WellingtonNZ.com visitation for the past quarter has exceeded all previous records, due to the international interest in LookSee Wellington, which had a campaign landing page on the site. .

Just under two million visits (1,944,564) were made to WellingtonNZ.com in January to March, close to tripling the total for Q3 2016 (705,539). Three quarters of that traffic was from outside New Zealand.

It is notable that beyond the LookSee campaign page, many visitors took in other Wellington site content. Compared to the preceding quarter, traffic to the *Life in Wellington* section increased 94%, while the *Things to Do* and *Accommodation* sections (consistently two of the most popular) each increased by 19%. Overall pages-per-visit increased by 16%, and average time-on-site was up by 26%.

Social media fan numbers increased by 12% in the quarter, to 213,380.

### 1.3.6. Media / PR

Alongside the international and domestic media coverage of LookSee Wellington, (excluded from the below results for clarity), the past quarter our media team drove or contributed to 195 Australasian media stories.

Table 8: SOI Measures subset

Programme	Measure	2016/17 Performance Measures	YTD Actual	YTD Forecast
Media hosting programme	Number of media hosted in Wellington	120	153	90
Champion Wellington success stories	Number of stories in Australasian media	625	706	468

From a travel media perspective, international media highlights include working with Tourism New Zealand to plan and schedule a PR campaign for the China market. A crew of 25 people were in Wellington for five days shooting footage for two 5-minute videos.

Australian media highlights include hosting Jetstar in-flight magazine, 7Travel, Qantas Travel Insider, New Weekly magazine, AWOL and This Magnificent Life. One notable hosted media result appearing in February was Ute Junker's *Six essential Wellington food experiences*, syndicated across 119 Australasian travel and news websites.

Domestic travel media hosted included TV3 The Café, NZ Herald, NZME, Chinese Herald and Sunday Star Times Escape.

A major highlight of our 'work/live' destination media was an 18-page partnership feature in **Idealog** magazine, (repeated as an article series online), entitled *Idealog's Guide to Wellington*. Wellington's creative tech strength is highlighted in the feature, from leading edge businesses such as 8i and L2VR, through new players like interactive hologram makers Point Zero, to game-developers PikPok and creative agencies Resn, Springload and Touchcast.

Design and manufacturing across the region are also highlighted, talent attraction messaging is conveyed through case studies of successful migrants, and a vivid picture of rising business confidence is painted. Alongside an in-depth interview with Mayor Justin Lester, this fresh energy is termed by Idealog 'The Welly Swagger'.

Table 9: Media hosting and coverage

<b>Hosted media origin</b>	<b>Q3</b>
<b>Total</b>	<b>33</b>
-Domestic	4
-Australia	18
-International	11
<b>Number of articles</b>	
<b>Total</b>	<b>195</b>
-Domestic	60
-Australia	135
Reach	3,165,579
ASR	\$245,589

To date, LookSee Wellington has generated approximately 130 media results outside of New Zealand, with an estimated value of around \$4 million and cumulative circulation of 400 million in the US alone. Coverage highlights include New York Times, SF Gate, Mashable, Huffington Post, Esquire, Straits Times Singapore, Forbes, and India Times.



With further media coverage planned around the next phase of LookSee, a full media report for the programme will be available in the next quarter.

## 1.4. VENUES

In the past quarter, an estimated \$8,124,157 was spent in Wellington by out of region attendees to events held our Venues.

### 1.4.1. Q3 Highlights Venues Wellington Conventions and Meetings

In the past quarter, we delivered 54 events for more than 54,000 attendees in total. This represents an increase of 15 events and 10,000 attendees on the previous Q3. Events included 13 multi-day conferences with more than 4,000 delegates from outside the Wellington region. Highlights include: Show Me Wellington, Webstock, National Rural Health Conference, Pinot 2017.

### 1.4.2. Q3 highlights for Venues Wellington Show and Performance Events

We delivered 53 events for over 74,000 attendees in total. Approximately 18,000 delegates were from outside the Wellington region. Highlights include: Nick Cave, PJ Harvey, Don Henley & 21 Pilots, all sold out.

Table 10: SOI Measures subset

Programme	Measure	2016/17 Performance Measures	YTD Actual	YTD forecast
Venue operations	Utilisation of venues	65%	51.2%	65%
	Growth in number of out of town venue attendees	2.50%	1.35%	2.5%
	Net surplus target	\$100K	\$219K	\$150K <sup>4</sup>

Utilisation and out-of-town growth were impacted by earthquake-related reduction in attendee numbers.

<sup>4</sup> Forecast year-end position

### **1.5. CREATIVE HQ**

During the past quarter, Creative HQ (CHQ) successfully won three out of three Request for Proposal bids for programme delivery. As these are yet to be announced by the partner organisations, further details will be available in subsequent reports.

The Lightning Lab Energy Innovation Challenge was successfully completed, following 141 applications, 36 shortlisted teams, eight finalists and three winning teams. The challenge was New Zealand's first-ever nationwide call for innovative ideas, ventures and products in electricity and sustainable energy. Run by Creative HQ in partnership with Callaghan Innovation, the programme was sponsored by Westpac NZ, Genesis Energy, GE New Zealand, Unison Networks, and Z Energy, with support from New Zealand Trade and Enterprise.

CHQ delivered a workshop series for Fonterra, and innovation programmes for the Department of Internal Affairs, New Zealand Police and Statistics New Zealand.

Two companies made high-growth exits from CHQ incubation programme, with local startups PartTime, Fuelled and Patternsnap all closing investment rounds with a total investment value of \$1.07 million.

## 2. FY2017 KEY PERFORMANCE INDICATORS

Table 21: Statement of Intent (SOI) Measures

Objective	Programme	Measure	2016/17 Performance Measures	YTD Actual	YTD Forecast
Facilitate growth in Wellington business	Scale-Up programme	Metrics for evaluation are developed during programme design	TBC	TBC	TBC
	Regional Business Partner Programme	Performance against measured contract KPIs	100%	90% <sup>5</sup>	100%
	Creative HQ	Revenue from commercial innovation services	\$0.5M	\$1.068M	\$0.4M
		Lightning Lab participant investment raised	\$3.5M	N/A	\$1.75M
	Screen Wellington	Conversion rate of logged enquiries to confirmed production	25%	30%	25%
		Total revenue from screen industry	\$650M	\$706M (FY 2016)	\$650M <sup>6</sup>
		Customer satisfaction survey	80%	End of FY	80%
	Sector Growth Initiatives	GDP growth of priority sectors above Wellington average	0.50%	Annual measure	Annual measure
		Employment growth of priority sectors above Wellington average	0.50%	Annual measure	Annual measure
	Increase the number of international students in Wellington	Wellington International Student Growth Program	International student enrolments	8500	Annual measure <sup>7</sup>
NZ Market share of International students			6.5%	Annual measure	N/A
Develop available skills in the Wellington workforce	Sector Growth Initiatives	Interns placed in priority sectors	200	207	190
	Creative HQ	Students completing Venture Up programme	50	51	50

<sup>5</sup> Our performance against measured contract KPIs is accelerating and narrowing down on target, from 80% at the half-year point, to 90% currently. Actions put into place during the past quarter to improve performance have been successful, and will be continued and augmented.

<sup>6</sup> Annual target

<sup>7</sup> Official enrolments data for full calendar year 2016 will be released July 2017. Jan-Aug 2016 enrolments data is outlined in section 1.1.2

Objective	Programme	Measure	2016/17 Performance Measures	YTD Actual	YTD Forecast
	<b>Talent Attraction</b>	Net permanent and long-term arrivals	2000	3576	1700
		Wellington share of total net permanent and long-term arrivals	4%	5.8%	4.5%
<b>Attract new business and direct investment</b>	<b>Business attraction</b>	Number of jobs in successfully attracted prospect businesses	50	160	37.5
<b>Increase GDP contribution of visitor spending</b>	<b>Destination marketing</b>	Total commercial guest nights	3.15M	2.08M <sup>8</sup>	2.1M
		Estimated Australian visitor spend	\$195M	\$233M	\$180M
	<b>Business Events Wellington</b>	NZ market share multi-day conferences	16%	21%	16%
	<b>Venue operations</b>	Utilisation of venues	65%	52.2% <sup>9</sup>	65%
		Growth in number of out of town venue attendees	2.50%	1.35%	2.5%
		Net surplus target	\$120K	\$219K	\$260K <sup>10</sup>
<b>Maximise return on Wellington investment in major events portfolio</b>	<b>Major events</b>	ROI via out of Wellington spend	20:1	Annual measure	Annual measure
		Total event attendance	600,000	487,316	450,000
<b>Leverage major infrastructure investment</b>		Value of pre-bookings for Wellington Convention Centre	\$1M	N/A	N/A
<b>Enhance Wellington's global reputation</b>	<b>Media hosting programme</b>	Number of media hosted in Wellington	120	153	90
	<b>The Wellington Partnership</b>	Partnership participation numbers	20	Annual measure	Annual measure
		Partnership satisfaction score	80%	Annual measure	Annual measure
	<b>Global liveability reputation</b>	Mercer Liveable Cities ranking	#11	#15	#11
	<b>Champion Wellington success stories</b>	Number of stories in Australasian media	625	706	470

<sup>8</sup> Commercial guest nights are primarily affected by the November earthquake

<sup>9</sup> Utilisation and out-of-town attendance were impacted by earthquake-related reduction in event attendees

<sup>10</sup> Forecast year-end position

**3. WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY  
 CONSOLIDATED 3<sup>rd</sup> QUARTER FINANCIAL REPORT  
 AS AT 31 MARCH 2017  
 (EXCLUDING VENUES PROJECT)**

<b>REVENUE</b>	<b>YTD Q3 31/12/2016</b>	<b>SOI Q3 YTD FY17</b>	<b>SOI Q4 FY17</b>
Shareholder Revenue	17,640,653	16,989,269	20,961,659
Other Revenue	6,274,110	5,631,384	6,871,679
<b>TOTAL REVENUE</b>	<b>23,914,763</b>	<b>22,620,653</b>	<b>27,833,338</b>
<b>EXPENDITURE</b>			
Employment Costs	9,041,989	8,992,201	12,214,359
Direct Project/Marketing/ COS	9,609,397	9,817,654	9,813,000
Other Expenses	3,043,540	1,794,564	5,830,372
<b>TOTAL EXPENDITURE</b>	<b>21,694,926</b>	<b>20,604,419</b>	<b>27,857,731</b>
<b>NET SURPLUS (DEFICIT)</b>	<b>2,219,837</b>	<b>2,016,234</b>	<b>- 24,393</b>

WREDA'S financial emphasis in the first half of FY17 was the containment of costs. We made positive progress in this regard, which will enable transfer of budgets from transition, operating and employment costs, to project-based expenditure.

As a result, we are forecasting over \$600k of additional project based expenditure by year end, due to occur in Q4.

The group as a whole is now forecast to achieve just under \$31m of revenue by year end.

Creative HQ are currently \$800k above their budgeted revenue and are forecasted to be \$1.1m ahead by year end. This is mainly as the result of an uplift of service generated revenue from the likes of Fonterra.

WREDA Venues revenue is tracking to SOI and forecast.

The remainder of WREDA, (i.e. excluding Creative HQ & Venues) forecasts revenue to be down \$220k on budget. This is primarily the result of a reduction of \$930k in i-SITE revenue and cruise shuttle revenue following the November earthquake.

The i-SITE revenue reduction is partially offset by a reduction in COGS and a containment in costs for the i-SITE, as well as an increase in partnership funding within WREDA.

Employment costs are now tracking closer to SOI figures as the result of organisational changes at the beginning of the financial year. There is a slight uplift in Creative HQ salaries

as the result of additional work created. This has offset higher savings in non-Creative HQ WREDA.

On 1 April, we moved the bulk of WREDA (excluding Venues/Creative HQ) into new premises on Victoria Street. This is anticipated to save \$60k per annum in rental costs and other operational savings.

Other expenditure is tracking ahead of SOI as the result of expenditure in Creative HQ to match increased service revenue.

Overall our forecasted result for the financial year is anticipated to be slightly ahead of the SOI and budgeted results.

**STATEMENT OF FINANCIAL POSITION**  
as at 31 March 2017

	Q3 31/3/17	SOI Q3 FY17	SOI Q4 FY17
<b>ASSETS</b>			
Current Assets	6,007,852	3,371,087	2,214,168
Invest. in Incubator and Acceleration companies	1,427,407	1,400,000	1,400,000
Fixed Assets	286,838	309,950	288,200
<b>TOTAL ASSETS</b>	<u>7,722,097</u>	<u>5,081,037</u>	<u>3,902,368</u>
<b>LIABILITIES</b>			
Current	3,980,583	1,521,154	2,383,113
<b>TOTAL LIABILITIES</b>	<u>3,980,583</u>	<u>1,521,154</u>	<u>2,383,113</u>
<b>NET ASSETS</b>	<u>3,741,514</u>	<u>3,559,883</u>	<u>1,519,255</u>
<b>SHAREHOLDER FUNDS</b>	<u>3,741,514</u>	<u>3,559,883</u>	<u>1,519,255</u>

WREDA is currently financial sound, with no cash flow issues. At March end the group was holding \$5m of cash. This will fall throughout Q4, as most funding has now been physically received for FY17.

CHQ's investments will be revalued prior to year-end.

WREDA is currently holding \$1.7m of revenue in advance, the majority of which will be released to the P&L during Q4 as projects are completed.

**STATEMENT OF CASHFLOWS**

	<b>Q3 9 months 31/03/2017</b>	<b>SOI Q4 FY17</b>
<b>Total Net Cashflows</b>	<b>3,072,565</b>	<b>16,497</b>
<b>Opening Cash</b>	<b>1,958,494</b>	<b>2,000,000</b>
<b>Closing Cash</b>	<b>5,031,059</b>	<b>2,016,497</b>