

# STATEMENT OF INTENT 2020 – 2023

**WellingtonNZ**  
MAKING THE WELLINGTON REGION **Wildly Famous**

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## *Mihi*

E tu noa ana ngā maunga whakahi i te rohe whānui o Te Upoko o te Ika a Maui. Mihi atu ana ki ngā iwi, ngā manawhenua o Te Whanganui a Tara, o Te Awakairangi, o Wairarapa, o Kāpiti, o Porirua hoki.

Ngā mihi hoki ki ngā iti, ki ngā rahi e noho ana i ngā takiwā nei. Koutou hoki ngā taurahere me te hunga o te Moana Nui a Kiwa.

Rātou te hunga mate, kua poto ki tua o te ārai, e moe, okioki e.

Te hunga ora e kawē ana ngā ahi kā, me te kaupapa toi, te auaha pai me te whai rawa o Te Upoko o te Ika, tēnā koutou katoa.

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*The many mountains of Te Upoko o te Ika a Maui (from Head of the Fish of Maui) stand proud. We acknowledge the mana whenua people of the region - of Wellington, Hutt Valley, Wairarapa, Kāpiti and Porirua. We acknowledge all peoples and the many communities of the Pacific Islands.*

*To those that have passed - we acknowledge you in your eternal rest.*

*To those who maintain the fires of residence, the pursuit of innovation and creativity here in the wider Wellington region, we acknowledge you too.*

# INTRODUCTION

**In accordance with the Local Government Act 2002, this Statement of Intent (SOI) states the planned activities, intentions and performance measures for the Wellington Regional Economic Development Agency (WREDA) for the next three years. It is written in response to the Wellington Regional Strategy (WRS) Committee's December 2019 Letter of Expectation and covers both WREDA Ltd (WellingtonNZ) and its subsidiary CreativeHQ Ltd.**

Tēnā koutou e ngā rangatira

This place is wild. It's wildly creative, wildly entrepreneurial, wildly interesting. Wellington's weather is famously wild. Our towns and cities sit on the edge of wilderness that is perfect for mountain biking, walking, playing, staying or just being. And at the heart of the region is a capital city that isn't afraid to show its wild side.

We're a small region in global terms, but one filled with people with wild ambition. WellingtonNZ shares that ambition, represented in our organisation's purpose: to make the Wellington region wildly famous.

Right now we are facing a global crisis the likes of which Wellington, New Zealand and the world have not faced in a century. While our national efforts have quite rightly focused on the health crisis, as we project forward into the period covered by this Statement of Intent, the way that we respond to, and recover from, the associated economic crisis will be of critical importance. In this context, all the wildly creative and innovative thinking, and the collaborative action, that Wellington has been famous for will be more important than ever before.

As the economic development agency for the region we understand that we have an important part to play in the time of response and recovery.

Over the next three years, WellingtonNZ will continue to deliver projects that will enhance the entire Wellington region as a wildly attractive destination, while contributing to and when appropriate leading the strategic work our region needs to remain competitive. We will support businesses to respond, recover, reimagine and reform. WWe will attract New Zealanders to make their homes in Wellington or take their holidays in the region; encourage film makers to create here; attract and host events that add colour and vibrancy to people's lives; promote our local economy; and operate Wellington city's civic venues as taonga that benefit the community.

We will bring our creativity, our ambition and our initiative to this work, getting the job done, but also generating new ideas to help our region thrive. And we will do all of this in partnership with the many people and organisations throughout our region that are striving for the same purpose.

This will not be an easy time for anyone, but we are grateful that we're never alone in this kaupapa. I acknowledge the large number of partners we work with: our shareholders, councils throughout the region, iwi, local tourism and education organisations, businesses, event producers and central government agencies. It is now even more important that we work together to make the Wellington region wildly famous, for the benefit of everyone who lives here.

Ko tātou te Upoko o te Ika a Māui - we are Wellington.



Tracey Bridges

**Chair of the Board**

# 1. / ABOUT WELLINGTONNZ

## 1.1 / WHO WE ARE

WREDA is the Wellington region's economic development and promotions agency. Since April 2019 we have operated under the WellingtonNZ brand.

WellingtonNZ is a Council Controlled Organisation (CCO) with our shareholders being Wellington City Council (WCC - 80%) and Greater Wellington Regional Council (GWRC - 20%). We are governed by an independent Board of Directors who are appointed by the shareholders. WellingtonNZ also reports through to the Wellington Regional Strategy Committee (WRS) which consists of mayors from Territorial Authorities across the region, and WCC and GWRC councillors. It is the WRS Committee that recommends the approval of this Statement of Intent to the shareholders.

Funding for WellingtonNZ activities comes from the two shareholding councils, central government agencies who contract WellingtonNZ to perform specific services, and a range of private sector partners.

WellingtonNZ is also the owner of a subsidiary company, Creative HQ Ltd. Creative HQ provides business incubation, acceleration and innovation services. Creative HQ has its own independent Board, including a WellingtonNZ Director and the WellingtonNZ CEO.

## 1.2 / OUR PURPOSE

In April 2019 we adopted a new purpose: **to make the Wellington region wildly famous.**

Our purpose reflects our primary role as Wellington's storytelling engine. We want the Wellington region to be wildly famous as the best place in New Zealand to visit, host an event or conference, start and sustain a business, make a film, study as a student, migrate to or invest in. By making the Wellington region wildly famous as the best place in New Zealand to live, visit, work and play, we create a platform for the region to prosper - both economically but also in terms of vibrancy and liveability.

Over the next three years, as the region rebuilds from the effects of Covid-19, this purpose is more important than ever. WellingtonNZ will play a critical role in re-establishing confidence within our region and ensuring that the Wellington region is wildly famous for the way that it rebounds and reimagines itself.

# WellingtonNZ

MAKING THE WELLINGTON REGION **Wildly Famous**

Importantly, we are here to make the Wellington **region** wildly famous. We believe that the region is greater than the sum of its parts and that by working to develop and tell a compelling and unifying regional story, we amplify the potential of this place.

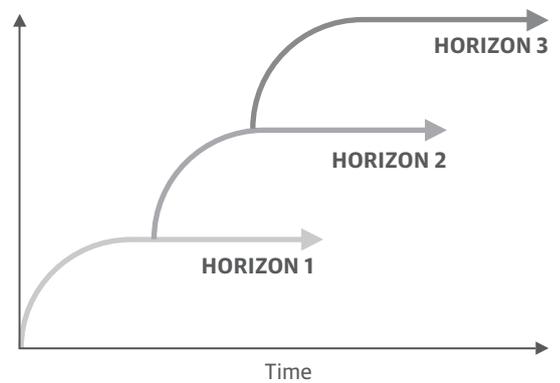
We also use the phrase *wildly famous* very deliberately. This is a region that has always been filled with wildly creative people doing wildly creative and innovative things across all sectors. We are surrounded by wild landscapes. We host wild events. We have a wild energy that ignites all that we do. We are wildly ambitious for the Wellington region.



## 1.3 / WHAT WE DO

While this is a 3-year SOI - we are mindful that the first year of this period may be very different to the out-years due to the immediate focus on recovering from the impacts of Covid-19. WellingtonNZ has spent much of the last three months responding to this challenge. Within this next 12 months, we will need to maintain an agility and flexibility within our operations so that we are able to respond to changing circumstances and stages of recovery recognising that not every step might be forwards:

- **RESPONDING:** Addressing the immediate "emergency" triage needs of businesses and the local economy
- **RECOVERING:** Returning to a steady-state and some form of stable business as usual
- **REIMAGINING:** Thinking about how businesses and the regional economy changes and evolves as a result of Covid-19
- **REFORMING:** Operating in a "new-normal"



At the time of writing this SOI we see three planning Horizons:

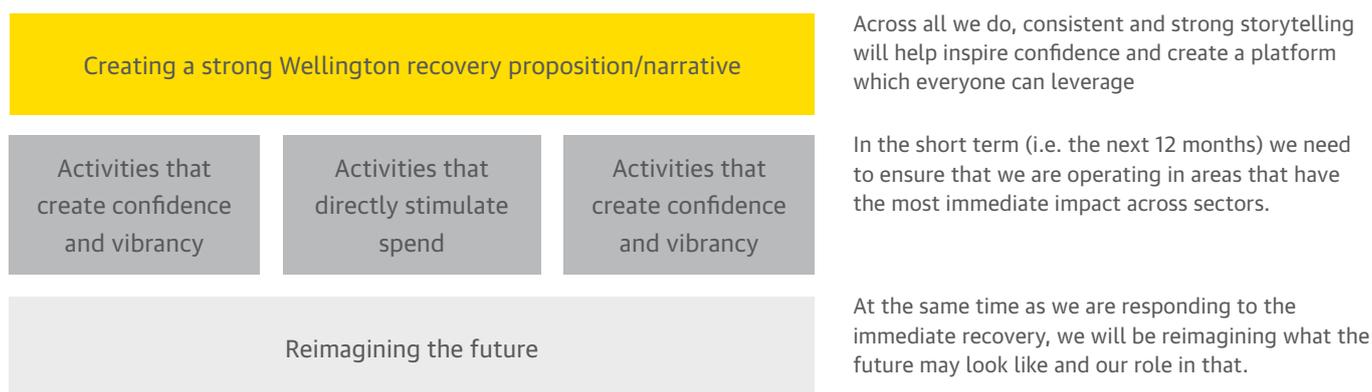
- In the first of these our activities have been and will continue to be more locally focussed reflecting the new environment WellingtonNZ is operating in.
- The second horizon is where we are now and may last for much of the 2020-21 year as we potentially move around the Government alert levels. To varying degrees, domestic travel opens up and restrictions are eased, but there is still likely to be little international travel. There may continue to be consumer caution around some types of mass gatherings;
- The third will follow when international travel restrictions are released - perhaps first for Trans-Tasman/Pacific travel and later for other destinations.

The linking of these horizons to the restrictions in travel is not just about domestic and international tourism. It is also about the way that we can plan and approach events, student attraction, film business, and new business activity.

Our approach will be to focus activity and effort on areas where we can impact within the Horizon that we are operating in, while at the same time planning for activity in subsequent horizons such that we are ready to respond when we are able to.

With this context in mind, we have identified four key areas of focus that will dictate our activities in the next 12 months.

This is predicated by a belief that one of the best things we can do in the immediate term is to help stimulate the local economy and support local businesses to **“get the tills ringing”**. At the same time, we acknowledge a need during this period for a fifth area of focus - to be reimagining the future and considering the long-term impacts and changes that Covid-19 will have on the Wellington regional economy.



As New Zealand emerges from the Covid-19 crisis there is still much that we don't know about the opportunities and challenges that lie in the year ahead. However, there are some facts that are already providing some direction for different activities at this time. These include but are not limited to:

- New Zealand's reputation in the world has been significantly enhanced and interest in New Zealand has consequently been heightened as a place to live, work, invest, study and visit.
- Some of the industries that have driven the New Zealand economy such as agriculture, technology and professional services are strongly placed for the future.
- Some of the industries that have driven the New Zealand economy such as international tourism are significantly challenged at least for the short-term future.
- Global connectivity has been changed as a result of jurisdictions closing their borders.
- The way people work has changed meaning that for those who can there is an easier opportunity to work from home.

- For many across the world the value of life over economy has been emphasised.
- People are more inclined to spend time in outdoor environments.
- The New Zealand government is investing significantly (c. \$50b) more in supporting the New Zealand economy through this period.

Over the 2020-21 year WellingtonNZ will ensure that where these factors lead to new opportunities for the Wellington region, and that we are ready and able to take advantage of them. We will do this by identifying them to shareholders and stakeholders and working more closely with government and its agencies that are investing in supporting regional economic development and working with the councils of the region to pursue their local recovery plans.

## 1.4 / CREATIVE HQ



Creative HQ Ltd is a wholly owned subsidiary of WREDA Ltd. It has its own Board of Directors, including three independent Directors (of whom one is the Chair), a Director from the WellingtonNZ Board and the Chief Executive of WellingtonNZ.

CreativeHQ is New Zealand's leading provider of incubation, acceleration and innovation programmes. Since its formation in 2003, CreativeHQ has worked with more than 300 start ups and high growth ventures to develop their business concepts and commercialise opportunities.

In addition to CreativeHQ's strong track record in start-up innovation, incubation and acceleration, the company has also established a leadership position in structured innovation programmes (e.g. corporate accelerators and design sprints). Creative HQ has also led the charge on GovTech – defined as breakthrough innovation in Government and the public service - with CreativeHQ pioneering the first acceleration programme for Government in 2014 and establishing Wellington as a global GovTech hub.

Given CreativeHQ's expertise in helping organisations to innovate we see the organisation playing a critical role in helping businesses within the Wellington region to reimagine their offerings as part of the Covid-19 recovery.

The focus for CreativeHQ growth during this next SOI period will continue to be in four core areas;

- Incubation services and associated eco-system services for start-up ventures;
- Acceleration programmes under the Lightning Lab Brand;
- Structured innovation training and associated enterprise capability services (targeting customers from start-ups to corporates);
- Public sector innovation through leveraging GovTech expertise.

The core funding provided by WellingtonNZ to CreativeHQ is used to support these services in the Wellington region. In addition, CreativeHQ is building its market reach by providing services nationally and internationally. Activities outside of the Wellington region are funded by third party and commercial partners/ contracts.

## 2. / PROGRAMME OF ACTIVITY

While Covid-19 means that we will see changes in the way that we execute certain programmes and work areas, much of the core work that WellingtonNZ has undertaken in recent years will continue (albeit in a modified form) because it directly contributes to “getting the tills ringing” and the key focus areas noted in section 1.3.

A good example is **Destination Marketing**. There still remains a critical role for WellingtonNZ in promoting the Wellington region as the perfect place to visit, study in, start a business, stage an event or conference, make a film. But the emphasis of this work may change in recognition of the audiences that we can market to under different Horizons.

We will also be particularly focused on those programmes of activity that have cross sector benefits. A good example are **Events** - which, while the way they are executed and reintroduced will be different in each of our Horizons and Alert Levels, do directly benefit retail, hospitality, accommodation and the event production sectors, and also have flow on benefits for positioning Wellington as being a vibrant place to live in and visit, giving heart to our city and region.

We are also of the view that our traditional Business Growth activities, centred around the **Regional Business Partnership (RBP)** programme (by which we provide business support, innovation, capability funding, and facilitation of R&D funding under contract from NZTE and Callaghan Innovation) will assume even greater importance than before as we work closely with businesses to help them recover, reactivate, reimagine and transform their operations. The activities of **CreativeHQ** are also particularly important in this regard - including their start up incubation and acceleration services and wider enterprise innovation and training activities.

Because we are continuing to develop this SOI in an evolving situation it is not possible in all cases to define exact work programmes; these will be defined in specific Business Plans. However, we can provide an indication of our programme of activity which is consistent with our Letter of Expectation but re-oriented in response to Covid-19.





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## 2.1 / KEY PROGRAMMES OF WORK

### **Wellington City and Regional Proposition and Narrative**

WellingtonNZ has always played a strong role in marketing Wellington and telling the story of the Wellington region. In the recovery world we see this as a critical continuing role, optimising the opportunity to place Wellington as an attractive destination for business, investment, work and lifestyle. As the storytelling engine for the region we will increase our activity to ensure we are leading the region in telling a coordinated recovery story to all key audiences.

### **Supporting Wellington businesses to reactivate - Wellington Unlocked**

Leveraging the Love Local campaign we developed during the initial response phase to “get the tills ringing” for local businesses and their suppliers.

Lead a staged programme of promotions, interventions and activations to help businesses get back on their feet and rebuild consumer confidence in a welcoming, safe and creatively Wellington way.

### **Wellington Tourism, Travel Trade and Destination Marketing**

Wellington is well placed to recover strongly from the current disruption to traditional tourism business. We have always had a strong skew towards domestic tourism (accounting for 70 per cent of total tourism spend) and trans-Tasman (due to direct connections). We can therefore expect to see good returns from investment in destination marketing through the recovery period due to the focus on these two markets.

In the immediate term we will focus on local/regional destination/tourism promotion and related trade activities, extending to a more national/domestic focus as restriction levels are reduced. This activity will build awareness and consideration of what the Wellington region has to offer as a domestic holiday destination and convert that interest into action via tactical promotions.

In executing this we will continue to work closely with key tourism sector partners across the region and nationally (including other Regional Tourism Organisations, TIA and TourismNZ), and play an active role in the work TourismNZ is developing around reimagining/transforming the tourism industry.

### **Wellington Regional Destination Plan**

Prior to the Covid-19 crisis, WellingtonNZ was developing a new Destination Plan for Wellington city while working with the other TA's in the region to bring this together with their own Destination Plans into a coordinated regional view. The plan would give direction to our work and the projects we support to create an even better experience for visitors to Wellington - encompassing product development, workforce development and visitor experience management. It will also identify the appropriate target audiences for our marketing activities.

This work was put on hold as the Covid-19 situation changed the environment, but we intend to reactivate this work once we have more clarity on the future tourism horizons as it now assumes even greater importance in a new tourism landscape. The resourcing of this activity has now been provided for by MBIE.

<b>Wellingtonnz.com</b>	<p>Operating <b>WellingtonNZ.com</b> as our core destination website – and associated sub-sites including, but not limited to, Find Your Wild, Kapiti and Hutt destination sites, Venues Wellington.</p> <p>Initial focus for Wellingtonnz.com will be local/regional audiences but this will morph in an agile way to match the horizons and relaxation of travel restrictions.</p> <p>WellingtonNZ.com already features strong content marking out the Wellington Region as a great place to live. Through our partnership with ImmigrationNZ we will understand in which countries our best opportunities lie and ensure further content refinement is highly targeted at people in those markets.</p>
<b>Wellington City i-Site</b>	<p>Operating the Wellington City i-Site (visitor information centre) and associated Wellington City Ambassador volunteer programme.</p>
<b>Wellington Convention Bureau</b>	<p>Management of the Wellington convention bureau which attracts conferences, conventions and business events to Wellington (under the <b>Business Events Wellington</b> brand).</p> <p>Business Events will continue to play an important role in the Wellington economy, with a near term focus on attracting conferences and business events locally, nationally and trans-Tasman, while also creating a strong international pipeline for when international travel starts again.</p>
<b>Wellington Exhibition and Convention Centre</b>	<p>While the WCEC will not be completed until the end of 2022/early 2023, WellingtonNZ will continue to play a significant role as development and design partner alongside WCC, as well as having responsibility for sales and marketing activity – including the branding of the Centre, development of marketing and sales collateral, and conference and exhibition attraction.</p>
<b>Screen Wellington</b>	<p>Operation of the Wellington regional film office which has a dual role of supporting the development of screen activity in the region and running regional film permitting services (under the <b>Screen Wellington</b> brand).</p> <p>Focus for Screen Wellington's activities during Horizons 1 and 2 will be supporting the reactivation of the domestic film industry, while still supporting the NZ Film Commission in their role of attracting future international opportunities as restrictions are relaxed.</p> <p>We will also continue to work closely on-screen infrastructure projects, including the development of new facility at Lane Street in Upper Hutt.</p>

**UNESCO City of Film**

In 2019 Wellington was named a UNESCO City of Film. WellingtonNZ is the lead agency in coordinating the maximisation of this accolade through storytelling and working with the screen industry and local and central government.

The programme in the first year will include elements such as working with education establishments so the community can be engaged in creativity, supporting Maori to work in creative and storytelling film media and extending the celebration of film and creativity.

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Managing the operation of the Wellington city venues under the **Venues Wellington** brand – including sales, facilities management, event operations and customer experience.

**Venues Management**

A review of the future of Wellington city's current venues was completed in early 2020. It included recommendations on how these venues may be best utilised and developed, in the context of a 3-5 year horizon that sees not only the new Convention Centre opening, but also the refurbished Town Hall and St James Theatre coming back on-line. This review also includes consideration of the options for alternative indoor arena solutions (including development of the TSB Arena), future use of The Opera House, Shed6 and the Michael Fowler Centre, and a revised operating model which would see WellingtonNZ taking different approaches in attracting and presenting content. This last point becomes even more important in the near term as we will look to restart our venues business with largely domestic content.

WellingtonNZ will continue to work with WCC to advocate for the recommendations contained in this review along with an agreed investment programme for maintenance, renewals and venue enhancement to ensure existing venues will be fit for purpose, provide for an outstanding experience, meet the requirements of the Accessible Wellington Action Plan (2019), and we are able to meet the needs of our clients and customers.

WellingtonNZ will continue to support and invest in a programme of Major Events for Wellington city in line with the Major Events Strategic Framework developed in 2019/2020. This recognises that Major Events provide significant value to residents and business, providing both extrinsic and intrinsic value.

To ensure a diverse and competitive Major Events programme, WellingtonNZ will take a portfolio-wide approach ensuring there is:

- A balanced mix of events to suit different audiences.
- An events portfolio delivering economic and social returns.
- Events strategically fit with Wellington's existing events landscape.
- An evaluation framework that looks at the benefits of the entire portfolio.

#### **Wellington City Major Events**

We recognise that the attraction and delivery of major events will form a key part to the short-term recovery. While there are challenges as a result of border restrictions, work is underway to identify and deliver an event programme that will achieve the economic, cultural and social outcomes that reflect our region as a destination with events always on. We will work closely with existing events to maintain and grow their impact and look to develop and scale events with potential. We will also continue to work with partners to attract new event content to stimulate consumer spending of residents in the region, boost the visitor economy by attracting out of town visitation, and bring life and energy to our region.

We will work with WCC to ensure that, coming out of the current situation, Wellington grows its position as an event-friendly city.

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#### **Aho Tini - Creative City**

Wellington City Council has adopted a new Creative City vision under the Aho Tini banner. Aho Tini is designed to build on the city's existing creative strengths and investment, to enhance the value, sustainability and continued growth of Wellington's arts and creativity outcomes. WCC's vision is that Aho-Tini will permeate the way in which the city plans, collaborates and delivers services, places and events. It will place art and creativity at the heart of how Wellington thrives.

WellingtonNZ has been working alongside WCC on the development of Aho Tini and will continue to ensure the principles of Aho Tini impact all that we do – especially in our interactions with the creative and arts sectors. As specific projects evolve from Aho Tini we recognise WellingtonNZ will be part of implementation.

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#### **Wellington Regional Trails Framework**

Continuing to be the facilitation and project management lead on execution of the Regional Trails Framework and the promotion of Trails in the region under the **Find Your Wild** brand

**Regional Business Partnership Programme - Enhancement**

Our RBP and Business Growth team has morphed into a Covid Business Recovery Team during the immediate response phase. As we progress through Alert Levels and our planning horizons, we would expect a return to more BAU activities – but we will be reviewing what these look like and what kind of added recovery support we can provide to regional businesses (including the criteria for the kinds of businesses we engage with).

As part of this we will be looking at how to introduce support for sustainable business practices and specific support for Maori Businesses via our Kaiwhakatupu Pakihi Māori (Māori Business Growth Advisor).

Note that the RPB current contract runs to June 2021. We will be working proactively with NZTE and Callaghan to develop options to further enhance delivery in the future to ensure that the programme remains relevant to the needs of business in the Wellington region.

**Maori Economic Development and Business Support**

In 2019 WellingtonNZ appointed a Kaiwhakatupu Pakihi Māori (Māori Business Growth Advisor). This role is designed to work specifically with Maori businesses across the region to assist them to grow. Over the course of the next year we will work on defining the most effective way for this role to have the desired impact, including the way that it integrates into the wider Regional Business Partnership programme (and ensuring this programme is appropriate to Maori businesses).

We will continue to engage with GWRC and Ara Tahi on the Maori Economic Development Strategy and have an expectation that specific projects may arise as a result of this work.

**Regional Workforce and Skills Development**

A Regional Workforce Plan was developed by WellingtonNZ in the 2019/20 year. This provided guidance on specific skills/workforce development projects and/or programmes of work appropriate for WellingtonNZ.

The three key areas we agreed to focus on are:

- Facilitating pathways to employment through programme-based activity
- Further developing the programmes in Creative HQ that support workforce development such as delivering micro-credentials for people in the workplace, and leveraging our connections into businesses via the RBP Programme
- Promoting Wellington as a place where talent wants to live.

Another recommendation within the Workforce Plan was regional workforce development collaboration and leadership. Since then, the Government, as part of the Review of Vocational Leadership, has proposed the creation of Workforce Development Councils and Regional Skills Leadership Groups. These will provide advice about the skills needs of regions to the Tertiary Education Commission (TEC), workforce development councils, and local vocational education providers. We will work alongside MBIE on the Regional Skills Leadership Group for the Wellington region.

**Intern Programmes and Pathways to Employment**

In line with the above, we will continue to support programmes targeted at providing intern opportunities for students and create pathways to full employment. Currently we support the Summer of Tech/Summer of Biz and Young Enterprise programmes and will consider ways that we can continue to grow the scale and impact of these.

<b>Creative HQ - Incubation Services and Innovation Ecosystem Support</b>	<p>CreativeHQ will continue to deliver its core incubation programme in Wellington and will work with WellingtonNZ to determine ways to leverage their incubation services across the region (e.g. through partnership with other shared-working spaces).</p> <p>It will also provide refreshed support for the innovation ecosystem through the <b>Start Up Garage</b> and <b>Mindset of Design</b> programmes, and implementation of training and skills development programmes in areas like innovation methodologies.</p>
<b>Creative HQ - Covid Reimagination Services</b>	<p>CreativeHQ has already put in place new services designed to help businesses of all sizes to reimagine their products, services and operating models in a post Covid world. CreativeHQ will continue to develop these services as part of their core enterprise innovation offering. Specific sectors may be targeted as part of this programme of work.</p>
<b>Lightning Lab Accelerator Programmes</b>	<p>Subject to securing appropriate 3rd party funding, CreativeHQ will investigate delivery of a full scale <b>EnviroTech</b> accelerator programme centred around the topic of sustainability and development of low-carbon business solutions.</p> <p>CreativeHQ is now delivering a series of <b>Recovery Accelerators</b> for the Wellington region.</p>
<b>Gov Tech</b>	<p>A key focus for CreativeHQ is continued expansion of its GovTech services and the positioning of Wellington as the international hub for GovTech. This includes delivery of the Lightning Lab GovTech accelerator programme in Wellington and the provision of services nationally and internationally (principally via NZTE G2G).</p> <p>In light of the Covid-19 situation, there is enhanced interest in how public sector organisations can both adapt their operating/delivery models and introduce new products and services. CreativeHQ is well placed to assist with this through its GovTech expertise and methodologies.</p>
<b>Wellington Regional Growth Framework</b>	<p>We note that work is underway on a Regional Growth Framework - a joint local government, central government and iwi project to develop a region wide spatial plan for the next 30 years which will include a programme of projects to resolve growth issues and other challenges.</p> <p>We will work alongside the other stakeholders in supporting the development of this framework and any projects resulting.</p>
<b>Regional Infrastructure and Economic Development Projects</b>	<p>There are a number of infrastructure projects happening within the Wellington region over the period of this SOI - with more to come on the back of the call for "shovel-ready" projects by Crown Infrastructure Partners Ltd and the Infrastructure Industry Reference Group. WellingtonNZ may be involved with some of these - either directly or indirectly. In addition to any specific requirements, we see ourselves as having a supporting role in promoting the narrative around these projects and explaining how they fit into the making the Wellington region wildly famous.</p> <p>We will also continue to work with and support local TA Economic Development teams on the execution of their Economic Developments strategies within the context of our wider regional mandate. This includes our continued support for those parts of the region that have the ability to apply for Provincial Growth Funding - currently limited to Kapiti and the Wairarapa.</p>



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## 2.2 / SUPPORTING SUSTAINABILITY AND LOW-CARBON ECONOMY

In addition to the programmes of work noted above, we also acknowledge that councils within the Wellington region have announced a climate change emergency and have (or are) developing low-carbon based strategies, plans and policies. One example is Wellington city, which has adopted Te Atakura - First to Zero, a plan that aims to ensure Wellington is a net zero emission city by 2050 with a commitment to making the most significant cuts in the first 10 years.

As the Economic Development Agency for the region, we have a role to play supporting these policies and they will be an important focus in the post Covid recovery period.

In this context, over the next SOI period we will

take the following actions:

### **1. Regional Business Partnership (RBP) Programme**

- Our team engage with Wellington businesses every day via the RBP programme. While the WellingtonNZ team must operate within the NZTE framework they will in the 2020-21 year ensure that every business that is considered for capability support funding will be assessed for their approach to environmental, cultural and social sustainability. Where appropriate they will be provided with access to support that will assist them in creating a business that has more sustainable outcomes.
- WellingtonNZ will advocate to NZTE that sustainable outcomes become a key driver of the capability programme beyond the period of the existing contractual arrangement so it can be built better into the programme delivered by WellingtonNZ.

### **2. EnviroTech Accelerator**

- CreativeHQ will investigate the creation of a Wellington based EnviroTech Accelerator programme using their successful Lightning Lab model. This will target early stage and growth businesses/entrepreneurs with a tech idea/solution which enhances the move to a low-carbon economy or addresses an environmental/sustainability issue

### 3. Tourism Sustainability

- While Tourism will be impacted and reimagined by the Covid-19 situation, it will continue, and issues of the environmental impacts will remain. WellingtonNZ will continue to participate in initiatives that address this at a national level. This includes supporting the Tourism Industry Aotearoa Sustainability Commitment and being a participant in MBIE's Sustainable Tourism Framework development.
- The development of work from our Destination Plan will include focus on developing sustainable/low-carbon tourism business which reduce the environmental impact of visitors.

In addition to the above, we will continue to focus on our own internal activities:

- In 2019 we developed our Sustainability Policy. Amongst other things we committed to:
  - Reducing waste in all forms across our business wherever possible.
  - Monitoring and reducing our carbon footprint to lessen our impact on the world around us.
  - Seeking out partners with sound sustainable and environmental practices wherever possible
  - Sourcing local when possible and having a focus on sustainable procurement.

- In 2020/21 we will focus on:

- Continuing to reduce waste across all our operations and ensuring good recycling practices, with a particular focus on working with WCC to improve the performance of the venues we manage on their behalf. In doing this we will note the guidance from the Wellington Region Waste Management and Minimisation Plan.
- Work with our venues delivery partners (e.g. catering partners) to minimise waste and ensure good recycling practices across their operations within the venues.
- Continuing to work with WCC across our venues operations to improve the performance in relation to energy consumption.
- Reducing our Carbon Footprint and off-setting where reduction is not possible so as to be Carbon Zero.
- WellingtonNZ will also participate in the Wellington Region Climate Change Working Group (WRCCWG).



## 3. / PERFORMANCE METRICS

In 2019/20, WellingtonNZ reviewed its performance framework with the aim of:

- Reducing the number of metrics;
- Ensuring metrics are linked to factors which WellingtonNZ can control and which measure WellingtonNZ's direct impact;
- Measuring outcomes not just outputs;
- Providing greater clarity on the region's return on investment.

This remains challenging given the range of activities undertaken by WellingtonNZ and the varying levels of influence that WellingtonNZ has over ultimate outcomes. It has now been further complicated by the Covid-19 situation which has made both existing benchmarks less relevant and forecasting targets in an uncertain future very difficult.

The targets and forecasts in the tables below are based upon the activity WellingtonNZ envisages as of late June 2020. The targets will be revised on a quarterly basis as conditions in the economy change reflecting the ongoing impact of Covid-19 on the local, New Zealand and international economies, and the status of New Zealand's border.

Note that in addition to these headline measures we will continue to measure a range of operational metrics including those that relate directly to our WCC, Major Events and Venues Wellington funding (aligned to the expectations of the Funding Agreements), and a range of historical metrics.

## KEY HEADLINE PERFORMANCE INDICATORS

KPI	EXPLANATION	2019/20 FORECAST	2020/21 TARGET
<b>KPI 1: Direct economic impact of WellingtonNZ's activities and interventions (1)</b>	This is a measure we introduced in 2019/20. It is designed to provide a dollar value indication of the impact of WellingtonNZ activities by collating the value of those activities that we directly influence and impact (where we have data to support that).	\$ 151m	\$86m
<b>KPI 2: Number of different business engagements in WellingtonNZ programmes (2)</b>	This is a measure we introduced in 2019/20. It is designed to provide an indication of the number of businesses we have directly impacted by being part of a WellingtonNZ programme or a direct WellingtonNZ activity or intervention	4013 (note that this is larger than expected due to an intensive period of Covid-19 Response activities)	3789
<b>KPI 3: Equivalent Advertising Value (EAV) from media activity</b>	This is a measure we introduced in 2019/20. A key activity for WellingtonNZ is creating external stories and media content. Equivalent Advertising Value (EAV) is an industry estimate of the value of media coverage that results from public relations and media activity. EAV is based on the equivalent cost to purchase the same reach and coverage results. This is a combination of TNZ (International media EAV) and Domestic Media	\$ 29m	\$ 10m
<b>KPI 4: Value of expenditure generated from events (including business, performance and major events).</b>	Currently we measure out of region spend associated with events at both Wellington city venues (covering both performance and business events) and Major Events. It is calculated using agreed methodology that is consistent across New Zealand. Moving forward, in light of Covid-19 and an increased domestic focus, we will measure the local audience at events to reflect the full impact.	\$ 91m	\$ 40m
<b>The number of Wellington region residents that attend events.(3)</b>		684,406	475,000
<b>KPI 5: Stakeholder engagement</b>	This is a measure of the engagement we have with our wide and varied stakeholders, and the quality of those relationships.	80% (July 2019 result, current year survey underway)	80%

- 1 *This is calculated from assessing the value of the value of business events attracted, the screen permits, value of redemptions for retail and hospitality promotions, the value of capability vouchers distributed, the value of R&D grants distributed, out of region expenditure at events, the value of spend from WellingtonNZ hosted programme activity, the value of sales generated through i-SITE pay and display, the value of sales made in the i-SITE for Wellington businesses, the contribution of none local government funding to the activity of WellingtonNZ, the equivalent advertising value for marketing and promotions activity, (CHQ), the spend of visitors generated as a result of WellingtonNZ promotional and marketing activity.*
  - *Businesses provided with advice outside of RBP programme*
  - *Businesses provided with development opportunity in WellingtonNZ sponsored programmes*
  - *Businesses engaged in tourism partnership programmes*
  - *Businesses participating in development or specialist skills workshops*
  - *Māori businesses that have engaged with WellingtonNZ*
  - *Businesses participating in retail and hospitality promotions*
  - *Businesses that apply for a filming permit through Screen Wellington*
  - *(CHQ)*
    - *Reporting will be provided in a matrix to demonstrate the engagement with key sectors*
- 2 *This is businesses WellingtonNZ engages with through the following programmes:*
  - *Businesses participating in Business Mentor NZ Programme*
  - *Businesses participating the Regional Business Partner programme*
  - *Businesses participating in WellingtonNZ sponsored internship programmes*
- 3 *The total number of tickets recorded for major events and events in Venues Wellington that have been sold to residents of the Wellington region.*

In addition to the above we have 3 key internal facing KPIs:

<b>KPI</b>	<b>EXPLANATION</b>	<b>2019/20 FORECAST</b>	<b>2020/21 TARGET</b>
<b>KPI 6: Financial Management</b>	Budget on track - income, expenditure and surplus.	On Track	To Budget
<b>KPI 7: Funding Diversification</b>	% of revenue from commercial/non council funding and commercial activity (combined WellingtonNZ and CHQ)	25%	30%
<b>KPI 8: Employee Engagement</b>	As measured by our CultureAmp employee surveys	65%	70%



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## INDIRECT MEASURES OF IMPACT

We will continue to measure, monitor and report on a range of metrics which indicate how the region is performing in key areas of WellingtonNZ interest, but for which WellingtonNZ only has a partial or no direct impact. These include measures that are specifically requested as part of the WCC funding agreements. Acknowledging the rapidly changing situation at the time of writing Appendix 2 details the presumptions made in the projected numbers :

<b>MEASURE</b>	<b>2018-19 (ACTUAL)</b>	<b>2019-20 (FORECAST)</b>	<b>2020-21 (PROJECTED)</b>
(1) Number of international visitors (1)	756,570	677,848 (a)	100,000
(2) International visitor arrivals through Wellington International Airport (2)	154,108	114,336	40,000
• Australia			
• International	216,439	160,131	10,000
(3) Visitor nights recorded in the Accommodation Data Programme (3)	3,258,048	No data available	1,832,261 (b)
(4) Visitor Spend (4)	\$1,845m	\$1,640m	\$1,453m
• Domestic			
• Australia	\$243m	\$203m	\$60m
• Total International	\$857m	\$739m	\$86m
(5) Share of NZ multi-day conferences in the Wellington Region (5)	21%	No data available	22% (c)
(6) Population growth due to migration to the Wellington Region (6)	3,409	3,200	1500
(7) Share of NZ international students reported in the Wellington Region (7)	7%(c)	6.7%	7.2%
(8) Wellington Region GDP Growth (8)	5.3%	4.4%	-2.5%
(9) Total number of work ready job seekers in Wellington Region at June 30 (9)	9,570	20,000	29,000
(10) Total consumer spending in Wellington Region through electronic card data (10)	\$6,989m	\$6,194m	\$5,415m
• Total			
• Retail	\$1,830m	\$1,576m	\$1,389m
• Hospitality	\$1,098m	\$961m	\$846m

- 1 MBIE – International Visitor Survey – the IVS is currently undergoing revision and the new methodology and survey will change the trendline of the figures. A new benchmark would be established in 2020/21 and the aim for future years will be growth on the benchmark figure.
- 2 StatsNZ – International Visitor Arrivals – as recorded on international visitor arrival cards.
- 3 MBIE – Accommodation Data Programme – this new accommodation survey replaces the Accommodation Survey and will be implemented from 1 July 2020. The new methodology applied will mean a new benchmark is established in the 2020-21 year.
- 4 MBIE – Monthly Regional Tourism Estimates – an estimation of visitor spend.
- 5 Industry partnership – Business Events Research Programme – this new programme replaces the Convention Activity and Convention Delegate Survey and will be implemented from 1 July 2020. The new methodology applied will mean a new benchmark is established in the 2020-21 year.
- 6 Infometrics – Population Source Data on Net Migration to Wellington – This figure includes domestic migration. Previously (Pre FY20) Net Migration was published through StatsNZ and did not include domestic migration.
- 7 Education NZ – data has a 12-month lag.
- 8 StatsNZ – annual data – 1 year lag; Infometrics – Quarterly estimates
- 9 Ministry of Social Development
- 10 Marketview – Electronic card spending only.
  - (a) The most recent data available is that to the end of the Sept 19 quarter. WellingtonNZ has considered the general trend and then applied the assumption that there have been no new international visitors during the Covid period whilst New Zealand's borders have been closed
  - (b) The measure is a new dataset from MBIE commencing 1 July 2020. This target is based off the old dataset and it is unknown what the correlation will be.
  - (c) The measure is a new dataset from MBIE commencing 1 July 2020. This target is based off the old dataset and it is unknown what the correlation will be.
  - (d) There is a one year lag in the provision of data for this measure



## 4. / WELLINGTONNZ OPERATIONS

### 4.1 / LIVING WAGE

In September 2019 WellingtonNZ implemented the living wage for all employees. WellingtonNZ remains committed to paying the living wage and will ensure employees are continued to be paid at least the current living wage as calculated independently by the New Zealand Family Centre Social Policy Unit, ensuring the all staff are able to fully participate as active citizens within the community.

### 4.2 / DIVERSIFIED REVENUE SOURCES

WellingtonNZ receives its primary funding from its shareholding councils. It also receives funding from commercial and government partners. Examples of this include:

- NZTE and Callaghan for the RBP programme;
- Educational institutions for the WISGP programme;
- Partnerships with tourist operators and hotels to support destination marketing and business events attraction;
- Commercial engagements via CreativeHQ.

As well as supplementing core funding, commercial funding partnerships connect us more directly with relevant sectors and ensures the work we do is relevant and accountable to those sectors.

In this next SOI period we will continue to look for opportunities to grow funding partnerships outside of our core funding, and to commercialise our own activities as appropriate.

## 4.3 / TE REO MĀORI

In line with the WCC Te Taihū policy - and Wellington's aim to be a Te Reo Māori City - WellingtonNZ will seek opportunities to support and raise the presence of Te Reo Māori through our storytelling activities and our own day to day operations. This includes:

- a commitment to facilitating the upskilling of our team in both Te Reo and Tikanga Māori;
- introducing Te Reo into communications and marketing material where appropriate;
- incorporating a Māori perspective into our business growth work as appropriate.





## 4.4 / HEALTH, SAFETY AND WELLBEING

WellingtonNZ has a commitment to the Health, Safety and Wellbeing of our employees and, given that we operate public venues, the Health and Safety of our venue hirers and patrons. We are committed to continuing to develop a working environment where positive Health and Safety is part of our culture. what we do, rather than a compliance task.

This is reflected in the following policy statement which has been signed by the WellingtonNZ Board:

*WREDA will take every reasonably practicable step to ensure the health and safety of all our employees, contractors, visitors and venue hirers and patrons.*

*WREDA recognises that effective health and safety leadership involves an integrated framework of values, operating procedures and behaviours across the whole organisation. The role of the WREDA Board is to ensure that a positive and robust governance culture is in place to provide a strategic and structured health and safety management system that aligns to the organisational goals of WREDA.*

*Through monitoring the performance of WREDA health and safety practices, the WREDA Board will guide the CEO and Senior Leadership Team to ensure WREDA operates both ethically and morally in meeting its compliance obligations with respect to New Zealand laws and regulations. The Board will undertake an annual review of how they are meeting their accountabilities and legal responsibilities based on established best practise guidelines.*

To ensure a safe and healthy work environment management has developed and maintains Health and Safety Management systems to:

- Set health and safety objectives and performance criteria for all work areas;
- Review health and safety objectives and performance annually;
- Actively encourage the accurate and timely reporting and recording of all accidents, incidents and hazards;



- Investigate all reported accidents, incidents and hazards to ensure all contributing factors are identified and, where appropriate, plans are formulated to take corrective action;
- Actively encourage the early reporting of any pain or discomfort;
- Participate in rehabilitation of employees to ensure an early and safe return to work;
- Identify all existing and new hazards and take all practicable steps to eliminate, isolate or minimise the exposure to any hazards;
- Ensure that all employees are made aware of the hazards in their work area and are adequately trained to enable them to perform their duties in a safe manner;
- Encourage employee consultation and participation in all matters relating to health and safety;
- Promote a system of continuous improvement in Health and Safety practises;
- Meet our obligations under the Health and Safety at Work Act 2015 and its associated regulations, codes of practise and any relevant standards or guidelines

A Health and Safety Report is prepared regularly for each Board meeting or Board Risk and Audit Committee. The Risk and Audit Committee also undertakes an annual deep dive review of management practices.

During 2019 WellingtonNZ also reviewed and enhanced its policies in relation to Workplace Health and Wellbeing and Flexible Working Arrangements and during 2020 will continue to implement the programmes designed around these policies to ensure it continues to enhance a culture of wellbeing within the workplace.

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## 4.5 / HARASSMENT

WellingtonNZ is committed to maintaining a safe and discrimination-free environment that encourages respect for the dignity of each individual. We endeavour to maintain an environment free from harassment based on gender, race, colour, religion, national origin, ancestry, age, marital status, sexual orientation, pregnancy, physical or mental disability, or citizenship.

We are particularly aware of the risk of harassment of patrons at events that are managed in our venues. To that end we have evolved our Standard Operating Procedures to address this issue, including communications to patrons, specific training for staff on how to handle incidents, and incident response procedures.

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## 4.6 / PEOPLE AND CULTURE

We recognise that our people are at the centre of our business.

We are committed to creating a positive environment that allows our people to thrive personally and professionally, and which enables them to bring their full selves to the workplace.

Key initiatives which have started in 2019/20 and will continue into 2020/21 include:

- Leadership development programmes;
- A continued focus on improving engagement;
- A focus on diversity;
- Succession planning and readiness;
- Enhancing recruitment methodologies to ensure we attract the best candidates;
- Enhancing our wellness offering, with a focus on all pillars of wellbeing;
- Embedding our flexible working policies, normalising the approach and acceptance of flexible practises;
- Embedding our values and behaviours:
  - Doing it together
  - Showing the passion
  - Finding the fun
  - Focusing on the customer
  - Daring to be different.

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## 4.7 / OPERATIONAL EFFICIENCIES

WellingtonNZ seeks continuous improvement in its operational management.

With all IT platforms now consolidated on the core WellingtonNZ system, our focus will move to enhancing these core systems to ensure we operate with the appropriate hardware and software for staff to operate in the most effective manner. We will also look to continue to find ways to share services with CreativeHQ as appropriate.

We continue to assess each purchasing decision and contract negotiation we make to ensure it is appropriate with a level of probity expected in the public sector. We will continue to enhance our environmental and climate considerations for all purchasing and operational practises.



## 5. / FINANCIAL SUMMARY

### STATEMENT OF FINANCIAL PERFORMANCE

	2020/21	2021/22	2022/23
<b>REVENUE</b>			
Revenue from Shareholders	19,425,160	20,170,883	20,415,783
Other Revenue	7,619,859	8,776,581	10,529,906
<b>TOTAL REVENUE</b>	27,045,019	28,947,463	30,945,689
<b>EXPENDITURE</b>			
Personnel Costs	12,386,501	14,169,899	14,961,146
Investment in Projects and Events	12,891,463	12,027,811	13,008,040
Other Expenditure	2,267,055	2,462,253	2,675,253
<b>TOTAL EXPENDITURE</b>	27,545,019	28,797,463	30,795,689
<b>SURPLUS</b>	(500,000)	150,000	150,000

### STATEMENT OF FINANCIAL POSITION

	2020/21	2021/22	2022/23
<b>SHAREHOLDER FUNDS</b>	2,537,635	2,687,635	2,837,635
<b>ASSETS</b>			
Current Assets	3,668,324	3,831,191	3,957,889
Investments	1,910,752	1,910,752	1,910,752
Other Non Current Assets	1,053,262	1,152,055	1,143,650
<b>TOTAL ASSETS</b>	6,632,338	6,893,998	7,012,291
<b>CURRENT LIABILITIES</b>	4,094,703	4,206,363	4,174,656
<b>NET ASSETS</b>	2,537,635	2,687,635	2,837,635

### STATEMENT OF CASHFLOWS

	2020/21	2021/22	2022/23
<b>OPENING CASH</b>	2,443,459	3,003,459	3,353,459
Operating Cash Receipts	26,408,051	28,947,463	30,945,689
Operating Cash Payments	26,258,051	28,797,463	30,795,689
Other Receipts/Payments	410,000	200,000	-100,000
<b>NET CASHFLOW</b>	560,000	350,000	50,000
<b>CLOSING CASH</b>	3,003,459	3,353,459	3,403,459

During the Covid-19 crisis, WellingtonNZ reviewed all programmes of work to ensure they remained valid to complete including whether any needed to be delayed or stopped. This allowed time to consider the most appropriate programmes of work. As a result it is anticipated that WellingtonNZ may end the financial year ended 30 June 2020 recording a surplus and it intends to utilise some of these available funds in the 30 June 2021 year, which may result in a deficit position in that financial year.

## NOTES:

- Financial Summary is a consolidated view (Parent and Subsidiary - CreativeHQ)
- Revenue forecasts from our shareholders are reflective of funding agreements in place.
- Other Revenue reflects revenue from third parties and commercial activity, and the revenue achieved by CreativeHQ resulting from its commercial activities.
- Investments represents the value of the investments from CreativeHQ in the companies that it incubates and retains a shareholding.

## 6. / RISKS TO KPI ACHIEVEMENT

There are several risks which could impact on the success of WellingtonNZ. Many of these are outside our direct contro. They include the impact of geo-political factors, changes to government policy settings, or macro-economic factors which impact on the economy as a whole (including pandemics and natural disasters).

In terms of being successful in our three key areas of focus and achieving our Key Performance Indicators, we note the following specific risks and how these will be mitigated:

AREA OF RISK	RISK DESCRIPTION	MITIGATION
<b>The impact of Covid-19</b>	Covid-19 has impacted on the economy of the Wellington region, New Zealand and the world and will continue to do so throughout the period covered in this Statement of Intent.	<ul style="list-style-type: none"><li>• The board will closely monitor all available data sources to ensure WellingtonNZ can adjust its work programmes to mitigate the impacts of Covid-19 and pick up on any opportunities it creates for the Wellington region.</li><li>• The board and executive of WellingtonNZ will work closely with the councils of the region and businesses to ensure a coordinated comprehensive response to Covid-19 is maintained.</li></ul>
<b>Reviews of Economic Development Activities</b>	GWRC has indicated that it will be reviewing its role in Economic Development activities which may impact on its funding of WellingtonNZ.	<ul style="list-style-type: none"><li>• Continue to be actively involved in conversations with GWRC and WRS Committee on value from WellingtonNZ activities</li></ul>

AREA OF RISK	RISK DESCRIPTION	MITIGATION
<b>Availability of shareholder and partner funding</b>	Partner funding is provided for a number of WellingtonNZ and CHQ programmes of activities – from shareholders, and from other public and private sources. This funding is subject to agreements of various lengths and criteria which may or may not be renewed depending on a range of factors that may or may not be within WellingtonNZ's direct control.	<ul style="list-style-type: none"> <li>• Ensure delivery is in line with partner expectations</li> <li>• Maintain a regular schedule of communications with and reporting to partners</li> <li>• Engage major partners in planning sessions to ensure programmes meet their expectations</li> <li>• Review partner funding arrangements on a regular basis</li> <li>• Seek new commercial revenue sources</li> </ul>
<b>Scope of WellingtonNZ operations</b>	WellingtonNZ has limited human and financial resources to allocate to the wide scope of activities it is involved in or asked to be involved in.	<ul style="list-style-type: none"> <li>• Ensure resources are appropriately allocated to activities which contribute to the three key SOI focus areas and specifically to those activities which deliver projects and programmes of work with tangible outcomes and impacts on the region</li> <li>• Ensuring that interventions are targeted and timebound and are in situations where there is a specific ability to create an impact or to kickstart an opportunity.</li> </ul>
<b>Health, Safety and Wellbeing</b>	Given that a large part of WellingtonNZ's activity is operational – especially within the Venues Wellington operation - there are inherent health and safety risks which could impact on the wellbeing of our people.	<ul style="list-style-type: none"> <li>• WellingtonNZ has an appropriate fit for purpose Health and Safety programme in place, which is governed by the WellingtonNZ Board.</li> </ul>

AREA OF RISK	RISK DESCRIPTION	MITIGATION
<b>Venue Availability and Suitability</b>	During much of this SOI period the St James Theatre will remain closed, and existing venues will be under pressure (including the MFC which will be impacted by the ongoing construction work on the Town Hall). We will therefore be working with constrained and aging venue inventory.	<ul style="list-style-type: none"> <li>WellingtonNZ will work with WCC to ensure appropriate capex is allocated to renewals within existing venues so that they remain fit for purpose during this period</li> <li>WellingtonNZ will work proactively with core hirers to find solutions that meet their needs, both within existing venues and other venues in the city.</li> <li>WellingtonNZ will communicate proactively with the market on the status of venues.</li> </ul>
<b>Maintaining strong working relationships across the Wellington region</b>	As an organisation invested in and working for the whole Wellington region it is critical WellingtonNZ maintains appropriate stakeholder engagement processes	<ul style="list-style-type: none"> <li>WellingtonNZ will work with both its shareholders and the other Councils within the region in a structured and proactive manner so elected officials and officers of these organisations are well informed of WellingtonNZ's programme of activities at all times</li> <li>WellingtonNZ will participate in appropriate work groups across the Wellington region to support economic development activity.</li> </ul>

In addition to the above, WellingtonNZ has a strategic and operational risk framework which is governed by the Risk and Audit Committee of the WellingtonNZ Board.



# APPENDIX 1 – GOVERNANCE AND ACCOUNTING

WREDA IS A COUNCIL CONTROLLED ORGANISATION AS DEFINED BY THE LOCAL GOVERNMENT ACT 2002. WREDA IS OWNED 80% BY THE WELLINGTON CITY COUNCIL AND 20% BY THE GREATER WELLINGTON REGIONAL COUNCIL.

## GOVERNANCE BOARD

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

All current Board directors are independent and appointed by our shareholders. The Board meets 5 to 6 times a year. The Board has 2 sub-committees, Risk and Audit; and People & Culture.

## WELLINGTON REGIONAL STRATEGY COMMITTEE (WRSC)

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

The role of the WRSC is to:

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

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

## REPORTING

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

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

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

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

By the end of September each year, WREDA will provide to the shareholders an **Annual Report** on the organisations operations during the year. This will include audited financial statements prepared in accordance with New Zealand Generally Accepted Accounting Practice and that also comply with Public Benefit Entity Standards. The Annual report shall also contain an Auditor's report on both those financial statements and the performance targets and other measures by which performance was judged in relation to that organisation's objectives.

## ACCOUNTING POLICIES

WREDA has adopted accounting policies that are in accordance with New Zealand Generally Accepted Accounting Practices and Public Benefit Entity Standards. The detailed policies are as disclosed in WREDA's 2018/19 Annual Report.

# APPENDIX 2 – PERFORMANCE METRICS – EXPECTATIONS 2020-21

## BACKGROUND

Covid-19 has already had a considerable impact on the local, national and international economy. As a result, it is not possible at this time to project future change in the key economic measures with the same methodology or confidence that that we have in the past.

Below are notes to the various measures tabled in Section 3 of the Statement of Intent.

## KEY HEADLINE PERFORMANCE INDICATORS

### **1. Direct economic impact of WellingtonNZ's activities and interventions**

The significant change in the impact is largely the result of a drop in the total number of people expected to attend events and significantly reduced opportunity for WellingtonNZ to drive media coverage of the Wellington region internationally.

The impact on events is made up of a number of components. These include there being almost no events in the first quarter of the year as the sector re-starts post lockdown; a number of large events not occurring such as World of Wearable Arts and All Blacks Test matches; the inability of international sports and entertainment events to occur resulting in less out of town visitation.

Typically, the international media coverage achieved by WellingtonNZ is driven off our hosting of journalists and other media in the Wellington region and supporting their story telling through creation of unique bespoke itineraries. Without border access and without Tourism NZ being able to be active in this area our attention will be diverted to the important but less valuable domestic media audience.

## **2. Number of different business engagements in WellingtonNZ programmes**

The intervention programmes of government to address the economic impact of Covid-19 provided a new platform for engagement for WellingtonNZ as it delivered different programmes to help affected businesses. We anticipate some of this work will continue into the 2020-21 year, but at this stage there is no certainty of what government partnership will look like in the new year.

## **3. Equivalent Advertising Value (EAV) from media activity**

See note above.

## **4. Value of expenditure generated from events**

- a. The value of expenditure generated by out of region attendance at events
- b. The number of Wellington region residents that attend events

See note above.

## **5. Stakeholder engagement**

No additional commentary.

## **6. Financial Management**

No additional commentary.

## **7. Funding Diversification**

CreativeHQ operates a services-based model and engages with organisations and business across the full spectrum of Local, Central Government and private enterprise. Subsequently it's ratio of shareholder funding to other funding is less than WellingtonNZ, the parent currently receives. It is anticipated that all the commercial partnership programmes that WellingtonNZ operates will have reduced income in the 2020-21 year as businesses ability to invest in such programmes is severely impacted by the impact of Covid-19. Simultaneously the increased intervention of central government in the economy and the support of businesses means that we anticipate being able to access new and different funding from this source than we have in previous years.

## **8. Employee Engagement**

No additional commentary.

## INDIRECT MEASURES OF IMPACT

### **(1) Number of international visitors**

The reopening of international borders remains very uncertain. The assumption we have made is that Australian arrivals will commence from February and some long-haul markets from April. We have assumed that capacity into New Zealand will be severely restrained and that because of a challenging public health and economic situation in all countries travel is more likely to be visiting friends and relatives and essential business.

### **(2) International visitor arrivals through Wellington International Airport**

As above, but reflecting that Australian connections into Wellington will predominate and that should borders open a larger proportion of Wellington international visitors will arrive directly as they visit friends and relatives or are here for particular business needs.

### **(3) Visitor nights recorded in the Accommodation Data Programme**

This is a new measurement in a programme being delivered by MBIE. Our assumption is that domestic visitation will slowly increase through the remainder of 2020 as a result of slowly increased levels of domestic leisure tourism whilst domestic business travel will be highly restrained as businesses control expenses tightly. We anticipate domestic government travel to remain constant - except for during the election period.

International usage of commercial accommodation we expect reduced usage beyond the drop in visitor numbers as more visitors will be here to visit friends and relatives.

We do not at the time of writing know what impact there might be from commercial accommodation being utilised for the purpose of arrival isolation. Any impact is not factored into our projection.

### **(4) Visitor spend**

Reflecting the number of visitors and the accommodation data, we anticipate reduced visitor spend across all markets.

### **(5) Share of NZ multi-day conferences in Wellington region**

This is a new measurement in a programme being delivered by MBIE/industry. Like ticketed events we expect the volume of business events in Wellington (and New Zealand) to be significantly reduced compared to the pre Covid-19 period. We expect the proportion of those events in Wellington might rise marginally as more events are hosted in Wellington to be close to government and as events locate to the main centres to accommodate reduced capacity in the domestic air network.

### **(6) Population growth due to migration to the Wellington region**

Our projection is based upon New Zealander's who have been living overseas returning to New Zealand as a result of a challenging public health and economic situation in all countries.

We anticipate that there will be no, or very little, outward migration. At this stage it is too early to project quite how large the inward migration figure could be; the New Zealand diaspora is significant.

The measure also includes people moving to and from the Wellington region from other parts of New Zealand. Again, it is too soon to tell whether the domestic economic conditions will lead to significant movement of New Zealanders internally.

#### **(7) Share of NZ international students reported in the Wellington region**

The international student market is significantly constrained by the closure of borders. However, there are many international students already in Wellington. Their host institutions expect them to remain. There is also work ongoing to provide permission and conditions by which international students can locate to New Zealand. We anticipate the circumstances will reduce the number of international students in New Zealand but the proportion of students in Wellington will increase as they are more likely to pursue a full academic tertiary programme rather than the type of programme provided by private training establishments (PTE's).

#### **(8) Wellington region GDP Growth**

The official GDP data is reported one year late, so the projected figure is for the year ending 30 June 2020. Provisional figures show that growth in the first two quarters of the 2019-20 is followed by a decline of 1.6% in the third quarter. Indicators suggests a decline of 16%

in the fourth quarter which would mean the annual result would be -2.5%.

#### **(9) Total number of work ready job seekers in the Wellington region at 30 June.**

At the end of May 2020, the number of work-ready and eligible people seeking work in the Wellington region was around 20,000; approximately double what it was in February 2020. We have considered a range of factors including a presumption that the wage-subsidy will end in September 2020. With that in mind, we presume the number of people seeking jobs as a proportion of the eligible population will be at least as high as it was in the global financial crisis.

#### **(10) Total consumer spending in Wellington region through electronic card data**

This measure includes the spending of residents in the region.

As per above the level of international visitor spending will be significantly reduced, and domestic visitor spend will be reduced with tourism and business travel slower to return to normal levels. and particularly business travel. Whilst local spending has been relatively strong since the end of lock down, we anticipate this to abate in a slower economy with spending to settle to 80% of that previously seen. We also believe that times where discretionary consumer spending normally increases (e.g. Christmas) will not happen to the normal extent.

