



# STATEMENT OF INTENT 2019 – 2022

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

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# INTRODUCTION

## 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.

*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.*

**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 2018 Letter of Expectation and covers both WREDA and its subsidiary CreativeHQ.**

This is an exciting time for the Wellington region.

We are home to over half a million people and are experiencing population and economic growth which is forecast to continue. We have New Zealand's second highest regional GDP and the highest proportion of people employed in creative and knowledge intensive industries. And now, through planned investment in infrastructure, housing, civic assets and transport, we are on the verge of new growth opportunities. We are diverse, we are creative, we are generous and openhearted, adventurous and innovative.

At WREDA our purpose is to make the Wellington region wildly famous – and we have plenty of things that we are rightly and proudly famous for. But we are also competing with every other region; not only in this part of the world, but globally. Telling our distinct and compelling story is therefore of ever growing importance. We are competing for the hearts and minds of visitors, event planners, students, businesses, entrepreneurs, migrants and investors. We must therefore craft our story in such a way that it stands out from the crowd.

Importantly, our story is a story of our region. Over the past year we have worked hard to focus on the region as a whole and ensure

that we are truly acting as the Wellington regional economic development agency – albeit a region that has as its nexus the nation's capital city. Our story is one that encompasses eight territorial areas that collectively offer attractive employment, business and lifestyle opportunities that no other region in New Zealand can match. We are greater than the sum of our parts and we will continue to work together to maximise that opportunity.

Because telling our story is so important we will, from this point forward, be referring to ourselves as WellingtonNZ rather than WREDA. We need to take every chance we can to promote our region and ensure that the Wellington brand remains front and centre in all that we do. Our name itself is a great opportunity to do this.

Over the next three years WREDA – under the WellingtonNZ brand – will continue to work closely with our shareholders, other territorial authorities, agencies of central government and the private sector to continue to build a famous Wellington regional story which provides the platform for sustained economic growth.

Te Upoko o te Ika a Maui – we are Wellington.

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Tracey Bridges

**Chair of the Board**

Lance Walker

**Chief Executive Officer**

# 1. / ABOUT WREDA

## 1.1 / WHO WE ARE

WREDA is the Wellington region's economic development agency. Our shareholders are Wellington City Council (WCC - 80%) and Greater Wellington Regional Council (GWRC - 20%).

As a Council Controlled Organisation (CCO) WREDA is governed by an independent Board of Directors who are appointed by the shareholders. WREDA 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 WREDA activities comes from the two shareholding councils, central government agencies who contract WREDA to perform specific services, and the private sector.

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

## 1.2 / OUR PURPOSE

In 2018, WREDA redefined its purpose as being: **to make the Wellington region wildly famous.**

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

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 word **wildly** very deliberately. This is a region 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. And in an environment where we are competing on a global scale, we can't afford to be just a little bit famous.

# WellingtonNZ

MAKING THE WELLINGTON REGION **Wildly Famous**

How does WREDA make the Wellington region wildly famous?

- By developing and telling a compelling and unifying regional story
- By delivering projects and programmes of work that have tangible impacts on the Wellington regional story
- By partnering and collaborating with other local and central government agencies, and private enterprise to enable opportunities
- By making targeted and timebound interventions in situations where there is a specific ability to create an impact or to kickstart an opportunity.

We see ourselves as a "doing" organisation. We are at our best, and have the greatest impact, when we are engaged in specific programmes and projects with clear objectives and outcomes, rather than general areas of economic development support.

In line with our purpose of making the Wellington region wildly famous, WREDA will be formally adopting "WellingtonNZ - making the Wellington region wildly famous" as its public facing and trading brand from the start of the new SOI period. WellingtonNZ is already being used by WREDA to promote the Wellington region domestically and internationally (given that WREDA has no meaning to audiences in this context) and is already our website domain. While WREDA will therefore remain the legal company name, we will refer to WREDA as WellingtonNZ in all other contexts so that we can leverage the equity in the Wellington brand.

## 1.3 / WHAT WE DO

As an economic development agency that was formed from the amalgamation of several prior CCOs and council functions, we have a broad range of activities within our mandate.

Moving forward we are seeking to be more focused and provide greater connection between these various activities. As a result, we have identified 3 priority areas for this next SOI period:

- Shaping and amplifying the regional destination story
- Being an advocate and catalyst for major economic development projects
- Supporting businesses to upskill and grow.

All of the various programmes of work which WREDA undertakes supports one of these 3 key focus areas (explained further in section 2).

### Shaping and amplifying the regional destination story

By shaping and delivering a compelling regional destination story we stimulate the visitor economy and provide the platform for attraction and retention activities across all sectors – including visitor, students, business attraction, film and investment.

### Being an advocate and catalyst for major economic development projects

Big change-making projects provide impetus to economic development. In the next horizon there are significant development projects which have the potential to transform the region. By supporting these and, where appropriate, being involved as a partner, we can create step changes in the economy.

### Supporting businesses to upskill and grow

Through very specific and targeted programmes we assist businesses to grow in the Wellington region – with a particular emphasis on supporting the start up ecosystem, early stage growth businesses, and assisting with workforce talent and skills enhancement. This is also the area of specific focus for CreativeHQ's activities

*These three key focus areas align with the Wellington Regional Strategy (2012) which seeks to build a resilient, diverse economy which retains and creates jobs, supports the growth of high-value companies and improves the regions overall economic position.*

	Commercialisation of Innovation	Investment Mechanisms for Growth	Building World Class Infrastructure	Attracting Business, Investment and Talent	Education and Workforce Development	Open for Business
Shaping and amplifying the regional destination story	✓	✓		✓	✓	✓
Being the advocate and catalyst for major economic development projects			✓		✓	✓
Supporting businesses to grow	✓			✓	✓	

Under the funding agreements with WCC, WREDA also has specific requirements in relation to Wellington City including:

- Wellington city tourism and visitor marketing;
- Management of the WCC Major Events Investment Fund (attraction and investment into major events within Wellington city);
- Management of the Wellington City Civic Venues (under the **Venues Wellington** brand) – the TSB Arena, Shed 6, Michael Fowler Centre, St James Theatre, The Opera House. These are operated under a Venues Management Agreement with Wellington City Council.

These 3 areas also fall within our broader priority focus of “shaping and amplifying the regional destination story”.

We also note:

- the Wellington Regional Investment Plan (WRIP) is still under development, but that specific projects coming out of that may also fall under WREDA's remit;
- the Wairarapa Economic Development Strategy was launched in November 2018. We are supporting the activation of this strategy.

The WRS Committee has requested that, across all we do, we should identify global mega trends, their impact and how the region may leverage off them. This is something that we will endeavour to do across all of our programmes of work through desk research and leveraging our partnerships with central government agencies, the educational sector and the private sector.

## 1.4 / CREATIVE HQ

The Boards of WREDA and CreativeHQ are working together to grow and scale the CreativeHQ business over the next three years.

Since its formation, CreativeHQ has worked with over 250 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 (eg corporate accelerators). CreativeHQ 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.

Based on this foundation, CreativeHQ is embarking on a growth strategy supported by WREDA, that will see the scale of the company grow in terms of size, scope of activities and the markets it operates in (locally, nationally and internationally). This will also see CreativeHQ's revenue grow during this period, which is reflected in WREDA's revenue projections.

In doing this, CreativeHQ will contribute to WREDA's wider purpose of making the Wellington region wildly famous both through its direct activities in the region but also its contribution to growing Wellington's reputation nationally and globally as a source of innovation and entrepreneurship expertise.

The focus for CreativeHQ growth during this next SOI period will be in 3 core areas;

- Innovation management and innovation services;
- Entrepreneurial and innovation training and upskilling;
- Public sector innovation through GovTech services, including the establishment of a GovTech hub in Wellington.

From a market perspective, CreativeHQ is seeking to grow:

- Regionally - by exploring opportunities to expand its current operational footprint across the Wellington region;
- Nationally - by expanding innovation services to both the public and private sector;
- Internationally - through the promotion of GovTech services in association with other partners, including NZTE and the G2G programme.

Importantly, any growth outside of the region will be funded by 3rd party and commercial partners, and will be designed to reinforce Wellington's leadership position in innovation, collaboration and GovTech services.



## 2. / PROGRAMME OF ACTIVITY

The following section lists and describes WREDA's key programmes of intended activity in the next 12 months (including those of CreativeHQ).



## 2.1 / SHAPING AND AMPLIFYING THE REGIONAL DESTINATION STORY

WREDA will continue to focus strongly on core activities that are related to the promotion of both Wellington City and the wider Wellington region as a destination for visitors, events, students, film makers, businesses, investors, migrants. These include:

- **Wellington City tourism and visitor marketing** campaigns - including (but not limited to) specific summer and winter city attraction campaigns;
- Wellington City and wider regional **Destination Marketing and Travel Trade Marketing** activities (marketing campaigns (off and online), media/PR, content creation, trade and media familiarisation visits) with a particular focus on domestic marketing, Australia and China;
- Operating **WellingtonNZ.com** as our core destination website;
- Operating the **Wellington City iSite** (visitor information centre) and associated Cruise Ambassador volunteer programme;
- Management of the **Wellington Convention Bureau** which attracts conferences, conventions and business events to Wellington (under the **Business Events Wellington** brand);
- Operation of the **Wellington regional film office** which has a dual role of supporting the attraction of screen activity to the region and running regional film permitting services (under the Screen Wellington brand);
- Delivery of the **Wellington International Student Growth Programme (WISGP)** in partnership with educational institutions across the region to promote Wellington to international students;
- Attraction, investment in, and marketing of, **Major Events** (WCC Major Events) and **Performance Events** for Wellington City;
- Managing the operation of the **Wellington City venues** under the **Venues Wellington** brand - including sales, facilities management, event operations and customer experience.

In this SOI period key new programmes of work will include:

<b>Regional Destination Plan Development</b>	Development of a Destination Plan for the region that is designed to provide a coordinated framework for promoting the Wellington region as a more attractive destination for visitors, events, students, investors, businesses.
<b>Regional Brand Proposition</b>	Development of a regional destination proposition/brand and associated marketing assets that can be used and leveraged to promote the Wellington region in its entirety, but links with existing activity centred around promotion of Wellington City.
<b>WellingtonNZ.com redevelopment</b>	Kicked off in the 2018/19 year but continuing into 2019/2020, with a focus on ensuring that WellingtonNZ.com is the premier destination website in New Zealand, and has a stronger regional focus.
<b>iSite Redevelopment</b>	The Wellington iSite refurbishment will be completed early in the new SOI period. There will be an ongoing programme of work to ensure that this investment is leveraged for the benefit of the region. We will also be looking at options to provide further commercial opportunities through the iSite
<b>WISGP refocus</b>	International Students remain a key focus for the region. In partnership with the WISGP funding partners we will be refocussing this programme to ensure that it continues to deliver value to those partners, and also provides wider benefits for attraction/retention of domestic students. We are also mindful of the potential impacts of proposed changes to the Polytech (ITP) sector as a result of the recent Government review.
<b>Wellington City Major Events</b>	We will continue to support and invest in a programme of Major Events for Wellington City. As part of this we will work closely with the headline events that Wellington is famous for to grow their impact.  We will also continue to work with other partners, including the Wellington Regional Stadium Trust, promoters and national sporting bodies, to attract new event products which both add to the vibrancy of the region and boost the economy through out of town visitation. As part of this, an updated Major Events strategic framework will be implemented in 2019 which will ensure that the Major Events portfolio continues to evolve and that new opportunities are identified to further boost Wellington's reputation in this area.





## 2.2 / BEING AN ADVOCATE AND CATALYST FOR MAJOR ECONOMIC DEVELOPMENT PROJECTS

There are a number of major development projects that WREDA will be involved in during the next SOI period, either directly or indirectly, which have an impact on the regional economy. In addition to adding our specific expertise as appropriate, our role is to be an advocate for these projects and explain how they contribute to the Wellington regional story.

We also acknowledge that more projects may emerge from the Wellington Regional Investment Plan, and as a result of the action planning coming out of the Wairarapa Economic Development Strategy. We also recognise that both Wairarapa and Kapiti have the ability to apply for PGF funding so we will be supporting both Territorial Authorities in this regard.

<b>Wellington Convention and Exhibition Centre Development</b>	While this work has commenced in 2018/19, it will continue to be a major focus in 2019/20 and beyond. WREDA's involvement during this period will be both as a delivery and design partner alongside WCC, as well as taking responsibility for sales and marketing activity as the proposed operator of the Centre.
<b>Wellington Regional Trails Framework</b>	Continuing to be the facilitation and project management lead on execution of the Regional Trails Framework under the <b>Find Your Wild</b> brand
<b>Wellington City Venues Strategy</b>	A review of the future of Wellington City's current venues and how these are best utilised and developed, especially in the context of a 3-5 year future that sees not only the new Convention Centre opening, but also the refurbished Town Hall and St James Theatre.
<b>TSB, MFC and Opera House Developments and Venue Maximisation</b>	Working alongside WCC to ensure that existing venues continue to be fit for purpose and able to meet the needs of our customers during a time of constrained venue capacity .
<b>Screen Sound Stage Developments</b>	Working alongside local councils and developers to assess opportunities for future sound stage developments to create greater capacity for screen production work in the region
<b>Porirua Adventure Park</b>	Working alongside the Porirua City Council and developers on realising the Porirua Adventure Park opportunity.
<b>Indoor Entertainment Arena</b>	Working with WCC to continue to advocate and build the case for a new Indoor Entertainment Arena in Wellington City.

We also recognise that there are some projects and opportunities that arise during the year for which WREDA could provide the impetus or seed funding to activate (or in some other way contribute to) their development. Our ability to do this in the past has been limited by all budget being allocated to programmes at the start of the year. For this new SOI period we will be seeking to create a Development Project Budget which is designed to provide us with the ability, and the agility, to both seek new opportunities and respond to those that are created.

In tandem with this we will be developing a set of criteria to:

- Assess opportunities to ensure that they have a sound business case/rationale, and align with key focus areas for WREDA and the region;
- Have appropriate co-funding/contribution;
- Have a clear development pathway.

## 2.3 / SUPPORTING BUSINESSES TO UPSKILL AND GROW

Our focus in this area will be on specific projects and programmes that directly impact on businesses in the region.

Most of this work will continue to be focused on businesses with growth potential in the start-up and scale-up phase, with a particular focus on (although not limited to) those in the creative, tech and knowledge intensive sectors, and on providing support in the area of skills development. The objective in doing this is to assist these businesses to grow more quickly than would have been possible without the support of WREDA.

The activities of **CreativeHQ** are particularly important in this regard (their start up incubation and acceleration services and wider enterprise innovation activities), as is the **Regional Business Partnership** (RBP) programme, by which we provide business support, innovation, capability funding, and facilitation of R&D funding for growth businesses across the region, under contract from NZTE and Callaghan Innovation.

CreativeHQ will continue to provide:

- Incubation programmes for start-up businesses, particularly those in the tech/ knowledge intensive industries;
- Start-up community support and upskilling programmes, including Startup Garage;
- Acceleration programmes under the Lightning Lab brand;
- Innovation services.

In this SOI period key new programmes of work will include:

<b>Regional Workforce/Skills Development Plan</b>	A Regional Workforce Plan will be delivered at the start of the 2019/20 year. This will provide guidance on specific skills/workforce development projects and/or programmes of work that are appropriate for WREDA to execute in the new SOI period.
<b>Wider Business Engagement</b>	While WREDA has always had strong involvement in certain sectors, this has tended to be with businesses in start up and early growth stages. We acknowledge a need to engage with larger businesses in the region to ensure that we understand their perspectives and needs
<b>Creative HQ Regional Expansion</b>	We will be working with CreativeHQ to determine ways to scale their incubation and acceleration services across the region – with a particular focus on the potential in Kapiti and Wairarapa and the potential for accessing central government funding to facilitate this
<b>Wairarapa Food and Bev Tech Accelerator</b>	One of the priority projects from the Wairarapa Economic Development Strategy was the creation of a Food and Beverage Tech Accelerator for the Wairarapa. We will be working with CreativeHQ to both scope and establish this, subject to funding.
<b>Māori Business Support and Accelerator</b>	The Māori Economy is a priority focus for the region. In addition to bringing on a new Māori Business Support resource we will be working with CreativeHQ to establish an accelerator programme for Māori business, subject to funding. We will also continue to work with iwi, the WRS Office and Ara Tahi in their development of a Māori Regional Economic Development Plan.
<b>GovTech Expansion</b>	A key focus for CreativeHQ is continued expansion of its GovTech services and the positioning of Wellington as the international hub for GovTech. In addition to a new Lightning Lab GovTech Accelerator, CreativeHQ will be creating a GovTech Hub in Wellington and scaling its services both nationally and internationally (via G2G)

# 3. / PERFORMANCE METRICS

Over the past year WREDA has been reviewing its performance framework with the aim of:

- Reducing the number of metrics;
- Ensuring metrics are linked to factors WREDA can control and which measure WREDA's direct impact;
- Measuring outcomes as well as outputs;
- Providing greater clarity on the region's return on investment.

This is challenging given the range of activities undertaken by WREDA and the varying levels of influence that WREDA has over ultimate outcomes. It is further complicated by specific measures that our council shareholders require us to track. We are however making good progress and will further evolve our approach in the year ahead.

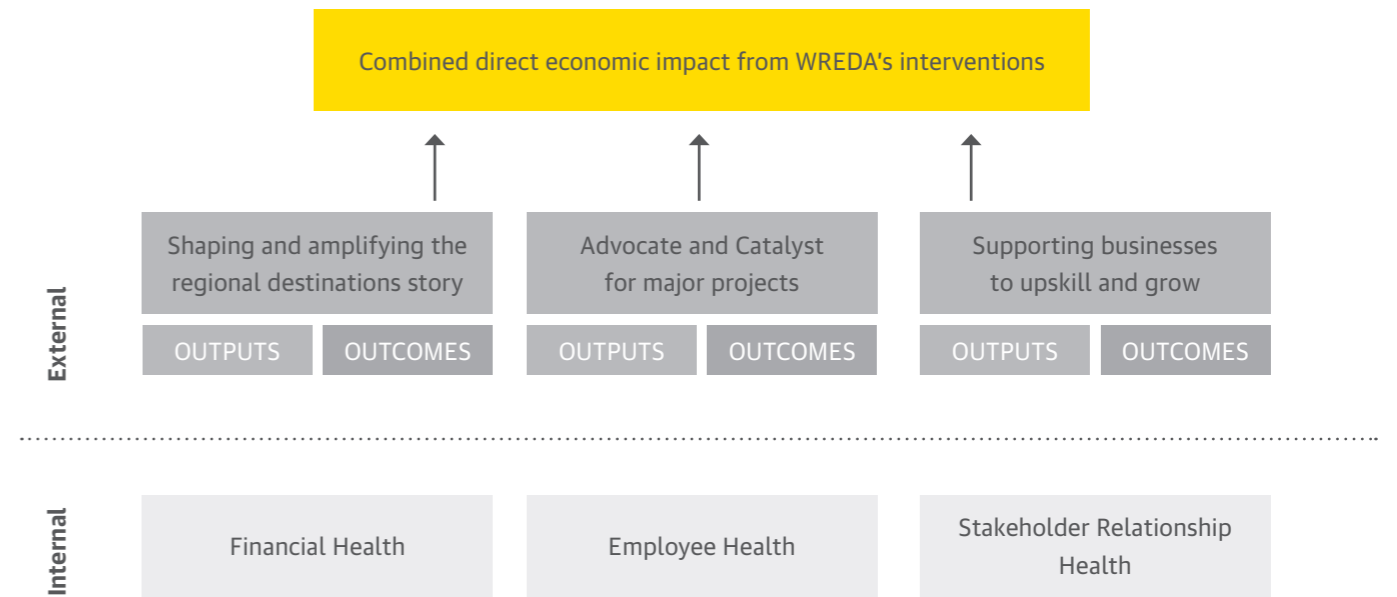
To assist with this we are proposing a new Performance Framework that is summarised in the diagram below. The key features are:

- Development of a headline measure that seeks to put an economic value on WREDA's total direct contribution (inclusive of CreativeHQ) such that an ROI on our shareholders investment can be assessed. This will be a collective formula based measure, and will be something that we work on to develop in the next SOI period;
- Measures aligned to our three key focus areas, with both outputs and outcomes measured where possible;
- Measures that are more internally focused, to measure the health of the organisation from an internal perspective.

Note that in addition to this framework:

- we will be continuing to measure previous KPI's at a business unit level to maintain continuity;
- we will have a separate set of measures directly related to our WCC, Major Events and Venues Wellington funding (aligned to the expectations of the Funding Agreements);
- we will continue to monitor regional indicators of economic performance in association with the WRS office (noting that these are indicators of overall regional performance, not necessarily directly WREDA's performance).

## PERFORMANCE FRAMEWORK





## KEY PERFORMANCE INDICATORS

The following table indicates the specific KPIs in line with this framework. It is noted that some of these are new and some are existing (or based on existing) measures. Sources are provided where possible.

		19/20	20/21	21/22
<b>WREDA is delivering direct value/ROI on our shareholders investment</b>	Combined direct economic impact from WREDA's interventions expressed in dollar terms. (1)	Create Benchmark	Grow	Grow
<b>WREDA is shaping and amplifying the regional destination/brand story</b>	<b>OUTPUTS</b>			
	Storytelling Content generated (across all sectors) (2)	1250	1250	1250
	Total subscribed audience across social media and eDMs (reach) (3)	475,000	500,000	525,000
	Unique WellingtonNZ.com sessions (4)	2.9m	3m	3.2m
	Total Number of Events in Venues Wellington (5)	450	450	500
	<b>OUTCOMES</b>			
	Equivalent Advertising Value (EAV) from media activity (6)	\$25m	\$25m	\$25m
	Visitor nights contributed to from WREDA activity/interventions (7)	Benchmark	Grow	Grow
	ROI from Major Events invested in (8)	20:1	20:1	20:1
	Value of out of region venue and event expenditure (9)	\$125m	\$115m	\$135m
	Value of business events secured (10)	\$19m	\$30m	\$40m
<b>WREDA is being an advocate and catalyst for the big projects and developments</b>	Agreed key projects are on track/agreed deliverables met (11)	TBD	TBD	TBD
<b>WREDA is supporting businesses to upskill and grow</b>	<b>OUTPUTS</b>			
	Number of businesses impacted by a WREDA intervention or programme (12)	Benchmark	Grow	Grow
	Number of Wellington region based businesses incubated or accelerated through CHQ (13)	55	60	65
	<b>OUTCOMES</b>			
	Growth rates of businesses who have had been through a WREDA/CHQ programme (vs national average) (14)	Benchmark	Grow	Grow
	Investable companies created by CHQ (15)	9	10	11

INTERNAL		19/20	20/21	21/22
	Budget on target. [EXISTING] (16)	On Target	On Target	On Target
<b>Financial Health</b>	% of revenue from commercial/non council funding and commercial activity (combined WREDA and CHQ) (17)	30%	35%	38%
<b>Employee Health</b>	<b>OUTPUTS</b>			
	Staff Engagement (18)	60%	65%	70%
	Lost Time Injuries (19)	0	0	0
<b>Stakeholder Relationship Health</b>	Stakeholder Satisfaction (20)	85%	90%	95%

## INDIRECT MEASURES OF IMPACT

We will continue to measure and monitor a range of metrics which indicate how the region is performing in key areas of WREDA interest, but for which WREDA only has a partial or no direct impact. These include measures that are specifically requested as part of the WCC funding agreements:

MEASURE	2019/20	2020/21	2021/22
Visitor Numbers International (21)	824,382	1250	1250
Visitor Numbers Australia (22)	277,440	281,602	285,826
Visitor Spend (23)	\$2,755m	\$2,874m	\$2,998m
Australian Visitor Arrivals through Wellington Airport (24)	153K	155K	157K
Commercial Guest Nights (25)	3.190m	3.222m	3.254m
Share of multi-day conferences (26)	19%	17%	16%
Net permanent and long-term arrivals (27)	2,605	2,605	2,605
International Student Market Share (28)	7%	7.2%	7.35%
Net permanent and long-term arrivals (27)	2,605	2,605	2,605
International Student Market Share (28)	7%	7.2%	7.35%

Separate to this we will work with the WRS Office of the GWRC to monitor a range of macro economic measures for how the region is performing economically.

## NOTES AND SOURCES

- 1** *This is a new measure that is designed to estimate the dollar value economic impact of WREDA activities and interventions which generate a measurable direct economic output. It will be designed around a formula and methodology that makes assumptions around the impact of activities and the degree to which WREDA's activities/interventions can be attributed to those outcomes. In some cases we have very strong evidence based data to support this (eg value out of town spend from events, value of business events attracted, value of facilitated film production) in other cases there is less direct evidence or attribution. We note that ATEED will also be using a similar measure as their headline KPI so we will be working with them to ensure alignment on the methodology. In this first year we will look to establish a benchmark with supported methodology.*
- 2** *The number of articles/pieces of content published in New Zealand and internationally on third party media channels covering leisure, events, tourism, lifestyle, business.*
- 3** *The number of people who choose to actively engage with WellingtonNZ promotional content across all audiences via following us on social media channels and selecting to receive email newsletters, using internal and external digital tracking and analytics tools.*
- 4** *The number of unique visits to WellingtonNZ.com, VenuesWellington.com, KapitiCoastNZ.com, HuttValleyNZ.com and any other subsites built and hosted during the SOI period, as measured by our digital tracking/ analytics software.*
- 5** *Number of events hosted in Venues Wellington (performance and business).*
- Note that with the St James Theatre being closed for longer than expected, potential developments at TSB Arena and MFC, impacts from Town Hall development and pressure on conference business while the new Convention Centre is built, we have assumed that maintaining current volumes during this period is a prudent target, with the situation addressing itself in the outer years.*
- 6** *Equivalent Advertising Value (EAV) is an accepted 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.*
- 7** *WREDA has always measured visitor nights. Moving forward we will be attempting to measure visitors nights that can be attributed to by WREDA marketing activity and other interventions. We note that this measure is also being used by ATEED so will be working with them to ensure alignment on methodology.*
- 8** *This is the target set by WCC and is based on the value of new spend in the region from visitors resulting from WREDA's investment in Major Events. It is calculated using agreed methodology that is consistent across New Zealand*
- 9** *This is a combined value of new spend in the region from visitors attending events in Venues Wellington and attendance at Major Events for which WREDA is an investor. It is calculated using agreed methodology that is consistent across New Zealand. Note that the drop from 19/20 to 20/21 reflects the fact that 19/20 is a New Zealand Festival year and 20/21 is not.*
- 10** *Measures the estimated value of business events and conferences attracted to Wellington (domestically and internationally) using the agreed MBIE formula used by convention bureau's/EDA's across New Zealand. This is flat going into 19/20 with constrained venue space, but grows as new Convention Centre capacity starts to be booked in advance of opening.*
- 11** *Agreed key projects are on track. The set of Projects to be measured will be agreed at the start of the new SOI period but will include the Convention Centre, WISGP, Regional Trails Project.*
- 12** *This will be a combined count of the number of businesses who have received support via the RBP programme, the number of businesses who have been through other WREDA business support activity (eg Pop Up Business Clinics), the number of businesses who have been through a CreativeHQ acceleration, incubation or innovation support programme, and the number impacted by other programmes targeted at business advice and skills development*
- 13** *The number of start up ventures and early stage businesses on the CHQ start up platform who are based in the Wellington region.*
- 14** *We will be seeking to compare the growth rates of businesses who have had a WREDA intervention vs the average growth rates of a similar sample cohort. The methodology for this measure is still to be determined and will be worked on to create a benchmark and target using available business growth data.*
- 15** *The number of businesses exiting a CHQ incubator who are defined as investable (meaning one or more of the following: the company has received an investment offer from an external party; or has validated their value proposition and has gathered evidence that supports a compelling investment case and is ready to pitch to external investors; or has articulated a compelling vision and a clear roadmap for an ambitious commercial endeavour that will create substantial returns for investors, and has demonstrated its ability to execute on the vision)*
- 16** *Financial profit and loss performance to within budget as monitored and reported on a monthly basis by our finance team*
- 17** *Measure of the percentage of revenue/ income that comes from non-council shareholder funding across WREDA and CHQ*
- 18** *Measure of engagement from WREDA's annual Culture Amp engagement survey*
- 19** *Measure of any time lost from work/sick leave taken as a result of an avoidable workplace injury/incident (tracked using our DoneSafe health and safety system)*
- 20** *Measure of satisfaction by a range of stakeholders and key business partners. Note that the methodology used to date has been an annual survey. We will be reviewing this moving forward to ensure it provides the right level of insight.*
- 21** *International Visitor Survey*
- 22** *International Visitor Survey*
- 23** *Monthly Regional Tourism Estimates report*
- 24** *International Visitor Arrivals Survey*
- 25** *Commercial Accommodation Monitor*
- 26** *Business Events Activity Survey - MBIE*
- 27** *International Visitor Arrivals Survey*
- 28** *Education NZ*

## 4. / WREDA OPERATIONS

### 4.1 / DIVERSIFIED REVENUE SOURCES

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

- NZTE and Callaghan Innovation for the RBP programme;
- Educational institutions for the WISGP programme;
- Partnerships with tourist operators and hotels to support destination marketing.

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. This may include (for example) moving to a more commercial model for the iSite and seeking to introduce new fees for services.

### 4.2 / TE REO MĀORI

In line with the WCC Te Taihū policy - and Wellington's aim to be a Te Reo Māori City - WREDA will be seeking 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 we can;
- incorporating a Māori perspective into our business development work with the appointment of a specific Māori Business Development/Engagement role;
- continuing to work with Ara Tahi through the GWRC.

### 4.3 / SUSTAINABILITY AND CLIMATE CHANGE

As an economic development agency, we are very mindful of the need to pursue sustainable growth strategies and consider the impacts of climate change. We are also aware that this commitment needs to start at home. To that end, we are committed to minimising our own environmental impact through sustainable practices, waste reduction, appropriate procurement practices and reducing carbon emissions through our own operations - particularly in our Venues.

We have established an internal Sustainability Committee to develop an organisation wide policy that will address 3 key areas of Sustainability:

- Our people
- Our environment
- Our business.

In addition:

- As a member of the Tourism Industry Association we are signed up to the New Zealand Tourism Sustainability Commitment;
- We are a supporter of the Tourism New Zealand "Tiaki - care for New Zealand initiative";
- We will participate in the Wellington Region Climate Change Working Group.





#### 4.4 / HEALTH, SAFETY AND WELLBEING

WREDA 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.

This is reflected in the following policy statement which has been signed by the WREDA 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 for each Board meeting, and the Board Audit Committee also undertakes an annual deep dive review of management practices.

In addition to the above, WREDA is reviewing its policies in relation to Workplace Wellbeing and Flexible Working Arrangements.



## 4.5 / HARASSMENT

WREDA 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 developed new Standard Operating Procedures which address this issue, including communications to patrons, specific training for staff on how to handle incidents, and incident response procedures.

## 4.6 / PEOPLE AND CULTURE

As an organisation that relies on human capital, and working together internally and with external partners, our people are our greatest asset. 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 2018/19 and will continue into 2019/20 include:

- New recruitment practices to remove any risk of unconscious bias;
- A focus on diversity;
- New wellbeing policy;
- New flexible working policies;
- New leadership development programme.

## 4.7 / OPERATIONAL EFFICIENCIES

In keeping with best management practice, WREDA seeks continuous improvement in its operational management.

A focus in the next SOI period will be the consolidation of the different IT platforms used in our Venues Wellington operation with our core WREDA systems (including core infrastructure, HR/Payroll and Finance). This will enable more seamless management and reporting. We will also look to continue to find ways to share services with CreativeHQ as appropriate.



## 5. / FINANCIAL SUMMARY

### STATEMENT OF FINANCIAL PERFORMANCE

	2019/20	2020/21	2021/22
<b>REVENUE</b>			
Revenue from Shareholders	21,169,952	21,674,569	21,919,426
Other Revenue	9,506,292	11,744,421	13,767,550
<b>TOTAL REVENUE</b>	<b>30,676,244</b>	<b>33,418,990</b>	<b>35,686,976</b>
<b>EXPENDITURE</b>			
Cost of Goods Sold in iSITE	360,000	396,000	435,600
Personnel Costs	13,492,302	14,094,610	15,183,975
Investment in Projects and Events	13,142,952	15,118,390	16,044,411
Other Expenditure	3,530,990	3,659,990	3,872,990
<b>TOTAL EXPENDITURE</b>	<b>30,526,244</b>	<b>33,268,990</b>	<b>35,536,976</b>
<b>SURPLUS</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>

### STATEMENT OF FINANCIAL POSITION

	2019/20	2020/21	2021/22
<b>SHAREHOLDER FUNDS</b>	<b>2,619,115</b>	<b>2,769,115</b>	<b>2,919,116</b>
<b>ASSETS</b>			
Current Assets	4,783,232	4,946,099	5,072,797
Investments	685,175	685,175	685,175
Other Non Current Assets	1,090,041	1,188,834	1,180,429
<b>TOTAL ASSETS</b>	<b>6,558,448</b>	<b>6,820,108</b>	<b>6,938,401</b>
<b>CURRENT LIABILITIES</b>	<b>4,094,703</b>	<b>4,206,363</b>	<b>4,174,656</b>
<b>NET ASSETS</b>	<b>2,463,745</b>	<b>2,613,745</b>	<b>2,763,745</b>

### STATEMENT OF CASHFLOWS

	2019/20	2020/21	2021/22
<b>OPENING CASH</b>	<b>2,100,00</b>	<b>2,600,00</b>	<b>2,950,00</b>
Operating Cash Receipts	30,676,244	33,418,990	35,686,976
Operating Cash Payments	30,526,244	33,268,990	35,536,976
Other Receipts/Payments	350,000	200,000	100,000
<b>NET CASHFLOW</b>	<b>500,000</b>	<b>350,000</b>	<b>50,000</b>
<b>CLOSING CASH</b>	<b>2,600,000</b>	<b>2,950,000</b>	<b>3,000,001</b>

### NOTES:

- Financial Summary is a consolidated view (Parent and Subsidiary)
- Revenue forecasts from our Shareholders are reflective of CPI Increases only.
- Increase of Other Revenue reflects the intention to actively pursue opportunities to increase revenue from private and public partnerships and commercial activity, and the growth in revenue achieved by CreativeHQ resulting from its growth strategy.
- Personnel costs and programme/project costs increase as overall activity increases. Allowance has also been made within the Projects line for the Project Development Budget
- Investments represents the value of the investments from CreativeHQ in the companies that it incubates and retains a shareholding. The value of that holding has decreased into 2019/20 as a result of divestments made in 2018/19 to fund growth. We have assumed that the value of the remaining holdings will be consistent during the rest of the SOI period.



## 6. / RISKS TO KPI ACHIEVEMENT

There are a number of risks which could impact on WREDA's success. Many of these are outside of our direct control, such as the impact of geo-political factors, changes to government policy settings, or macro-economic factors which impact on the economy as a whole.

In terms of being successful in our 3 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>Availability of shareholder and partner funding</b>	Partner funding is provided for a number of WREDA 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 WREDA'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>Human Resource Allocation</b>	WREDA has limited human resources to allocate to the wide scope of activities that it is involved in or asked to be involved in.	<ul style="list-style-type: none"> <li>• Ensure that resources are appropriately allocated to activities that contribute to building the regional story and/or those which deliver specific projects and programmes of work that have tangible outcomes and impacts on the region</li> <li>• Ensuring that interventions that are made 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 WREDA'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>• WREDA has an appropriate fit for purpose Health and Safety programme in place, which is governed by the WREDA 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 once work on the Town Hall begins). We will therefore be working with constrained and aging venue inventory.	<ul style="list-style-type: none"> <li>• WREDA 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>• WREDA 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>• WREDA will communicate proactively with the market on the status of Venues.</li> <li>• WREDA will work with WCC on a Venues Strategy.</li> </ul>
<b>Maintaining strong working relationships across the Wellington region</b>	As an organisation that is invested in and works for the whole Wellington region it is critical that WREDA maintains appropriate stakeholder engagement processes	<ul style="list-style-type: none"> <li>• WREDA will work with both its shareholders and the other Councils within the region in a structured and proactive manner such that both elected officials and officers of these organisations are well informed of WREDA's programme of activities at all times</li> <li>• WREDA will participate in appropriate work groups across the Wellington region to support economic development activity.</li> </ul>

In addition to the above, WREDA has developed a strategic and operational risk framework which is governed by the Risk and Audit Committee of the WREDA 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 WRSC 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 2017/18 Annual Report.

