

WellingtonNZ (Wellington Regional Economic Development Agency Ltd)
Report to the Wellington City Council LTP, Finance & Performance Committee
Second Quarter ending 31 December 2022

MISSION Creating a thriving Wellington region for all		
MORE Businesses succeeding & employing more people	MORE Locals & visitors participating in events & experiences	MORE Collaboration & investment across the region
JOBS FOR THE FUTURE	PLACEMAKING	COLLABORATION & ENGAGEMENT
Support businesses to grow, innovate & meet future workforce needs.	Enhance Wellington's reputation as New Zealand's creative heart	Work in partnership to support investment in the region to unlock opportunities

Highlights
<p>JOBS FOR THE FUTURE – support business to grow, innovate and meet future workforce needs</p> <ul style="list-style-type: none"> In conjunction with the industry, we released a Wellington regional screen showreel to illustrate the high standard of film production and capability in the Wellington region. The reel will be used to attract more productions to the Capital - It's all here in Wellington UNESCO City of Film - YouTube (As of 26 Jan 2023 the showreel has been viewed over 4,600 times, much higher than the Auckland equivalent of 545 in a year). Ten students accepted internships in the Wellington region through the pilot Summer of Engineering programme that we instigated with the successful Summer of Tech programme. The Engineering programme will be expanded to the wider engineering sector next summer and 263 interns have been placed in Wellington for the Summer in Tech programme, many resulting in offers of permanent employment. 6 start up sessions were held for early stage founders by CreativeHQ. 616 tickets were sold to these events. CreativeHQ's public certificate courses are growing in popularity. During the quarter, Certificates in Applied Innovation, Innovation Facilitation and Online Delivery were delivered. <p>PLACEMAKING – enhance Wellington's reputation as New Zealand's creative heart</p> <ul style="list-style-type: none"> We undertook significant promotion of Wellington ahead of the summer season headlined by the 'A little bit of Wellington' campaign. The campaign had several layers including extensive promotion of Wellington Regional Trails as well as the blockbuster line up of summer events. With almost 7m impressions, 2.7m completed video views and over 190 cinema views The digital 'Wellington Advent Calendar' also made its annual appearance, with over 270k downloads of vouchers and extended to a physical kiosk for the public to enjoy gifts and vouchers from local businesses.

- The return of the **cruise** sector to Wellington has been a welcome sight for tourism, retail, and hospitality operators with 50 vessels and 70,000-plus manuhiri having visited Wellington during the cruise season to date. **A sharp uplift in visitors** to both our tourism attractions and through our tourism, hospitality and WellingtonNZ-operated isite has occurred with Wellington Cable Car a notable beneficiary.
- In Major Events we welcomed the return of the **World of WearableArt**, after the show was cancelled the previous two years, with a record cumulative audience of 63,678 over the show season bringing visitors from across the country and beyond. The quarter also saw the return of international **touring concerts** to Sky Stadium, with Guns 'n Roses taking the stage.
- We enjoyed a strong quarter in our **Venues Wellington** business, as we were again busy as the events sector continued to rebound, delivering a strong and above budget financial result across each month in the quarter. We had several sold out shows in the performance space, with over 90,000 coming through the doors for ticketed events in the quarter (excluding WOW). **Business events** had a strong quarter, with a wide variety of events.

COLLABORATION AND ENGAGEMENT – work in partnership to support investment in the region to unlock opportunities

- In this period a second cohort of Wellington tourism operators completed the **sustainability programme** implemented by WellingtonNZ in association with TIA, continuing to build regional capability in support of transitioning to a zero carbon city by 2050.
- CreativeHQ ran its successful GovTech Programme with 14 government projects, NGO's and Startups joining them focusing on social and environmental challenges that are facing Aotearoa. A showcase was held in December at Parliament with a large turnout of interested parties and potential investors in some of the projects.

Challenges – summary of the key quarter challenges

- The operating model for the Tākina exhibition floor has not been finalised or yet contracted. We are working with WCC and Te Papa to finalise arrangements for the operating model for this.
- Central Government funding for Covid recovery programmes is nearing being fully utilised. To continue to deliver impactful programmes of work we must ensure both that our funding continues to keep up with inflation, that other sources of funding are sought and that we receive appropriate funding to deliver programmes of work and impact that we are tasked with.

Performance Measures (KPIs) in the SOI 2022/23

A. WellingtonNZ is delivering direct value / ROI on our shareholder investment

KPI: Direct Economic Impact of WellingtonNZ's activities and interventions

Target 22/23	Q2 (YTD)	Q1
\$150m	\$65.476m	\$6.466m

Significant data sources are only available at year end. The above represents available data only, data lag in data used for above which is updated as year progresses and finalized after year end.

B. WellingtonNZ is shaping and amplifying the regional destination/brand story

KPI: Equivalent Advertising Value (EAV) from media activity

Target 22/23	Q2 (YTD)	Q1
\$20m	N/A	N/A

EAV data is now only available yearly, Q1/Q2 data for H1 not yet available. Based on historic versus what we know our EAV should be there is no current risk of this not being achieved.

KPI: Value of Expenditure generated by events

Target 22/23	Q2 (YTD)	Q1
\$75m	\$52.493m	\$13.625m

Timing of reporting by events lags quarterly reporting deadlines. Anticipated number rising as year progresses with more availability of data for previous quarter's events.

KPI: The number of Wellington Region Residents that attend events

Target 22/23	Q2 (YTD)	Q1
500,000	256,389	106,783

Timing of reporting by events lags quarterly reporting deadlines. Anticipated number rising as year progresses with more availability of data for previous quarter's events.

C. WellingtonNZ is supporting businesses to upskill and grow

KPI: Number of different business engagements in WellingtonNZ Programmes

Target 22/23	Q2 (YTD)	Q1
2,200	1,073	618

D. Internal – Financial Health

KPI: Budget on track – income, expenditure, and surplus

Target 22/23	Q2 (YTD)	Q1
To budget	To budget	To budget

KPI: % of revenue from non-council funding and commercial activity (WellingtonNZ group)

Target 22/23	Q2 (YTD)	Q1
32%	29%	36%

WellingtonNZ holds some income in advance from external sources on their balance sheet released as matching expenditure occurs. This is currently higher than pre Covid levels and is likely to be released in the second half of the financial year, improving this calculation. Additionally, our subsidiary, Creative HQ, has experienced some delays in pipelined sales revenue which also affects this calculation. There are positive signs for this to improve in the second half of the financial year. We therefore do not anticipate this KPI is at risk.

E. Internal – Employee Health

KPI: Employee Engagement

Target 22/23	Q2 (YTD)	Q1
70%	Annual Measure	Annual Measure

F. Internal – Stakeholder Relation Health

KPI: Stakeholder Satisfaction

Target 22/23	Q2 (YTD)	Q1
90%	Annual Measure	Annual Measure

Coming Up – priority on delivering key programmes in WCC's Economic Wellbeing Plan, Destination Poneke Plans and The Regional Economic Development Plan

- Delivery of the Wellington Region Screen Sector Strategy (development together with the industry) including investment attraction and an in-market ambassador on the East Coast of the USA.
- Project planning to co-design and support iwi and hapū reclaim their storytelling through augmented realities. This project will contribute to becoming a UNESCO bi-cultural city of film with submissions for resources due on Feb 26.
- Māori Development continues to progress in the Regional ED Plan such as planning for Tipu pakihi ED Event (Previously known as Hui Taumata) in June, Feasibility study with the Otaki Porirua Māori Trust Board for whenua development and supporting social procurement initiatives, including Te Upoko o te Ika a Māui accord.
- Work continues towards the successful delivery of Host City obligations for FIFA WWC 2023 continue with key city operations and city leverage plans well advanced, along with upgrade work to key training ground and match venue infrastructure. Ford Football Ferns versus USA team occurred in Wellington in January with a record crowd for the Football Ferns in NZ.

WellingtonNZ

- We are working with WCC on the Venues review, including asset renewal plans. There is a strong line up of live performance and business events within the Venues, albeit the post Covid rush of promoters placing events in the first 6 months of the year is now returning to the slightly smaller volume seen pre Covid. We are still experiencing a shorter lead in time for business events and conferences than historically seen.
- The countdown to the opening of Tākina continues with an upcoming announcement near of the major opening exhibition, with an excellent pipeline of quality exhibitions to follow. WellingtonNZ's Business Events Wellington team, currently on secondment to WCC, are assisting in ensuring strong confirmed and pipeline bookings.
- CreativeHQ and WellingtonNZ are planning a Tech Careers event with industry for the 17 May. This is subject to funding being sourced.

Financials YTD 31 December 2022

STATEMENT OF FINANCIAL PERFORMANCE				
	YTD DEC	YTD DEC	Full Year	Full Year
REVENUE	Actual	Budget	Budget	SOI 22/23
Revenue from Shareholders	10,911,005	12,152,008	23,533,973	18,729,637
Other Revenue	4,757,267	8,363,271	13,702,087	12,922,387
TOTAL REVENUE	15,668,272	20,515,279	37,236,060	31,652,024
EXPENDITURE				
Personnel Costs	7,131,688	7,020,343	15,104,656	13,468,000
Investment in Projects and Events	6,067,896	8,938,072	18,993,871	15,634,108
Other Expenditure	1,246,487	1,701,452	3,378,892	2,449,916
TOTAL EXPENDITURE	14,446,071	17,659,867	37,477,419	31,552,024
SURPLUS	1,222,200	2,855,412	- 241,358	100,000

The 2023 SOI was completed under the assumption that the borders would be closed for longer and that it would take longer for large scale events to be allowed prior to the Government's announcements re these. WellingtonNZ refined their budget after those announcements, and we are reporting on both.

Our subsidiary has experienced a slower pipeline of revenue uptake in this financial year than budgeted, however this is expected to improve. We additionally have more income held in advance on our balance sheet as events and programmes of work are finalised and we anticipate releasing that to the p&l in the second half of the year. There has been a delay in some investment in activity than anticipated but this is expected to increase in the 2nd half of the year, and we are anticipating meeting our bottom-line result for year end.

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STATEMENT OF FINANCIAL POSITION					
	YTD DEC Actual	YTD SEP Actual	YTD JUNE Actual	Full Year SOI 22/23	
SHAREHOLDER FUNDS	6,069,525	4,130,551	3,936,052	3,749,361	
ASSETS					
Current Assets	11,533,608	11,930,545	10,103,422	5,607,040	
Investments	1,879,471	1,879,471	1,879,471	1,437,024	
Other Non-Current Assets	834,053	734,530	782,539	800,000	
TOTAL ASSETS	14,247,132	14,544,547	12,765,432	7,844,064	
CURRENT LIABILITIES	8,177,607	10,413,995	8,829,380	4,094,703	
NET ASSETS	6,069,525	4,130,551	3,936,052	3,749,361	

WellingtonNZ is currently holding high cash reserves on its balance sheet as it holds funds higher than anticipated in income in advance for future programmes of work and events. These funds are from both shareholder and non-shareholder sources.