



**greater WELLINGTON**  
REGIONAL COUNCIL  
Te Pane Matua Taiao

If calling please ask for: Democratic Services

21 November 2018

## **Wellington Regional Strategy Committee**

Order Paper for meeting to be held in the Council Chamber, Greater Wellington Regional Council, Level 2, 15 Walter Street, Te Aro, Wellington on:

**Tuesday, 27 November 2018 at 1.00pm**

### **Membership of Committee**

Mayor Lester (Chair)	Wellington City Council
Councillor Blakeley (Deputy Chair)	Greater Wellington Regional Council
Deputy Mayor Day	Wellington City Council
Councillor Calvert	Wellington City Council
Mayor Guppy	Upper Hutt City Council
Mayor Gurunathan	Kapiti Coast District Council
Councillor Marsh	Wellington City Council
Mayor Patterson	Masterton District Council
Mayor Tana	Porirua City Council
Mayor Wallace	Hutt City Council

***Recommendations in reports are not to be construed as Council policy until adopted by Council***

## Wellington Regional Strategy Committee

**Order Paper for meeting to be held on Tuesday, 27 November 2018 in the Council Chamber, Greater Wellington Regional Council, Level 2, 15 Walter Street, Te Aro, Wellington at 1.00pm**

### Public Business

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1.	Apologies	
2.	Conflict of interest declarations	
3.	Public participation	
4.	<a href="#">Confirmation of the minutes of 28 August 2018</a>	<b>Report 18.370 3</b>
5.	<a href="#">Action items from previous meetings</a>	<b>Report 18.426 6</b>
6.	<a href="#">WREDA Annual Report 2017/18 and First Quarter Report 2018/19</a>	<b>Report 18.552 8</b>
7.	<a href="#">Letter of Expectation – WREDA</a>	<b>Report 18.549 95</b>
8.	<a href="#">Multi-user Ferry Terminal</a>	<b>Report 18.557 100</b>
9.	Wairarapa Strategy	<b>Oral</b>
10.	<a href="#">Exclusion of the public</a>	<b>Report 18.556 105</b>

### Public Excluded Business

11.	<a href="#">WREDA Board review and director appointments</a>	<b>Report PE18.550 106</b>
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**greater WELLINGTON**  
REGIONAL COUNCIL  
Te Pane Matua Taiao

**Report 18.370**

28/08/2018

File: CCAB-15-260

**Minutes of the Wellington Regional Strategy Committee meeting held on Tuesday, 28 August 2018, in the Council Chamber, Greater Wellington Regional Council, Level 2, 15 Walter Street, Te Aro, Wellington at 1:04pm**

**Present**

Mayor Lester (Chair)	(Wellington City Council)
Councillor Blakeley (Deputy Chair)	(Greater Wellington Regional Council)
Councillor Calvert	(Wellington City Council)
Mayor Guppy	(Upper Hutt City Council)
Councillor Marsh	(Wellington City Council)
Mayor Patterson	(Masterton District Council)
Deputy Mayor Bassett	(Hutt City Council)

**Public Business**

1 Apologies

*Moved*

*(Mayor Lester/ Cr Blakeley)*

*That the Committee accepts the apologies for absence from Deputy Mayor Day, and Mayors Gurunathan, Tana, and Wallace.*

The motion was **CARRIED**.

2 **Conflict of interest declarations**

There were no declarations of conflict of interest.

3 **Public Participation**

There was no public participation.

4 **Confirmation of the minutes of 19 June 2018**

*Moved*

*(Mayor Lester/ Cr Blakeley)*

*That the Committee confirms the minutes of the meeting of 19 June 2018, Report 18.259.*

The motion was **CARRIED**.

5 **Action items from previous meetings**

**Report 18.282**

File: CCAB-15-250

*Moved*

*(Mayor Lester/ Cr Blakeley)*

*That the Committee:*

- 1. Receives the report.*
- 2. Notes the content of the report.*

The motion was **CARRIED**.

6 **WREDA Report on the year 2017/18**

Lance Walker, Chief Executive, WREDA, spoke to the report and gave the Committee a summary of year's highlights, including a 4% increase in international students which equates to \$11 million economic contribution to the Region, 515 facilitated screen productions with a direct value of \$93 million for locations in Wellington City, Wairarapa and Kapiti, and growth in the tourism sector.

Lance Walker advised the Committee that Wellington has won the bid to hold the World Science Fiction Convention in 2020.

Lance Walker noted that, due to the lack of a suitable indoor events centre, indications are that the Region is missing out on circa 30 event days, annually. The next update regarding possible locations and timeframes of a proposed indoor events centre is expected in November 2018.

Lance Walker advised the Committee of two new developments: Shopify, a global e-commerce company, is opening its first Oceania-base in Wellington, and Team Wellington Partnership has contributed \$2.5 million over five years to promote Wellington to the Chinese market.

Lance Walker indicated some organisational structure changes at WREDA with the view of better integration of WREDA's functions. The new structure includes a new business unit called Regional Development, Destination and Attraction.

Lance Walker gave an update on the renovation work being undertaken at the Wellington i-Site Visitor Information Centre, noting that it is hoped to have the work completed prior to the next cruise season.

Stefan Korn, Chief Executive, Creative HQ, gave a presentation to the Committee, outlining Creative HQ's past year, being the biggest year to date (in terms of overall revenue, impact and commercial revenue), and looking ahead in relation to extending their GovTech footprint and other core programming into the Region.

**Report 18.364**

File: CCAB-15-255

*Moved*

*(Mayor Guppy/ Cr Blakeley)*

*That the Committee:*

- 1. Receives the report.*
- 2. Notes the content of the report.*

The motion was **CARRIED**.

**7 Wellington Regional Investment Plan**

Samantha Seath, Wellington Regional Strategy, spoke to the report, and tabled an update to the focus of the four transformational areas for the Region.

**Report 18.363**

File: CCAB-15-253

*Moved*

*(Mayor Patterson/ Cr Blakeley)*

*That the Committee:*

- 1. Receives the report.*
- 2. Notes the content of the report.*

The motion was **CARRIED**.

The meeting closed at 1:53pm.

Mayor Lester  
(Chair)

Date:



<b>Report</b>	<b>18.426</b>
Date	20 November 2018
File	CCAB-15-265
<b>Committee</b>	<b>Wellington Regional Strategy Committee</b>
<b>Author</b>	<b>Luke Troy, General Manager, Strategy</b>

## Action items from previous meetings

**Attachment 1** lists items raised at Wellington Regional Strategy Committee meetings that require actions or follow-ups from officers. All action items include an outline of current status and a brief comment. Once the items have been completed and reported to the Committee they will be removed from the list.

No decision is being sought in this report. This report is for the Committee's information only.

### Recommendations

*That the Committee:*

1. *Receives the report.*
2. *Notes the content of the report.*

Report approved by:

**Luke Troy**  
General Manager, Strategy

**Attachment 1:** Action items from previous meetings

**Attachment 1 to Report 18.426**

**Action points from previous Wellington Regional Strategy Committee meetings**

<b>Meeting date</b>	<b>Action point</b>	<b>Status and comment</b>
19 June 2018	<b>Noted</b> <i>Officers agreed to provide a written report on the Wellington Regional Investment Plan to the Committee at the next meeting.</i>	<b>Status:</b> <i>Completed</i> <b>Comments:</b> Report 18.263 was presented to the Committee at the meeting on 28 August 2018.



**Report** 18.552  
**Date** 20 November 2018  
**File** CCAB-15-288

**Committee** Wellington Regional Strategy Committee  
**Authors** Samantha Seath, Wellington Regional Strategy Office, Greater Wellington Regional Council, and Barry Turfrey, Wellington City Council

## WREDA Annual Report 2017/18 and First Quarter Report 2018/19

### 1. Purpose

To consider the Wellington Regional Economic Development Agency (WREDA) Annual Report 2017/18 and first quarter 2018/19 report.

### 2. Background

The Annual Report was produced as an online document and can be viewed [here](#). The financial report is included as **Attachment 1**. The first quarter 2018/19 report is included as **Attachment 2**.

A summary of the reports and analysis are set out below and will be presented to the Committee by Lance Walker, Chief Executive, WREDA.

### 3. Annual Report Summary

A summary of WREDA's performance for the 2017/18 year was given to the Committee at its meeting in August. The Annual Report has now been released. However, due to additional work being undertaken by the auditors, the Annual Report was not received within the statutory deadline of 30 September 2018.

A summary of the highlights and performance measures are noted below.

#### EXECUTIVE SUMMARY FOR THE YEAR ENDING 30 JUNE 2018

Highlights from the year include;

- 451 businesses supported by WREDA through the NZTE regional growth programme, 33% outside Wellington City
- Shopify choose Wellington as its first Oceania base, winning against 7 other cities
- 4% rise in international students at 8,504

- 31 new start-up ventures went through CHQ's incubation programme
- 9 ventures graduated to investable companies
- Companies in which CHQ holds small shareholdings are worth \$74.9m
- CHQ has 3,040 members in its start-up garage (focus on networking)
- Through Summer of Tech 283 interns were placed
- 515 film permits issued, facilitated screen production with a value of \$93m
- Major events results in \$112m of economic value
- All Whites World Cup qualifier attended by 35,100 people, 34% from out of region
- Other highlights included NZ Festival, the Muppets Retrospectacle, Homegrown with 21,000 attendees and another stellar season of WoW
- 594 performances and events, attended by 423,369 people, resulting in \$68m of out of region spend, 26,700 of the conference attendees were also from out of region
- Excellent visitor numbers with \$2.6b spend and guest nights total 3.1m, both up 2017
- Partnership with Weta, WIAL, Te Papa and KiwiRail to attract more visitors from China and other parts of Asia
- Wellington again voted number 1 most liveable city in the world by Deutsche bank
- 162,000 Cruise ship passengers and crew visited Wellington delivering \$59m of economic value
- 2.7m visits to Wellingtonnz.com
- 18 major marketing campaigns reaching 35m people
- \$28m in economic value of conferences attracted
- 2,744 travel agents trained.

### SUMMARY FINANCIALS FOR THE YEAR ENDING 30 JUNE 2018

Variance (Actual minus Budget). ✓ Favourable variance to budget ✗ Unfavourable variance to budget

FINANCIAL PERFORMANCE (\$000)	Actual 2018	Budget 2018	Variance 2018	Actual 2017
30 JUNE \$000	Actual	Budget	Variance	2017
Total Revenue	31,053	29,088	✓ 1,965	31,781
Total Expenses	30,998	28,988	✗ 2,010	30,960
Net Surplus (deficit)	55	100	✗ (45)	821
<b>FINANCIAL POSITION</b>				
Total Assets	7,117	6,846	✓ 271	6,096
Total Liabilities	4,648	4,432	✓ 216	3,682
Equity	2,469	2,414	✓ 55	2,414
<b>CASH FLOWS</b>				
Net Cash Flow	204	(260)	✓ 464	(252)
Opening Cash	1,707	2,100	(393)	1,958
Closing Cash On Hand	1,911	1,840	✓ 71	1,707

#### Comments

- Revenue is ahead of budget due to additional programs being undertaken by Creative HQ (both government & corporate clients) along with the new

<p>Ticketmaster contract.</p> <ul style="list-style-type: none"> <li>• Expenditure increased over budget due to the additional programmes noted above.</li> <li>• Creative HQ has a number of small shareholdings in start-up companies received in return for providing mentoring services, advice etc. These are revalued yearly, this year the investments increased by \$770,000, a much larger movement than in past years. This increase is shown in revenue and accordingly net surplus.</li> </ul>				
<b>KPI DASHBOARD (The table contains a selection of KPIs and not a complete list)</b>				
✓ Achieved ✗ Not Achieved.				
<b>30 JUNE</b>		<b>2018</b>	<b>2017</b>	<b>2016</b>
Maintain Wellington's share of the convention market (1)	Actual	✓20%	22%	16%
	Target	18%	16%	16%
Number of events (1)	Actual	✗594	n/a	n/a
	Target	624		
International Student Enrolments (2)	Actual	✗8,504	8,179	7,400
	Target	9,200	8,500	
Number of ventures on CHQ platform	Actual	✓31	n/a	n/a
	Target	25		
Net permanent and long term arrivals	Actual	✗3,409	3,787	3,100
	Target	3,600	3,500	
Total commercial guest nights (3)	Actual	✗3.15m	3.11m	3.05m
	Target	3.2m	3.15m	
Australian visitor spend (3)	Actual	✗\$230m	\$243m	\$223m
	Target	\$240m	\$195m	
Interns placed in priority sectors	Actual	✓283	221	180
	Target	225	200	200
ROI via out of Wellington spend	Actual	✓21:1	21:1	n/a
	Target	20:1	20:1	
Value of facilitated screen production	Actual	✗\$93m	n/a	n/a
	Target	\$100m		
Total event attendance (4)	Actual	✓733,962	657,700	n/a
	Target	700,000	600,000	
<p>Sources:</p> <p>(1) Internal WREDA reporting  (2) Education New Zealand  (3) Dept of Statistics  (4) Provided by the local venue</p> <p>Comments</p> <ul style="list-style-type: none"> <li>• Student enrolments and migration were both impacted by a nationwide slow down due to uncertainty on government policy re visas.</li> <li>• The closure of the St James in March has impacted on the number of events.</li> </ul>				

- Commercial guest nights while below target were up on the previous year.
- Value of screen production was down on target due to a lesser number of larger productions

#### 4. First Quarter Report Summary

During the quarter, WREDA introduced and implemented their new organisational structure.

##### ACTIVITY SUMMARY FIRST QUARTER 2018/19

Major highlights:

##### **Business Growth and Innovation**

- 199 regional businesses supported, 94 received hands on support, 39% of these were from the region, 59% Wellington City.
- Demand for screen permits in the region was high with 140 approved.
- Mortal Engines a movie 100% made in Wellington will release in December 2018
- Supported the Kapiti Creative Startup Weekend
- Continued work on the proposed Convention Centre, Porirua Adventure Park and the Indoor Arena.

##### **Creative HQ**

- Delivered the Beca acceleration programme and the GetFunded workshops for NZ science community.
- GovTech Lighting Lab was held over 3 months with 12 projects from central and local government
- Further programmes for Kiwibank FinTech Accelerator 3, Maori accelerator and a Youth accelerator “Venture Up 2019” are planned.
- 20 ventures in the incubation programme

##### **Destination and Marketing**

- Regional Trails framework branding and web site to go live in November
- A number of marketing campaigns were completed including a JV with Tourism NZ and Marlborough, “Find Your Wild Wellington”
- Best ever ticket sales for Visa Wellington on a Plate
- A \$600k joint campaign with Tourism NZ and Destination Marlborough was run generated 163,000 website visits.
- Ensuring Wellington benefits from Lonely Planet naming Wellington as NZ’s top destination for 2018
- A new partnership between WREDA, Te Papa, KiwiRail, Weta and WIAL formed to attract more visitors from China and South East Asia

##### **Partnerships and Events**

- 6 large business event bids won, estimated economic value \$8m, events included World Science Fiction convention & Asia Pacific Oral Health
- Sold out All Blacks/South Africa test, 45% from out of region accommodation at near 100%
- Successful season of WOW, by the close over 60,000 patrons attended, largest in the shows history

- Venues hosted 65 performance events, with 80,675 guests and 64 conferences and business events

### SUMMARY FINANCIALS FIRST QUARTER 2018/19

\* Variance (Actual minus Budget). ✓ Favourable variance to budget ✗ Unfavourable variance to budget

FINANCIAL PERFORMANCE (\$000)	Actual YTD Q1 18	Budget YTD Q1 18	Variance YTD Q1 18	Budget 2018/19
Total Revenue	8,200	8,183	✓ 17	28,733
Total Expenses	7,317	7,887	✓ (570)	28,683
Net Surplus (Loss)	883	296	✓ 587	50
<b>FINANCIAL POSITION</b>				
Total Assets	7,088			
Total Liabilities	3,735			
Equity	3,353			
<b>CASH FLOWS</b>				
Total Net Cash Flows	1,500	1,601		
Opening Cash	2,100	1,911		
Closing Cash	3,600	3,512		

- Lower marketing spend for Q1 compared to budget reflects the timing of the marketing spend.

### KPI DASHBOARD (The table contains a selection of KPIs and is not a complete list)

✓ Achieved ✗ Not Achieved. → Steady ↗ Improving ↘ Declining

MEASURE		Q1 2018	Budget 2018/19	Trend	Comments
Unique visitors to Wellingtonnz.com	Actual	534,873	2.7m	↗	On track to ac
Weekend hotel guest occupancy	Actual	76%	80%	↗	On track to ac
International travel trade interactions	Actual	586	3750	↗	On track to ac
Number of start-ups on CHQ platform	Actual	26	70	↗	On track to ac
Number of companies becoming investable	Actual	1	5	↗	On track to ac
Value of Business Events	Actual	\$8.2m	\$25m	↗	On track to ac

Number of International bids submitted	Actual	10	35	↗	On track to achieving target
Proportion of successful business events submitted	Actual	86%	60%	↗	On track to achieving target
Number of events	Actual	129	440	↗	On track to achieving target
Value of facilitated screen production	Actual	\$5.3m	\$65m	↗	On track to achieving target
Major Event attendance	Actual	74,539	700,000	↗	On track to achieving target
<p>Comments</p> <p>A number of WREDA's KPIs are measured on an annual basis, at this stage, based on the Q1 trends it is expected that the majority of the KPIs will be achieved including those relating to Screen Production and Major Events</p>					

## ISSUES & OUTLOOK

Looking forward to Q2;

- A number of marketing campaigns planned including:
  - Summer NZ visitor campaign kicks off in October through to January
  - Joint campaign with Te Papa re the Terracotta Warriors exhibition
  - Live in WLG campaign
  - Mortal Engines release
- New Cruise season starts
- Completion of WOW season
- GovTech Lighting lab demo day
- Launch of Regional Trails Framework
- Launch of Wairarapa Investment Plan
- Porirua Adventure Park development continues
- Eminem Wellington concert in Q3 , tickets sell out in under an hour
- Major upcoming concerts include David Byrne, NZ Ballet, Bill Murray

### 5. Communication

No communication is required,

### 6. Consideration of climate change

The matters addressed in this report are of a procedural nature, and there is no need to conduct a climate change assessment.

### 7. The decision-making process and significance

No decision is being sought in this report.

#### 7.1 Engagement

Engagement on this matter is unnecessary.

### 8. Recommendations

*That the Committee:*

1. *Receives the report.*

2. *Notes the content of the report.*
3. *Receives, on behalf of the shareholding councils, the WREDA Annual Report for 2017/18.*

Report prepared by:

**Samantha Seath**  
Wellington Regional Strategy  
Office, Greater Wellington  
Regional Council

Report prepared by:

**Barry Turfrey**  
Wellington City Council

Report approved by:

**Luke Troy**  
General Manager, Strategy  
Greater Wellington Regional  
Council

**Attachment 1:** WREDA Financial Report 2017/18

**Attachment 2:** WREDA First Quarter Report 2018/19

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FINANCIAL  
STATEMENTS  
& PERFORMANCE  
INFORMATION  
2018

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## INDEPENDENT AUDITOR'S REPORT

To the readers of Wellington Regional Economic Development Agency Limited group's financial statements and performance information for the year ended 30 June 2018

The Auditor General is the auditor of Wellington Regional Economic Development Agency Limited Group (the Group). The Auditor General has appointed me, Karen Young, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information of the Group, on his behalf.

### OPINION

We have audited:

- the financial statements of the Group on pages 6 to 33, that comprise the statement of financial position as at 30 June 2018, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include the statement of accounting policies and other explanatory information; and
- the performance information of the Group on pages 35 to 37.

In our opinion:

- the financial statements of the Group on pages 6 to 33:
  - > present fairly, in all material respects:
    - its financial position as at 30 June 2018; and
    - its financial performance and cash flows for the year then ended; and
  - > comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Reporting Standards; and
- the performance information of the Group on pages 35 to 37 presents fairly, in all material respects, the Group's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Group's objectives for the year ended 30 June 2018.

Our audit was completed on 31 October 2018. This is the date at which our opinion is expressed.

The basis for our opinion is explained below and we draw your attention to the uncertainties in the carrying value of the unlisted shares in incubator and accelerator companies, and investment associate. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

### UNCERTAINTIES IN THE CARRYING VALUE OF UNLISTED SHARES IN INCUBATOR AND ACCELERATOR COMPANIES AND INVESTMENT IN ASSOCIATE

Without modifying our opinion, we draw your attention to note 1 on page 12 and to note 8 on page 20 of the financial statements that explain how the fair value of the shares in incubator and accelerator companies, including the shares held by Lighting Lab Fintech 2017 Limited Partnership has been determined and the uncertainties in measuring that fair value. Although the fair value of these unlisted shares is based on the best information available, there is a high degree of uncertainty about the value due to the early stage nature of the investments, the absence of quoted market prices and the reliance placed on the information supplied by the companies. This uncertainty could have a material effect on the statement of comprehensive revenue and expense and statement of financial position.

## BASIS FOR OUR OPINION

We carried out our audit in accordance with the Auditor General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS AND THE PERFORMANCE INFORMATION

The Board of Directors is responsible on behalf of the Group for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the performance information for the Group.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the Group for assessing the Group's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

## RESPONSIBILITIES OF THE AUDITOR FOR THE AUDIT OF THE FINANCIAL STATEMENTS AND THE PERFORMANCE INFORMATION

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Group's statement of intent for 2017/18.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the Group's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements and the performance information of the entities or business activities within the Group to express an opinion on the consolidated financial statements and the consolidated performance information. We are responsible solely for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify in our audit.

Our responsibilities arise from the Public Audit Act 2001.

## OTHER INFORMATION

The Board of Directors is responsible for the other information. The other information comprises the "Activity highlights 2017/18" and information included on pages 1 to 38, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

## INDEPENDENCE

We are independent of the Group in accordance with the independence requirements of the Auditor General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners, issued by New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Group.

*Karen Young*

Karen Young  
AUDIT NEW ZEALAND  
ON BEHALF OF THE AUDITOR GENERAL  
WELLINGTON, NEW ZEALAND

WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LIMITED

# STATEMENT OF COMPLIANCE AND RESPONSIBILITY

## STATEMENT OF COMPLIANCE

The Board and Management of the Wellington Regional Economic Development Agency Limited (WREDA the Company and Group) acknowledge that the company has not met the requirement of S67(1) of the Local Government Act 2002 to make its annual report publicly available by 30 September 2018. Apart from this, they confirm that all other statutory requirements in relation to this annual report, as outlined in the Local Government Act 2002 and the Companies Act 1993, have been met.

## STATEMENT OF RESPONSIBILITY

The Board and Management accept responsibility for:

- the preparation of WREDA's financial statements and the judgements used in them
- having in place a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and service performance reporting.

In our opinion:

- the financial statements fairly reflect the financial position of WREDA as at 30 June 2018 and its operations for the year ended on that date
- the service performance statements fairly reflect the performance achievements for WREDA for the period reported.



Peter Biggs  
CHAIR  
31 OCTOBER 2018



Grant Guilford  
CHAIR, RISK AND AUDIT COMMITTEE  
31 OCTOBER 2018

WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LIMITED  
 CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE  
 FOR THE YEAR ENDED 30 JUNE 2018

REVENUE	NOTES	GROUP		
		2018 ACTUAL \$	2018 BUDGET \$	2017 ACTUAL \$
Service revenue	2(v)	20,479,343		19,745,259
Management fee revenue	2(vi)	5,079,935		5,237,689
Interest revenue		67,718		66,690
Rental revenue		96,250		101,318
Other revenue	2(vi)	5,330,030		5,663,547
<b>TOTAL REVENUE</b>		<b>31,053,276</b>	<b>29,087,895</b>	<b>30,814,503</b>
<b>EXPENSES</b>				
Personnel costs	3	12,825,208		12,901,472
Directors fees and expenses	21	271,365		274,450
Depreciation and amortisation	6,7	170,138		134,333
Other expenses	4	18,009,580		16,454,241
<b>TOTAL EXPENSES</b>		<b>31,276,291</b>	<b>28,987,895</b>	<b>29,764,496</b>
<b>(DEFICIT)/SURPLUS BEFORE INCOME TAX AND SUBVENTION PAYMENT</b>		<b>(223,015)</b>	<b>100,000</b>	<b>1,050,007</b>
Subvention payment		78,072		23,874
Income tax expense	5	200,271		148,667
<b>(Deficit)/Surplus for the year</b>		<b>(501,358)</b>	<b>100,000</b>	<b>877,466</b>
<b>Other comprehensive revenue and expense</b>				
Fair value movement of investment		246,854		(56,089)
Share of Associate's other comprehensive revenue and expense		309,563		-
<b>Total other comprehensive revenue and expense</b>		<b>55,059</b>		<b>(56,089)</b>
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>		<b>55,059</b>	<b>100,000</b>	<b>821,377</b>

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS.

EXPLANATIONS OF MAJOR VARIANCES AGAINST THE ORIGINAL 2017/18 BUDGET ARE PROVIDED IN NOTE 25.

WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LIMITED  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

ASSETS	NOTES	GROUP		
		2018 ACTUAL \$	2018 BUDGET \$	2017 ACTUAL \$
<b>Current assets</b>				
Cash and cash equivalents	11	1,911,315		1,706,958
Trade and other receivables	9	2,680,720		3,007,053
Prepayments		182,967		209,457
Inventories		1,588		937
<b>TOTAL CURRENT ASSETS</b>		<b>4,776,590</b>	<b>3,558,945</b>	<b>4,924,405</b>
<b>Non-current assets</b>				
Property, plant and equipment	6	369,494		344,380
Intangible assets	7	90,850		11,749
Other financial assets	10	31,984		41,349
Investments in incubator and accelerator companies	8	1,455,528		1,413,177
Investment in associate		360,716		-
Deferred tax asset	5	31,939		110,970
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,430,511</b>	<b>1,856,000</b>	<b>1,921,625</b>
<b>TOTAL ASSETS</b>		<b>7,117,101</b>	<b>5,414,945</b>	<b>6,846,030</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade payables	13	1,739,626		1,421,214
Employee entitlements	12	969,545		1,081,299
Sundry creditors and accruals	14	1,307,029		1,540,652
Deferred Revenue		567,321		264,314
Taxes and KiwiSaver payable	15	64,465		124,495
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,647,986</b>	<b>3,700,000</b>	<b>4,431,974</b>
<b>TOTAL LIABILITIES</b>		<b>4,647,986</b>	<b>3,700,000</b>	<b>4,431,974</b>
<b>NET ASSETS</b>		<b>2,469,115</b>	<b>1,714,945</b>	<b>2,414,056</b>

WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LIMITED  
 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

EQUITY	NOTES	GROUP		
		2018 ACTUAL \$	2018 BUDGET \$	2017 ACTUAL \$
Share capital		1,000		1,000
Capital injection from shareholder		1,577,137	-	1,577,137
Fair Value Reserve		878,381	-	321,964
Accumulated funds		12,597	-	513,955
<b>TOTAL EQUITY</b>		<b>2,469,115</b>	<b>1,714,945</b>	<b>2,414,056</b>

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS.

EXPLANATIONS OF MAJOR VARIANCES AGAINST THE ORIGINAL 2017/18 BUDGET ARE PROVIDED IN NOTE 25.

WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LIMITED  
 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	NOTES	GROUP	
		2018 ACTUAL \$	2017 ACTUAL \$
<b>Balance at 1 July</b>		2,414,056	1,514,945
Total comprehensive revenue and expense for the year		(501,358)	877,466
Movement in investment reserve		556,417	99,379
Prior period adjustment		-	(77,734)
<b>BALANCE AT 30 JUNE</b>		<b>2,469,115</b>	<b>2,414,056</b>

#### Equity and Share Capital

Equity is Wellington City Council and Greater Wellington Regional Council's interest in WREDA, being a council-controlled organisation, as measured by total assets less total liabilities. Equity has been classified into various components to identify those portions of equity held for specific purposes.

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS.

EXPLANATIONS OF MAJOR VARIANCES AGAINST THE ORIGINAL 2017/18 BUDGET ARE PROVIDED IN NOTE 25.

WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LIMITED  
CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

	NOTES	GROUP	
		2018 ACTUAL \$	2017 ACTUAL \$
<b>Cash flows from operating activities</b>			
Receipts from other revenue		11,135,306	10,993,578
Receipts from grants		20,479,343	18,995,259
Payments to suppliers/employees		(30,990,039)	(29,839,899)
Goods and Services tax (net)		(40,031)	(79,786)
Income tax (paid)		(185,421)	(172,541)
<b>NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>		<b>399,158</b>	<b>(163,389)</b>
<b>Cash flows from investing activities</b>			
Interest received		64,743	66,690
Receipts from CHQ Investments		2,975	121,649
Proceeds from repayment of loan		15,000	15,000
Purchases of investments		-	(95,000)
Purchases of property, plant and equipment		(152,789)	(186,918)
Purchases of intangibles		(124,730)	(9,559)
<b>NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		<b>(194,801)</b>	<b>(88,147)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>204,357</b>	<b>(251,536)</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>1,706,958</b>	<b>1,958,494</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		<b>1,911,315</b>	<b>1,706,958</b>

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS.

EXPLANATION OF MAJOR VARIANCES AGAINST THE ORIGINAL 2017/18 BUDGET ARE PROVIDED IN NOTE 25.

WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LIMITED

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

## 1. STATEMENT OF ACCOUNTING POLICIES

### REPORTING ENTITY

Wellington Regional Economic Development Agency Limited (WREDA), the controlling entity, is a council-controlled organisation as defined under section 6 of the Local Government Act 2002 and domiciled in New Zealand. WREDA is a public benefit entity for the purposes of financial reporting.

The controlling entities registered office is 111 Wakefield St, Wellington and its principal place of business is both 175 Victoria Street and 111 Wakefield Street, Wellington.

These consolidated financial statements for the year ended 30 June 2018 comprise the controlling entity and its controlled entity, together referred to as the 'Group' and individually as 'Group Entities'.

WREDA combines activities, functions and funding of particular business units previously under the control of the Wellington City Council and the Greater Wellington Regional Council. WREDA is the 100% shareholder of Creative HQ Limited, the regions business incubator and accelerator, which also has a reporting date for the year ended 30 June 2018.

WREDA aims to integrate, streamline, strengthen and, as required, modify the core activities of the legacy organisations so that the Wellington Region's prosperity will be improved and its global reputation as a centre of creativity, enterprise, diversity and liveability will be enhanced. As a result, the Region will be more attractive to visitors, investors, migrants, students and businesses, and will also retain existing enterprises and enable them to grow.

In summary, WREDA exists to make the Wellington Region wildly famous.

## BASIS OF PREPARATION

### (A) STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with the Public Entity Standards ("PBE Standards") as appropriate for Tier 1 public-benefit entities and have been prepared on a going-concern basis. The accounting policies have also been applied consistently throughout the year.

These financial statements were authorised for issue by the Board of Directors on 31 October 2018.

### (B) MEASUREMENT BASIS

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position, which are measured at fair value:

- Investment in incubator and accelerator companies
- Employee entitlements
- Loan issued

### (C) FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in New Zealand dollars (\$) which is the controlling entity's functional and Group's presentation currency.

There has been no change in the functional currency of the Group during the year.

### (D) CHANGES IN ACCOUNTING POLICIES

- There have been no changes in the controlling entity and Group's accounting policies since the date of the last audited financial statements. The accounting policies are detailed in the following notes and have been applied consistently to all

periods presented in these financial statements and have been applied consistently by the Group.

## STANDARDS ISSUED AND NOT YET EFFECTIVE THAT HAVE BEEN EARLY ADOPTED

WREDA has not adopted early any Accounting Standards that are issued but not yet effective.

## STANDARDS ISSUED AND NOT YET EFFECTIVE AND NOT EARLY ADOPTED

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to WREDA are:

### *Financial instruments*

In January 2017, the XRB issued PBE IFRS 9 *Financial Instruments*. This replaces PBE IPSAS 29 *Financial Instruments: Recognition and Measurement*. PBE IFRS 9 is effective for financial years beginning on or after 1 January 2021, with earlier application permitted. The main change under the standard relevant to WREDA are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which might result in the earlier recognition of impairment losses.

### *Interests in other entities*

In January 2017, the XRB issued new standards for interests in other entities (PBE IPSAS 34-38). These new standards replace the existing standards for interests in other entities (PBE IPSAS 6-8). The new standards are effective for annual reporting periods on or after 1 January 2019, with early application permitted.

WREDA plans to apply the new standards in preparing the 30 June 2020 financial statements. WREDA has not yet assessed the effects of these new standards.

## SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and

assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

### (A) JUDGEMENTS

Judgements made in applying accounting policies that have had the most significant effects on the amounts recognised in the consolidated financial statements include the following:

- Intangible assets are considered to have finite lives. Refer to Note 7.
- The parent's subsidiary is considered to be 100% under the parent's control. Refer to Note 28.
- The loan issued is assumed that it will be repayable in full. Refer to Note 10.

### (B) ESTIMATION AND ASSUMPTION UNCERTAINTIES

Estimation and uncertainties that have a significant risk of resulting in a material adjustment in the year ended 30 June 2018 include the following:

- Uncertainties are inherent in estimating fair value of the investments in incubator, accelerator companies and investment in associate and care has been made in exercising judgement and making the necessary estimates. Accounting standards require a gain or loss on fair value of these investments to be recognised in surplus or deficit but there is no certainty that any gain or loss based on the estimate of fair value will actually be realised if a sale was completed.

### (C) SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are included within the notes below to which they relate. Other significant accounting policies that do not relate to a note are included within Note 27.

### (E) BUDGET FIGURES

The budget figures are those approved by the Board in the 2017/18 Statement of Intent. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by WREDA in preparing these financial statements.

## 2. REVENUE

Revenue is recognised when the amount of revenue can be measured reliably, and it is probable that economic benefits will flow to the Group and measured at the fair value of consideration received or receivable.

Revenue may be derived from either exchange or non-exchange transactions.

### (A) REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from exchange transactions arises where WREDA provides goods or services to another entity or individual and receives approximately equal value or greater in a willing arm's length transaction between a willing buyer and willing seller.

#### (I) GRANTS

Grants are in large received from shareholders Wellington City Council and Greater Wellington Regional Council, but also from some Central Government organisations. Grants are recognised when received and all the conditions associated with the grants have been met. Where grants have been given for specific services, income will be recognised in the same period in which the specific service is provided. At balance date any unexpended specific funding is treated as a liability (income in advance).

#### (II) INTEREST REVENUE

Interest income is recognised as the interest accrues to the net carrying amount of the financial asset using the effective interest method.

#### (III) RENTAL REVENUE

Rental revenue is recognised on a straight-line basis over the lease term.

#### (IV) OTHER REVENUE

Other revenue received includes fee revenue, capital raising success fees and sponsorships. Fee revenue received from incubator residents partly offsets the costs of running the incubator and is recognised when the future economic revenue is measurable and probable of future economic revenue being received.

Capital raising success fees received from the introduction of companies and individuals to Angel investors. These fees are received when those introduced raise capital. The fee is based on a negotiated percentage of the capital raised.

Sponsorships are received from third parties to partly cover the costs of running the subsidiary

programmes and projects. Sponsors were linked to the programme and recognised in all promotions associated with the activity they sponsored. Sponsorships are recognised when measurable and probable of future economic benefits being received.

Other revenue received are from third parties to cover contracted and other services provided for the third party. These will include training courses, services provided to Education Wellington International and expenses recovered.

### (V) SERVICE REVENUE

Service revenues are grants received by WREDA in large from its shareholders Wellington City Council & Greater Wellington Regional Council as well as both central Government organisations and private sector organisations. Service revenues are used to further economic development in the Wellington Region.

During 2018 and 2017, under a management agreement with WCC, WREDA also earned a surplus share from its operation of Venues Wellington. This share of the Venues Wellington surplus is to be used for the future enhancement of the Venues Wellington experience.

	GROUP	
	2018	2017
TOTAL SERVICE REVENUE	20,479,343	19,745,259

### (VI) MANAGEMENT FEES

WREDA manages venues on behalf of the Wellington City Council and receives Management fee revenue for those services. The venues currently managed on behalf of the Wellington City Council include the Michael Fowler Centre, St James Theatre, Opera House, TSB Bank Arena and Conference Centre (Shed 6). Management fee income is recognised in the accounting period in which the services are rendered.

Fees are chargeable at a value equivalent to the aggregate of employee and directors' costs contained within the Parent's venue management division and fluctuate year on year depending on those costs.

	GROUP	
	2018	2017
TOTAL	5,079,935	5,237,689

## (VII) OTHER REVENUE

During the period we have had some uplift in our Partner Revenue, through both revenue increases stemming from Creative HQ and also partner revenue uplift from the Parent's involvement in marketing Wellington Venues as part of our Venues Management Agreement with the Wellington City Council. This additional marketing revenue has been offset by the expenditure incurred, recorded in expenditure. As part of our Venues Management Agreement with Wellington City Council, WREDA is entitled from to a share of surplus generated within the Venues business of the Wellington City Council. This surplus is to be used for the purpose of benefiting the Venues in future financial periods.

Due to the damage caused by the Kaikoura earthquake all Cruise passengers were required to be shuttled off the port. Immediately after the Kaikoura earthquake cruise shuttle arrangements were undertaken by CentrePort directly. During the 2017/18 Cruise Season we resumed arranging and paying for Cruise shuttles for cruise passengers arriving into Wellington that needed shuttling into the CBD. These costs were oncharged to CentrePort.

	GROUP	
	2018	2017
Wellington i-SITE Visitor Information Centre revenue	439,041	385,483
Partner revenue	2,942,942	3,173,588
Cruise shuttle revenue	278,590	6,986
Contract Income, non-government	918,378	1,675,489
Gain on sale of investments	0	21,895
Surplus Share - Wellington Venues	27,600	268,535
Other Income	723,479	131,571
<b>TOTAL</b>	<b>5,330,030</b>	<b>5,663,547</b>

## (VII) OTHER REVENUE

During the period we have had some uplift in our Partner Revenue, through both revenue increases stemming from Creative HQ and also partner revenue uplift from the Parent's involvement in marketing Wellington Venues as part of our Venues

Management Agreement with the Wellington City Council. This additional marketing revenue has been offset by the expenditure incurred, recorded in expenditure. As part of our Venues Management Agreement with Wellington City Council, WREDA is entitled from to a share of surplus generated within the Venues business of the Wellington City Council. This surplus is to be used for the purpose of benefiting the Venues in future financial periods.

Due to the damage caused by the Kaikoura earthquake all Cruise passengers were required to be shuttled off the port. Immediately after the Kaikoura earthquake cruise shuttle arrangements were undertaken by CentrePort directly. During the 2017/18 Cruise Season we resumed arranging and paying for Cruise shuttles for cruise passengers arriving into Wellington that needed shuttling into the CBD. These costs were oncharged to CentrePort.

## (B) REVENUE FROM NON-EXCHANGE TRANSACTIONS

Non-exchange transactions are only those where the Group receives an inflow of resources (i.e. cash and other tangible or non-tangible items) but provides no (or nominal) direct consideration in return.

## 3. PERSONNEL COSTS

## A. SHORT TERM BENEFITS

Short-term employee entitlements are those that WREDA expects to be settled within 12 months of balance date and are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, and annual leave earned, but not yet taken at balance date.

## B. SUPERANNUATION SCHEME

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in Statement of Comprehensive Revenue and Expenses when incurred.

	GROUP	
	2018	2017
Salaries and wages	12,547,941	12,284,881
Kiwisaver contributions	301,250	295,304
Increase/(decrease) in employee entitlements accruals	(111,754)	209,733
Other personnel costs	87,771	111,554
<b>TOTAL</b>	<b>12,825,208</b>	<b>12,901,472</b>

#### 4. OTHER EXPENSES

	GROUP	
	2018	2017
Marketing, Advertising and printing costs of delivering programs of work	9,119,117	7,870,698
Major Event Sponsorship and Activation	3,850,304	3,854,640
Audit fees	120,538	90,000
Conferences and catering	124,186	127,810
Consultants and legal fees	197,715	585,315
Contractors	1,867,128	1,069,625
Direct costs - i-SITE	54,830	12,963
Grants and contributions	291,401	404,637
Information and communication technology	499,553	409,138
Loss on disposal of asset	3,073	7,336
Share of Associate's deficit	29,230	-
Impairment to investment	124,120	41,890
Leased copiers and office equipment	38,729	54,565
Utilities	36,842	36,950
Rent	570,282	601,886
Travel	213,544	159,918
Stationery	41,444	44,247
Technical Services	222,527	424,404
Membership fees	46,038	75,919
Other expenses	558,979	582,300
<b>TOTAL OTHER EXPENSES</b>	<b>18,009,580</b>	<b>16,454,241</b>

WREDA has undertaken to market the Wellington Venues it operates under a Venues Management Agreement with WCC, utilising WREDA's in-house marketing team to activate and coordinate these activities. WREDA on-charges a fee to Venues Wellington (a division of WCC) for these services.

## 5. INCOME TAX

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

COMPONENTS OF TAX EXPENSE	GROUP	
	2018	2017
Current tax expense	32,518	141,368
Adjustments in current tax in prior years	87,539	796
Deferred tax expense	80,216	6,503
TAX EXPENSE/ (BENEFIT)	200,271	148,667
RELATIONSHIP BETWEEN TAX EXPENSE AND ACCOUNTING PROFIT		
Net (deficit)/surplus before tax	(233,015)	1,050,007
Tax at 28%	(62,444)	294,002
Plus (less) tax effect of:		
Non-deductible expenditure	6,394,627	6,068,857
Non-taxable income	(6,261,562)	(6,156,460)
Prior Period Adjustment	85,378	-
Group loss offset	-	(163,631)
Under provision of income tax in previous period	2,163	46,900
Deferred tax adjustment	42,109	58,999
TAX EXPENSE	200,271	148,667

DEFERRED TAX ASSET (LIABILITY)	PROPERTY, PLANT AND EQUIPMENT	INTANGIBLE ASSETS	EMPLOYEE ENTITLEMENTS	OTHER PROVISIONS	TAX LOSSES	TOTAL
<b>Balance at 30 June 2016</b>	(80,263)	(4,762)	147,479	8,916	46,103	117,473
Charged to surplus or deficit	(16,163)	1,472	52,748	1,543	(46,103)	(6,503)
Charged to other comprehensive income	0	0	0	0	0	0
<b>Balance at 30 June 2017</b>	(96,426)	(3,290)	200,227	10,459	0	110,970
Charged to surplus or deficit	(27,518)	(2,558)	(62,524)	3,599	9,969	(79,031)
Charged comprehensive income	0	0	0	0	0	0
<b>Balance at 30 June 2018</b>	(123,944)	(5,847)	137,703	14,058	9,969	31,939

## 6. PROPERTY, PLANT AND EQUIPMENT

### PROPERTY, PLANT, AND EQUIPMENT CONSISTS OF:

Furniture and Equipment - included within the office environment that WREDA operates, including but not limited to desks, chairs, cupboards etc.

Property Improvements - within the buildings that WREDA leases to operate within, included but not limited to decoration, carpet etc.

Computer Hardware - computers for employees including laptops, printers etc.

#### A. RECOGNITION AND MEASUREMENT

Property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

#### B. SUBSEQUENT EXPENDITURE

Subsequent Expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance is expensed as incurred.

#### C. DEPRECIATION

Depreciation is recognised in surplus or deficit on a straight-line basis on all property, plant and equipment over the estimated useful life.

The estimated useful lives:

- |                            |            |
|----------------------------|------------|
| a. Computer Hardware       | 2-3 years  |
| b. Property Improvement    | 2-8 years  |
| c. Furniture and Equipment | 3-10 years |

Depreciation methods, useful lives, and residual values are reviewed at reporting date and adjusted if appropriate.

#### D. ADDITIONS

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the group and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated. An item of property, plant, and equipment is initially recognised at its cost.

Costs incurred after initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the group and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

#### E. DISPOSALS

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

#### F. IMPAIRMENT OF PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised

in the surplus or deficit. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit. For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

#### *Value in use for non-cash-generating assets.*

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return. For non-cash-generating assets, value in use is determined using an approach based on a depreciated replacement cost approach. All WREDA's assets are non-cash generating.

#### *Value in use for cash-generating assets.*

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return. The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows. WREDA does not currently hold any cash-generating assets.

#### G. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS/ RESTRICTIONS OF TITLES

No critical assumptions have been applied to assets held. There are no restrictions on titles nor have any property, plant or equipment been pledged as security for liabilities.

#### H. WORK IN PROGRESS

No work in progress assets are currently held.

#### I. CAPITAL COMMITMENTS

The group holds no contractual commitments for acquisition of assets.

MOVEMENTS FOR EACH CLASS OF PROPERTY, PLANT AND EQUIPMENT ARE AS FOLLOWS:

2018	GROUP			
	FURNITURE AND EQUIPMENT	PROPERTY IMPROVEMENT	COMPUTER HARDWARE	TOTAL
<b>Cost</b>				
<b>At 30 June 2017</b>	327,078	30,673	182,015	539,766
Additions	78,590	34,862	39,337	152,789
Disposals	(48,463)	(5,250)	-	(53,713)
<b>At 30 June 2018</b>	357,205	60,285	221,352	638,842
<b>Depreciation</b>				
<b>At 30 June 2017</b>	45,601	18,920	130,865	195,386
Depreciation for the period	82,727	5,772	36,010	124,509
Write back of depreciation on disposal	(48,001)	(2,546)	-	(50,547)
<b>At 30 June 2018</b>	80,327	22,146	166,875	269,348
<b>Net book value</b>				
<b>At 30 June 2018</b>	276,878	38,139	54,477	369,494
<b>At 30 June 2017</b>	281,477	11,753	51,150	344,380

2017	GROUP			
	FURNITURE AND EQUIPMENT	PROPERTY IMPROVEMENT	COMPUTER HARDWARE	TOTAL
<b>Cost</b>				
<b>At 30 June 2016</b>	254,079	28,157	165,746	447,982
Additions	142,466	2,516	41,937	186,918
Disposals	(69,467)	-	(25,668)	(95,134)
<b>At 30 June 2017</b>	327,078	30,673	182,015	539,766
<b>Depreciation</b>				
<b>At 30 June 2016</b>	51,397	13,812	101,645	166,854
Depreciation for the period	59,521	5,108	54,888	119,517
Write back of depreciation on disposal	(65,317)	-	(25,668)	(90,985)
<b>At 30 June 2017</b>	45,601	18,920	130,865	195,386
<b>Net book value</b>				
<b>At 30 June 2017</b>	281,477	11,753	51,150	344,380
<b>At 30 June 2016</b>	202,682	14,345	64,101	281,128

## 7. INTANGIBLE ASSETS

Intangible assets that are acquired, which have finite useful life, are measured at cost less accumulated amortisation and accumulated impairment losses.

The useful lives and associated amortisation rates have been estimated as follows:

- Computer Software                      3 years
- Websites                                      3 years

Amortisation is recognised in the Statement of Comprehensive Revenue and Expenses on a straight-line basis over the estimated useful lives of the intangible assets. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised.

Acquired software licenses are capitalised based on the costs incurred to acquire and bring to use the specific software. The costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with developing websites are recognised as an intangible asset where it can be demonstrated that the asset will generate probable future economic benefits or service potential. Costs associated with maintaining websites are recognised as an expense when incurred.

There are no internally generated intangible assets. There are no contractual commitments for acquisition of any intangible assets nor any restriction or titles. No intangible assets have been pledged as security for liabilities or have any restrictions on titles. No critical assumptions have been applied to intangible assets held.

Management review intangible assets on a periodic basis and are currently of the view that there is no impairment to these assets.

	GROUP	
	2018	2017
<b>Cost at 1 July 2017</b>	51,554	41,995
Additions	124,730	9,559
Disposals	(19,177)	-
<b>Cost at 30 June 2018</b>	157,107	51,554
Amortisation at 1 July 2017	39,805	24,988
Amortisation for the period	45,629	14,817
Write back on disposal	(19,177)	-
<b>Amortisation at 30 June 2018</b>	66,257	39,805
<b>Net Book Value at 30 June 2018</b>	90,850	11,749

## 8. INVESTMENT IN INCUBATOR, ACCELERATOR COMPANIES AND ASSOCIATES

The measurement of financial assets depends on their classification based on the purpose for which financial assets were acquired. Management determines the classification of financial assets at initial recognition.

Creative HQ receives shares from clients involved in its incubation programme as part consideration for the services and support provided by Creative HQ and the Lightning Lab to the client. The shares represent a small proportion of the total equity of the client company. These shares are investments in equity instruments that do not have a quoted market price in an active market and are designated as available for sale.

Creative HQ recognizes the initial investment in the companies according to the programme the company is involved in, incubator programme or accelerator programme. Companies in the incubator do not have a value on initial recognition as no external investment has yet occurred and therefore the fair value of the initial investment is valued at nil. Companies in the accelerator programme have initial recognition at fair value though other comprehensive revenue and expense.

The valuation of these investments is undertaken by Creative HQ using accepted industry guidelines. The International Private Equity and Venture Capital Valuation Guidelines (IPEV) have been accepted as the industry standard guidelines are based on the principle of 'fair value' and are reviewed following any relevant changes in accounting standards or market practices. The IPEV Guidelines provide a framework for private equity and venture capital investors to arrive at fair value for their investments. The IPEV are of the view that compliance with PBE accounting standards can be achieved by following the guidelines.

IPEV Guidelines recommend that for early stage investments, where it is difficult to assess the future profitability of the company, fair value is generally determined by the price of the most recent investment. This methodology is appropriate until the circumstances of the company change such that an alternative valuation methodology (such as, but

not limited to price/earnings analysis or discounted cash flow) is appropriate or there is evidence that the value of the investment should be adjusted. An adjustment is considered necessary where the performance of the investment is significantly below the expectations on which the investment was based, leading to a diminution in value. The level of the adjustment can range from nil to 100% of the value.

A significant or prolonged decline in fair value of the investment below its cost is considered to be objective evidence of impairment. Where the asset is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the Fair Value Reserve is reclassified from equity to profit or loss as a reclassification or adjustment. Any increase in fair value after an impairment loss is recognised in other comprehensive revenue and accumulated as a separate component of equity in the Fair Value Reserve.

As at 30 June 2018 the valuation of Creative HQ's investments is based on the price of the most recent investment made by external investors, unless there is evidence that the value of the investment should be adjusted as the performance of the investment is significantly below the expectations on which the investment was based, leading to a diminution in value. Creative HQ is reliant on receiving recent investment information from incubator and accelerator companies directly through yearly information requests.

### Associates

An associate is an entity over which Creative HQ has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized in the statement of financial position at cost and adjusted thereafter to recognise Creative HQ's share of the profit or loss and other comprehensive income of the associate.

Lightning Lab Fintech 2017 Limited Partnership, an associate of Creative HQ, also holds early-stage shares and applies an accounting policy for these that is consistent with Creative HQ's accounting policy for investments.

## INVESTMENT IN INCUBATOR AND ACCELERATOR COMPANIES

	GROUP	
	2018	2017
<b>Opening balance</b>	1,413,177	1,427,407
Additions	-	95,000
Impairments to investment	(124,120)	(41,890)
Movement in fair value of accelerator and incubator companies	246,854	54,300
Sale of Incubators and accelerator companies	-	(121,640)
Transfer to associate	(80,383)	-
<b>TOTAL</b>	<b>1,455,528</b>	<b>1,413,177</b>

Creative HQ invests in unlisted early-stage companies. Unlisted investments are generally not publicly traded. As there may be no open market to establish an independent value for certain unlisted investments, there can be no assurance that a determination for fair value for an unlisted investment will be obtainable in the market, or that there will be a market for the unlisted investment.

The accounting policy is to recognise such investments both initially and subsequently at fair value following accounting standards.

At year end, the fair value of its investments has been determined at \$1,455,828. Notwithstanding the uncertainty of the valuation of the investment, the Creative HQ Board is of the view that the fair values of unlisted investments in these financial statements represent the best available information and the WREDA Board has accepted this view.

Creative HQ's exposure to changes in investment value could be material to the financial statements. As Creative HQ is not reliant on the cash flows from the investments, changes in value do not impact the underlying viability of Creative HQ or the Group. The Creative HQ Board reviews regular reports from the companies.

In the event that an investment will be considered to be impaired, it will have a non-cash effect on the surplus / (deficit) of Creative HQ and Group.

## INVESTMENT IN ASSOCIATE

Creative HQ holds a 73.08% interest in the Lightning Lab Fintech 2017 Limited Partnership. At 30 June 2018 the value of the CHQ interest in the Limited Partnership was \$360,716 (2017: \$Nil).

	GROUP	
	2018	2017
<b>Opening balance</b>	-	-
Transfer from investments	80,383	-
Share of Associate's loss	(43,846)	-
Impairment of investments recognised in prior year	14,616	-
Share of Associates other comprehensive income	309,563	-
<b>TOTAL INVESTMENT IN ASSOCIATE</b>	<b>360,716</b>	<b>-</b>

The uncertainties and judgements exercised in measuring the fair value of the unlisted shares held by the Limited Partnership is similar to that explained above for shares held by Creative HQ in incubator and accelerator companies.

## 9. TRADE AND OTHER RECEIVABLES

Short-term receivables are recorded at the amount due, less any provision for uncollectability. A receivable is considered to be uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected. The group does not currently have any receivables considered to be impaired.

	GROUP	
	2018	2017
Trade receivables	1,349,675	1,238,941
Management fee receivable	501,189	680,392
Sundry receivables	829,856	1,087,720
<b>TOTAL RECEIVABLES</b>	<b>2,680,720</b>	<b>3,007,053</b>

Receivables are non-interest bearing and are generally on terms of 30 days. Therefore, the carrying value of receivables approximates their fair value.

AGEING PROFILE	GROUP	
	2018	2017
Gross receivables	2,680,720	3,007,053
Provision for uncollectability	-	-
<b>TOTAL RECEIVABLES</b>	<b>2,680,720</b>	<b>3,007,053</b>
Not past due	2,314,342	2,790,382
Past due 0-3 months	366,378	189,523
Past due 3-6 months	-	27,148
<b>TOTAL RECEIVABLES</b>	<b>2,680,720</b>	<b>3,007,053</b>

## 10. OTHER FINANCIAL ASSETS

At 30 June 2018 a loan provided to the Wellington Culinary Events Trust (WCET) with an initial value of \$75,000 was recorded at its current fair value of \$31,984 (2017: \$41,349). This loan was drawn down in May 2015. Repayments of \$30,000 have been made. An initial impairment in 2015 of \$28,431 has been written back to \$13,016 in 2018. This write back of impairment was taken to the Statement of Comprehensive Revenue & Expense by the Parent.

The loan is repayable in 5 years from drawdown or on demand with 60 days written notice and no interest is charged. Its fair value shall be revisited yearly and adjusted if necessary. The Board and the WCET have an expectation that the full loan of \$75,000 shall be repaid.

	GROUP	
	2018	2017
Loan	75,000	75,000
Partial repayment	(30,000)	(15,000)
Less provision for impairment	(13,016)	(18,651)
<b>TOTAL OTHER FINANCIAL ASSETS</b>	<b>31,984</b>	<b>41,349</b>

## 11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand. The group currently holds no bank overdrafts or money on call. There are no restrictions over cash.

	GROUP	
	2018	2017
Cash at bank and on hand	1,911,315	1,706,958
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>1,911,315</b>	<b>1,706,958</b>

## 12. EMPLOYEE ENTITLEMENTS

Employee entitlements are all due to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date. The group holds no liability for employee entitlements greater than 12 months. A liability and an expense are recognised for bonuses where the group has a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made. No accruals are made for sick leave as the probability of any requirement cannot be accurately recorded.

	GROUP	
	2018	2017
Annual leave	498,093	591,513
Accrued salaries and wages	471,452	489,786
<b>TOTAL EMPLOYEE ENTITLEMENTS</b>	<b>969,545</b>	<b>1,081,299</b>

### 13. TRADE PAYABLES

Creditors and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers and are recorded at their face value. They are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

These amounts represent liabilities for goods and services provided to WREDA prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Trade payables are non-interest bearing and are normally settled on 20th of the month following terms. All payables are current and recorded at amounts payable.

	GROUP	
	2018	2017
TOTAL TRADE PAYABLES – EXCHANGE TRANSACTIONS	1,739,626	1,421,214

### 14. SUNDRY CREDITORS AND ACCRUALS

	GROUP	
	2018	2017
Expense accruals	1,171,802	1,297,180
Audit fee accrual	78,000	48,333
ACC payable	50,208	37,352
Other payables	7,019	157,787
TOTAL SUNDRY CREDITORS AND ACCRUALS	1,307,029	1,540,652

### 15. TAXES AND KIWISAVER PAYABLE

	GROUP	
	2018	2017
GST payable	47,161	7,379
PAYE and KiwiSaver payable	-	9,025
Income tax payable	17,304	108,091
TOTAL TAXES AND KIWISAVER PAYABLE	64,465	124,495

### 16. OPERATING LEASES

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expenses on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total expenses of the lease expense, over the term of the lease.

#### Operating leases as lessee

The Group leases buildings, plant and equipment in the normal course of its business. The Group can renew leases at its own discretion at current market rates. There are no restrictions placed on the Group by any of the leasing arrangements.

Future minimum lease payments payable under non-cancellable operating leases are as follows:

	GROUP	
	2018	2017
No later than one year	624,005	476,997
Later than one year but not later than five years	1,331,383	1,160,148
Later than five years	0	187,527
TOTAL NON-CANCELLABLE OPERATING LEASES	1,955,388	1,824,672

### Operating leases as lessor

The Group has entered into a commercial property sub-lease on a surplus building. This non-cancellable lease has a remaining term of 12 months and will not be renewed.

Future minimum rentals receivable under non-cancellable operating leases as at 30 June 2018 and 2017 are, as follows:

	GROUP	
	2018	2017
No later than one year	48,200	19,583
<b>TOTAL NON-CANCELLABLE OPERATING LEASES</b>	<b>48,200</b>	<b>19,583</b>

No critical assumptions have been applied to leases.

### 17. CONTINGENT LIABILITIES & GUARANTEES

At 30 June 2018, the Group and Parent had no contingent liabilities and had not entered into any guarantees. 2017:Nil.

### 18. FINANCIAL INSTRUMENTS

Financial instruments include financial assets (loans and receivables or recoverables) and financial liabilities (payables and borrowings). Financial instruments are classified into the categories outlined below based on the purpose for which they were acquired. The classification is determined at initial recognition and re-evaluated at the end of each reporting period.

The following table provides an analysis of the Group's financial assets and liabilities by reporting category as described in the accounting policies:

FINANCIAL ASSETS	GROUP	
	2018	2017
<b>Loans and receivables</b>		
Cash and cash equivalents	1,911,315	1,706,958
Receivables and recoverables	2,094,922	2,466,510
Other financial assets	31,984	41,349
<b>Total loans and receivables</b>	<b>4,038,221</b>	<b>4,214,817</b>
<b>Total financial assets</b>	<b>4,038,221</b>	<b>4,214,817</b>
Total non-financial assets	2,603,082	1,881,213
<b>Total loans and receivables</b>	<b>6,641,303</b>	<b>6,096,030</b>
<b>Financial Liabilities</b>		
Trade and other payables	1,739,626	1,421,214
Taxes payable	99,923	124,495
<b>Total financial liabilities</b>	<b>1,839,549</b>	<b>1,545,709</b>
<b>Total non-financial liabilities</b>	<b>1,998,581</b>	<b>2,136,265</b>
<b>Total financial liabilities</b>	<b>3,838,130</b>	<b>3,681,974</b>

**Fair Value**

The fair value of all financial instruments equates or are approximate to the carrying amount recognised in the Statement of Financial Position.

**Relevant significant accounting policies**

Financial instruments are initially recognised on trade-date at their fair value plus transaction costs. Subsequent measurement of financial instruments depends on the classification determined by the Group.

**FINANCIAL ASSETS**

Financial assets are classified as loans and receivables. Loans and receivables comprise cash and cash equivalents, receivables or recoverables and loans and deposits.

- Cash and cash equivalents comprise cash balances and bank deposits with maturity dates of three months or less.
- Receivables and recoverables have fixed or determinable payments. They arise when the Group provides money, goods or services directly to a debtor, and has no intention of trading the receivable or recoverable.
- Loans include loans to other entities.

Financial assets in this category are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Fair value is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date for assets of a similar maturity and credit risk. Receivables or recoverables due in less than 12 months are recognised at their nominal value. A provision for impairment is recognised when there is objective evidence that the asset is impaired.

Financial assets are re-recognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all of the risks and rewards of ownership.

**FINANCIAL LIABILITIES**

Financial liabilities include payables, taxes and transfers. Financial liabilities with duration of more than 12 months are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Amortisation is recognised within surplus

or deficit. Financial liabilities with duration of less than 12 months are recognised at their nominal value.

On disposal any gains or losses are recognised within surplus or deficit.

**FINANCIAL RISK MANAGEMENT**

As part of its normal operations, the Group is exposed to a number of risks. The most significant are credit risk, liquidity risk and market risk, which includes interest rate risk. The Group's exposure to these risks and the action that the Group has taken to minimize the impact of these risks is outlined below:

**Credit Risk**

Credit risk is the risk that a third party will default on its obligations to the Group, thereby causing a financial loss. The Group is not exposed to any material concentrations of credit risk. Exposure is considered to be the same as reported in the Statement of Financial Position.

Receivables and recoverables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debt is not significant.

**Credit quality of financial assets**

The credit quality of financial assets that are neither past due or impaired can be assessed by reference to Standard & Poor's credit ratings. All cash is held in a registered bank with a Standard & Poor's rating of AA-.

**Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty raising liquid funds to meet commitments as they fall due. The Group operates prudent liquidity risk management by maintaining sufficient cash to meet debts as they fall due. The Group operates within its budgets which have been set to operate alongside its financial policies.

**Fair value**

After initial recognition financial assets and liabilities are recorded at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to the surplus or deficit.

## 19. RECONCILIATION OF OPERATING CASH FLOWS TO NET (DEFICIT)/SURPLUS

	2018	2017
<b>Net (deficit)/Surplus for the period</b>	(501,358)	877,466
<b>Add/(deduct) non-cash items</b>		
Depreciation & Amortisation	170,138	134,333
Write-back of impairment of loan	(5,635)	(5,123)
Loss on disposal of property, plant and equipment	3,073	581
Share of Associates deficit	29,230	-
Write off of investments	124,120	41,890
<b>Adjustments for movements in:</b>		
Decrease in receivables	326,333	(1,088,949)
Decrease / (Increase) in prepayments	26,490	(159,489)
(Increase)/ decrease in inventories	(651)	660
Increase in payables	329,818	412,010
(Decrease)/ Increase in employee entitlements	(111,754)	234,692
Increase/(Decrease) in other payables	9,354	(611,460)
<b>Net Cash flows from (used in) operating activities</b>	<b>399,158</b>	<b>(163,389)</b>

## 20. RELATED PARTY TRANSACTIONS

WREDA is a council controlled organisation that is controlled by a Board of Directors appointed by its shareholders. The Shareholders of WREDA are the Wellington City Council, which owns 80% of WREDA's shares and the Greater Wellington Regional Council, which owns the remaining 20%.

Related party means parties that are related if one party has the ability to either control the other party, or exercise significant influence over the other party in making financial and operating decisions, or if the related party entity and another entity are subject to common control.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that is reasonable to expect the Group would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Group and the Group's shareholders (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such Group transactions.

Related parties include key management personnel, directors and their close family members and entities controlled by them. Key management personnel are the chief executive of WREDA and

Creative HQ Limited and the Senior Leadership team of WREDA, all of whom are employed as employees of the Group, on normal employment terms. Subsidiaries are also related parties due to WREDA's influence over them.

### DIRECTORS

Director Thomas Pippas is the National Chief Executive of Deloitte. Deloitte provided accountancy services to WREDA's subsidiary Creative HQ Ltd (of which Thomas Pippas is not a director) during the period.

During the year, Creative HQ received professional accounting services from Deloitte for mentoring of participating entities and professional legal services from Chapman Tripp at no charge. They have also received electricity from Citylink at no charge.

### SUBVENTION PAYMENT AND GROUP LOSS EFFECT

During the year, tax losses were transferred to the company from Wellington City Council by subvention payment of \$78,072 and loss offset of \$200,756.

## 21. DIRECTORS' FEES

The parent has 7.5 full time equivalents based on the length of service on the board (2017: 7.5) and the subsidiary has 4 full time equivalents on the same basis (2017: 3.5)

The total value of remuneration paid or payable to each Board Member during the year was:

PARENT WREDA LIMITED		2018	2017
Peter Biggs (Chairman)		50,000	50,000
Thomas Pippos		25,000	25,000
Matthew Clarke		25,000	25,000
William (Grant) Guilford		25,000	25,000
David Gibson		25,000	25,000
Wayne Mulligan	(appointed 1 January 2018)	12,500	-
Tracey Bridges	(appointed 1 January 2018)	12,500	-
Kylie Archer	(appointed 1 January 2018)	12,500	-
Richard Laverty	(ceased 31 December 2017)	12,500	25,000
Lorraine Witten	(ceased 31 December 2017)	12,500	25,000
Helen Anderson	(ceased 31 March 2017)	-	18,750
Paul Mersi	(ceased 31 December 2016)	-	12,500
Sarah Wickens	(ceased 31 October 2016)	-	8,333
<b>TOTAL WREDA DIRECTORS' FEES</b>		<b>212,500</b>	<b>239,583</b>

SUBSIDIARY CREATIVE HQ LIMITED		2018	2017
Barry Brook (Chairman)		15,000	16,000
Roanne Parker	(appointed 1 August 2017)	10,000	-
Susan Reynolds		10,000	11,200
Richard Laverty	(appointed 9 August 2016)	10,000	5,000
Victoria Crone	(ceased)	-	2,667
<b>TOTAL SUBSIDIARY DIRECTORS' FEES</b>		<b>45,000</b>	<b>34,867</b>
<b>TOTAL DIRECTORS' FEES</b>		<b>257,500</b>	<b>274,450</b>

## 22. REMUNERATION

Total remuneration includes any non-financial benefits provided to employees.

As at 30 June 2018 the Group employed 138 (2017: 131) full time equivalent employees. The Group also employs a similar number of casual employees in its Venues Wellington division.

### Severance payments

During the year the Parent has made termination payments totaling \$170,212 to 6 employees (2017: \$195,388).

### Key management personnel

Key management personnel of the Group for 2018 and 2017 were the Chief Executives of WREDA and Creative HQ Limited and the Senior Leadership Team of WREDA.

The total remuneration and the number of individuals, on a full-time equivalent basis, considered key management personnel receiving remuneration are:

	GROUP	
	2018	2017
<b>Key Management Personnel</b>		
Directors remuneration	223,665	274,450
WREDA Limited director full-time equivalents	7.5	7.5
Creative HQ director full-time equivalents	4	3
Key Management Personnel	1,351,244	1,606,976
Management full-time equivalents	7	7

During the period WREDA engaged the services of a key management personnel member from Wellington City Council. WREDA paid Wellington City Council \$216,194 for these services in 2018 (2017:Nil). WREDA received two months of service for no charge.

Due to the difficulty in determining full-time equivalents for directors, the full-time equivalent figures are the number of directors serving on the boards of WREDA Limited and Creative HQ Limited as at 30 June 2018.

Key management personnel did not receive any remuneration or compensation other than in their capacity as key management personnel (2017: nil).

The Group did not provide any compensation at non-arm's length terms to close family members of key management personnel during the year (2017: nil).

The Group did not provide any loans to key management personnel or their close family members.

#### REMUNERATION BANDS

The annual remuneration by band for employees as at 30 June:

	NO: OF CURRENT EMPLOYEES	
	GROUP	
	2018	2017
\$100,000 - \$109,999	3	1
\$110,000 - \$119,999	8	7
\$120,000 - \$129,999	4	4
\$130,000 - \$139,999	3	4
\$140,000 - \$149,999	-	1
\$150,000 - \$159,999	2	1
\$160,000 - \$169,999	2	2
\$170,000 - \$179,999	-	2
\$180,000 - \$189,999	2	2
\$200,000 - \$209,999	1	1
\$210,000 - \$219,999	-	2
\$220,000 - \$229,999	1	-
\$230,000 - \$239,999	2	-
\$260,000 - \$269,999	1	-
\$280,000 - \$289,999	-	1
\$330,000 - \$339,000	-	1
<b>TOTAL EMPLOYEES</b>	<b>29</b>	<b>29</b>

## 23. EVENTS AFTER THE BALANCE DATE

In September 2018, an associate of Creative HQ, the Lightning Lab Fintech 2017 Limited partnership, which Creative HQ holds a 73.08% interest in, disposed of 50% of its total shareholding in Sharesies Limited for total consideration in excess of the carrying value of the investment at 30 June 2018.

Creative HQ's 73.08% of the proceeds received were \$348,816 compared with a carrying value of \$162,089 at 30 June 2018.

There were no other significant events after the balance date.

## 24. OPERATING FUNDS

WREDA is reliant for a large part of its revenue from its shareholders, Wellington City Council and Greater Wellington Regional Council (the Councils).

The Councils have accepted the Group's Statements of Intent, which includes funding for the Group and its activities for the next three years.

## 25. EXPLANATION OF SIGNIFICANT VARIANCES TO BUDGET

Explanations of actual results compared to WREDA's budgeted result in the Statement of Intent are as follows:

### REVENUE

Creative HQ has increased its services offered, including core services, design sprints and acceleration programmes. WREDA has entered into new partnership arrangements, including work on the region's trail framework and a new ticketing provider within its venues operation. This has resulted in additional revenue earned compared to budget.

### EXPENDITURE

The resulting additional work created by the increase in revenue has meant expenditure has increased compared to budget. WREDA does not make a surplus from partnerships entered into and this means most revenue increases result in increased expenditure.

## INVESTMENTS

Investments held are higher than forecast due to the material increase in value of two investments.

## 26. PRIOR PERIOD ERRORS

During the current year it was identified that the Company had made two prior period errors:

### 1. *Under-accrual of liabilities and assets (Adjustment 1)*

The Company had not accrued for a \$750,000 grant expense/payment for which the recipient had met the conditions for as at the 30 June 2017. The Company should have also accrued for a corresponding income/receivable for the same amount. This error occurred due to the Company not assessing whether the conditions in the funding agreement had been met at balance date and instead only assessed this upon submission of a report after balance date. This error meant the 30 June 2017 financial statements income, expenditure, accounts receivable and accounts payable where each understated by \$750,000. There was a nil impact on total comprehensive revenue and expense.

### 2. *Accounting for i-SITE revenue and expenditure (Adjustment 2)*

The Company had accounted for most of the sales and associated expenditure at the i-SITE it operates on the basis it was the principal in the sale. This meant the total amount of a sale made on behalf of operators (such as accommodation and tour operators) and the total cost paid to those providers was accounted for as revenue and expenditure in WREDA's own financial statements.

The Company has now assessed that it was acting as agent for those operators and therefore should have only recorded the commission it earned on those sales. This error meant the 30 June 2017 financial statements income and expenditure were each overstated by \$1,716,329. There was a nil impact on total comprehensive revenue and expense.

	IMPACT ON ITEMS IN THE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE		
	SERVICE REVENUE	OTHER EXPENSES	OTHER REVENUE
<b>Balance reported for year ended 30 June 2017</b>	18,995,259	17,420,570	7,379,876
Adjustment 1	750,000	750,000	
Adjustment 2		(1,716,329)	(1,716,329)
<b>Restated balance for the year ended 30 June 2017</b>	19,745,259	16,454,241	5,663,547

	IMPACT ON ITEMS IN THE STATEMENT OF FINANCIAL POSITION	
	TRADE AND OTHER RECEIVABLES	SUNDRY CREDITORS AND ACCRUALS
<b>Balance Reported as at 30 June 2017</b>	2,257,053	790,652
Adjustment 1	750,000	750,000
<b>Restated balance as at 30 June 2017</b>	3,007,053	1,540,652

## 27. OTHER SIGNIFICANT ACCOUNTING POLICIES

### A. INVENTORIES

Inventories are stated at the lower of cost and net realisable value (being the net selling price), with due allowance for any damaged and obsolete stock items.

Cost is based on the first-in-first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Net selling price is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make the sale.

Any write-down in the cost of inventory to net realisable value is recognised in the Statement of Comprehensive Revenue and Expenses.

### B. PROVISIONS

The Group recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event. It is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Parent from a contract are lower than the unavoidable cost of meeting its obligation under the contract.

### C. GOODS AND SERVICES TAX (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Balance Sheet.

Commitments and contingencies are disclosed exclusive of GST.

## 28. COMPANY STRUCTURE



WREDA Limited is owned 20% by Greater Wellington Regional Council and 80% by Wellington City Council. WREDA Limited has a 100% owned subsidiary, Creative HQ Limited. Creative HQ Limited owns a 73.08% shareholding in the Lighting Lab Fintech Accelerator 2017 Limited Partnership.

## DIRECTORY FOR THE YEAR ENDED 30 JUNE 2018 – COMPANY NO. 3237332

### SHAREHOLDERS

Wellington City Council  
800 shares (80%)  
101 Wakefield Street, Wellington 6011  
New Zealand

### GREATER WELLINGTON REGIONAL COUNCIL

200 shares (20%)  
Shed 39, Harbour Quays, CentrePort  
Wellington 6011  
New Zealand

### REGISTERED OFFICE

111 Wakefield Street, Wellington Central  
Wellington 6011  
New Zealand

### AUDITORS

Audit New Zealand  
Level 1, 100 Molesworth Street  
Wellington 6140  
New Zealand

### BANKERS

ANZ Bank New Zealand Ltd  
22 Willis Street, Wellington 6011  
New Zealand

### SOLICITORS

Quigg Partners  
Level 7, 36 Brandon Street  
Wellington 6011  
New Zealand

### DLA PIPER

50-64 Customhouse Quay  
Wellington 6011  
New Zealand

## WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LIMITED 2017/18 PERFORMANCE MEASURES

PROGRAMME OF ACTIVITY	MEASURE	2017/18 ANNUAL TARGET	2017/18 ACTUAL	
<b>Grow Business and Innovation</b>	Sector Events	No. of events supported in key sectors.	3	3
	Regional Business Partner Programme	Number of actively supported businesses	445	451
	Creative HQ	No. of Wellington start-up ventures and early stage businesses on the CHQ Platform	25	31
		No. of acceleration programmes (Lightning Lab and Venture Up)	2	2
		No. of members in "Start-up Garage"	3000	3,040
		No. of companies becoming investable	5	9
	Business Support Development	No. of companies on the scale-up programme <sup>1</sup>	10	N/A
<b>Attract Business and Investment</b>		Conversion rate of logged enquiries to confirmed production or business	25%	27%
	Screen Wellington	Value of facilitated screen production <sup>2</sup>	\$100m	\$93
		Customer satisfaction survey	80%	88%
	Grow businesses and innovation	Number of jobs created from WREDA intervention	335	364
<b>Attract, Retain and Grow Talent</b>	International Student Attraction	International student visas <sup>3</sup>	6,930	6,020
		International student enrolments <sup>4</sup>	9,200	8,504
<b>Attract, Retain and Grow Talent</b>	International Student Attraction	NZ Market share of International students	7%	6.8%
	Student Employment Pathways	Interns placed in priority sectors	225	283
	Talent Attraction	Net permanent and long-term arrivals <sup>5</sup>	3,600	3,409
Wellington share of total net permanent and long-term arrivals <sup>6</sup>		6%	5.25%	

<sup>1</sup> Agreed refocus to Experts on Demand rather than original scale-up programme so metric no longer valid. Experts on Demand currently in development phase.

<sup>2</sup> Mix of projects differed to what was estimated; less larger productions.

<sup>3</sup> Impacted by uncertainty over policy on visas. Growth year on year was 4% against national decline of 5%.

<sup>4</sup> Impacted by uncertainty over policy on visas. Growth year on year was 4% against national decline of 5%.

<sup>5</sup> Lower immigration nationally, especially from China and India.

<sup>6</sup> Lower immigration nationally, especially from China and India.

## WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LIMITED 2017/18 PERFORMANCE MEASURES

PROGRAMME OF ACTIVITY		MEASURE	2017/18 ANNUAL TARGET	2017/18 ACTUAL	
<b>Nuture Environment Conductive to Economic Growth</b>	Partner / Stakeholder Engagement	Partner/Stakeholder satisfaction score with engagement	80%	82%	
	Maori Economy	Mana Whenua satisfaction score with engagement <sup>7</sup>	Set baseline	N/A	
<b>Grow the Visitor Economy</b>		Total Commercial Guest Nights	3.2m	3.15m	
		Visitor spend: Total	\$2.6b	\$2.6b	
		- International <sup>8</sup>	\$860m	\$808m	
	Visitor Marketing Campaigns		(of which from Australia) <sup>9</sup>	\$240m	\$230m
			(of which from China) <sup>10</sup>	\$79m	\$54m
			- Domestic	\$1.7b	1.745b
		Australian arrivals via Wellington Airport <sup>11</sup>	160.9k	152.0k	
		NZ market share multi-day conferences	18%	20%	
	<b>Grow the Visitor Economy</b>	Business Events Wellington	Number of international business event bids submitted and/or supported in FY	20	41
			Value of business events (international and domestic) secured in FY	\$15m	\$25.76m
		Value of expenditure by out of town venue attendees	\$45.4m	\$68.9m	
Venue Management		Advance the Cultural well-being of Wellington - Number of Wellingtonians attending performance events at Venues Wellington	290,720	294,158	
			Total number of Events: <sup>12</sup>	624	594
			- Performance	320	334
		- Conference	304	260	

<sup>7</sup> Programme of activity with Maori economy was deferred, subject to the development of a strategy that will be initiated by the publication of the Regional Investment Plan by GWRC.

<sup>8</sup> International visitor spend for the region was +4.3% year on year. Growth slowed relative to expectation is reflective of slower growth of international visitor arrivals into all of NZ.

<sup>9</sup> Australian spend for the region was +7% year on year. Numbers were lower than anticipated due to the reduction in Trans Tasman airline capacity impacting the total number of available seats direct to Wellington.

<sup>10</sup> China visitor spend for the region up year on year, but visitor numbers nationally were down.

Growth not as expected due to stalling of growth for all New Zealand.

<sup>11</sup> The withdrawal of a Melbourne service accounted for much of this decline. More airline capacity and competition via Auckland airport was also a contributing factor.

<sup>12</sup> Number of conference events negatively impacted due to the number of performance events being greater than budgeted. Total numbers of events negatively impacted by the closure of the St James Theatre.

WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LIMITED  
2017/18 PERFORMANCE MEASURES

<b>Promote Wellington's Brand and Unique Identity</b>	Major Events Programme	Return on investment via out of Wellington spend	20:01	21:01
		Economic value of major events invested in.	\$80m	\$110.9m
		Total event attendance	700,000	733, 962
	Media Programme	Visitor attraction stories in NZ, Australian media	500	1259
		Live, work, do business, invest stories in local NZ and Australian media	85	90

## WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LIMITED BENCHMARK INDICATORS

<b>WELLINGTON MEASURES</b>	<b>2018 FORECAST SOI</b>	<b>2018 (LATEST AVAILABLE)</b>	<b>AS AT</b>	<b>SOURCE</b>
Wellington Real GDP Growth	3.0%	2.5%	March 17	Infometrics
Wellington GDP per Capita (employed)	1.5%	1.20%	March 17	Infometrics
Wellington exports growth	6.0%	-5.50%	March 17	Infometrics
Wellington jobs growth	2.5%	1.30%	March 17	Infometrics
Population	1.5%	1.80%	March 17	Infometrics
Wellington Region GPI	91.7	91.2	June 17	GWRC

WELLINGTONNZ.COM



Attachment 2 to Report 18.552

**WREDA**

# Quarterly Report

## Q1: July – September 2018

The 1<sup>st</sup> quarter of the year has started strongly for WREDA with good progress made against all our key areas of focus and KPI's.

During the quarter our new organisational structure was established and this has been successfully implemented. We are already seeing positive results from this on terms of increased collaboration and alignment.

Notable highlights include the regional impact of the Business Growth RBP programme, the start of the GovTech Lightning Lab accelerator, a strong start to the Screen Wellington year, a heavy programme of travel trade training, early success from our Team Wellington tourism approach to China, significant conference wins including the 2020 WorldCon, progress on the Regional Trails Framework, a strong Wellington marketing programme (notably the Spring campaign – “creativity around every corner” and work on Teracotta Warriors), a highly successful Visa WOAP and season of WOW, the usual busy and varied programme running through our venues, and the recent announcement of new Major Events for Wellington.

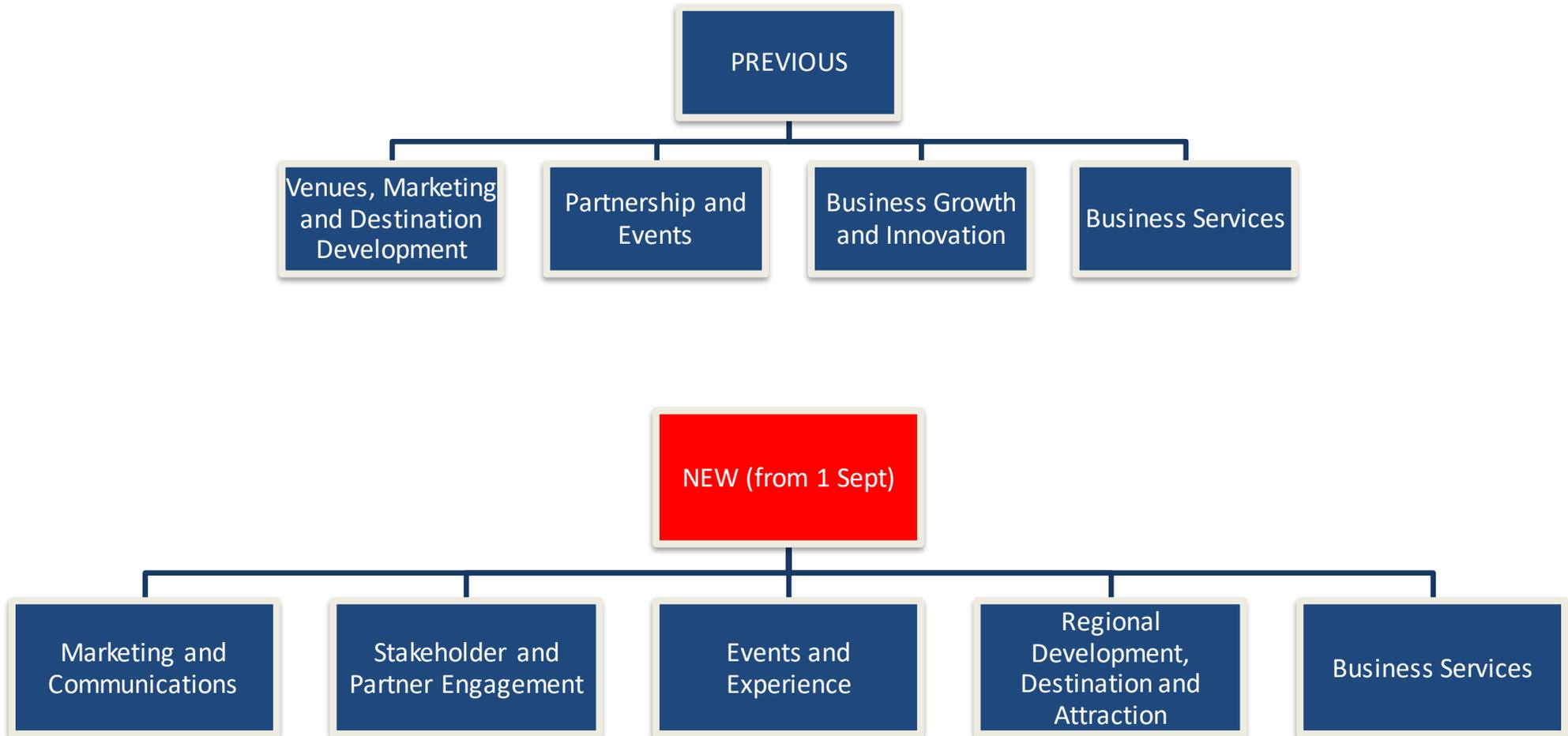
# Overview

*July to September 2018*

WREDA

WellingtonNZ.com

## New WREDA organisational structure



**WREDA**

# **Regional Development, Destination and Attraction**

## **Q1: July – September 2018**

**Wellington Regional Economic Development Agency**

**WellingtonNZ.com**

# RBP and Business Growth

## Regional Business Partner Programme

WREDA supported **199 regional businesses** including 94 receiving hands-on support in the form of growth capability development, innovation support and mentorship. 59% of these businesses are located in Wellington city, while 39% are based in one of the region's territorial authorities.

We delivered \$114,000 of Capability Voucher funding and \$2,409,000 of R&D funding to businesses in the region. This funding helps businesses access growth advice, and invest in new technology development.

## Business Growth

WREDA supported the **Kāpiti Creative Startup Weekend 2018**, which saw three teams go from ideation to pitching a minimum viable product in one weekend. The teams had support from a group of mentors led by O.Ventures founder Dan Khan and will now go on to join the Kāpiti Startup community which is 210 members strong.

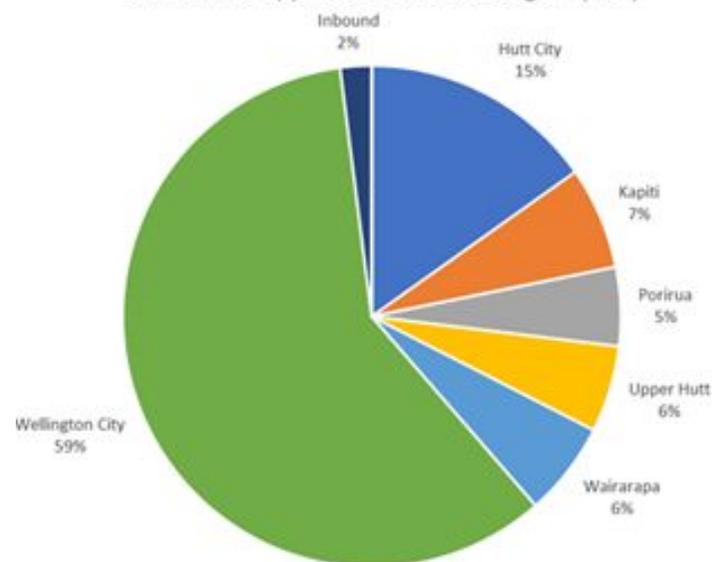
We co-hosted the launch of the first **Wairarapa Business Awards** with the Wairarapa Chamber of Commerce. 17 finalists were nominated across 4 categories and included some of the Wairarapa's best-known businesses.

WREDA facilitated 3 business workshops targeted at 2 different sectors. 13 of our Food and Beverage clients benefited from a full-day **New Product Development** workshop.

Over 20 of our ICT clients attended a workshop to learn more about the value of **the Product Manager** role in the software industry during at workshops in both **Hutt City** and **Wellington**.

WREDA accompanied 17 tech companies from the region to attend **the SaaS (Software as a Service) conference** in Auckland. The 2-day conference brought together 130 SaaS businesses from across NZ to listen to 9 international experts who shared how they contributed to well-known high-growth companies.

Businesses Supported Across the Region (YTD)



## Creative HQ

Creative HQ delivered several key programmes including the Beca corporate acceleration programme and GetFunded workshops for the research and science community in NZ.

### GovTech Lightning Lab

This is a structured, 14 week long innovation programme specifically designed to create breakthrough innovation for problems and opportunities within the public sector. Featuring 12 projects from multiple central and local government agencies (including WCC, GWRC and WREDA), the teams have spent the past 3 months using human-centred and inclusive approaches to address complex challenges to build a better, faster and stronger government solutions. Upcoming 13 November, Demo day for the GovTech Lightning Lab

Development of further programmes for the current financial year is well under way:

- **Kiwibank FinTech** Accelerator 3
- A localised version of an accelerator programme for **Maori entrepreneurs**
- Youth Accelerator “**Venture Up 2019**”

The **incubation programme** housed at Creative HQ is stable at 20 ventures in the programme and we have successfully completed a major upgrade to our software platform “Scale” to manage all ventures in our programme.



## Education & Workforce

### Wellington International Student Growth Programme (WISGP)

Supporting the recently signed MOU with *Apollo English* in Vietnam, a 'Study in Wellington' information event was held in Hanoi for 50 students and their parents. The purpose of the MOU is to attract Vietnamese English language students to study in Wellington region high schools. The event was attended by the NZ High Commissioner, Education NZ and, a number of Wellington schools' staff.

**Upcoming:** 19 October, International Student Excellence Awards at Parliament

### Talent & Skills

**Summer of Tech and Summer of Biz programmes** have engaged a record number of businesses and potential interns at their annual Meet and Greet event. This bodes well for placements for the upcoming summer season.

The **Young Enterprise Scheme** is building towards its regional finals event for 2018 (October 26<sup>th</sup>). The structured programme (which WREDA partners with and sponsors), aims to inspire young people to discover their potential in business and in life. 421 students from 21 schools across the region are taking part.

**Shopify Inc.** the leading cloud-based, multi-channel commerce platform, announced Wellington as its first remote hub in Oceania. Shopify plans to hire 100 people over the next 12 months, of which 25 have already been secured.



China Creative Future campaign video



Summer of Tech Meet & Greet event



Vietnam promotional event

## Screen Wellington

### Permits

Demand for screen permits in the region is high with 140 permits approved. Notable permits included the new Air New Zealand safety video (starring Julian Dennison) and NZ feature film 'Savage' which is filming throughout the region.

### Wellington Paranormal

Screen Wellington supported Wellington Paranormal in 17/18 with permits and filming locations and this quarter the first season was released on TV2. Approval for Season 2 has just been announced. We are working with the production team to identify further opportunities to support.

### Mortal Engines

Mortal Engines, a movie 100% made in Wellington and produced by Sir Peter Jackson and directed by Christian Rivers will be released in December 2018. Planning is underway with NZ Film Commission and Weta group to leverage both the Los Angeles and NZ premieres.



## International Tourism Trade

- WREDA's consumer marketing campaign with Tourism NZ in **Australia** used retail group Helloworld as a conversion partner. Ahead of the campaign launch, **27** Helloworld staff were trained in **Melbourne** to upskill their Wellington knowledge. A meeting was also held with Singapore Airlines (SQ) Melbourne team to explore future trade activity to support the SQ service. Tourism NZ also targeted **4,000** travel agents with a trade education e-newsletter featuring Wellington.
- TNZ's **KiwiLink South East Asia** event was held in **Singapore, Manila, Kuala Lumpur and Jakarta** in August. These markets are important feeder routes for SQ's flight to Wellington. In addition to agent training, **104** key decision makers were met with during networking events.
- **22** Inbound operator staff were trained post KiwiLink SEA to ensure their NZ support agencies are up to date with the Wellington regional messaging being delivered offshore.
- **5** Travel company Product Managers were hosted for WOW including luxury seller Abercrombie & Kent from Australia.
- WREDA also attended coach operator Grand Pacific Tour's Australian consumer show, reaching over 800 at a series of evening events. This activity helps support sales of optional attractions in the Wellington region.

Q1   In-market training, Famils & Sales Calls	Total agents trained
KiwiLink South East Asia	346
IBO staff trained	22
Australia Trade Training	27
Decision maker appointments	16
Total Trade Famil participants	72
Total Trade Famil Itineraries	15



## Team Wellington

- Funds from the new partnership between WREDA, Te Papa, Kiwirail, Weta Studio Tours and Wellington International Airport dubbed 'Team Wellington' will be used as part of WREDA's International Visitor Development Plan: 2018 – 2022. Team Wellington aims to grow the number of visitors from China and South-East Asia along with Wellington's traditional markets of Australia, USA, and the United Kingdom.
- A large focus of Team Wellington is growing Wellington's share of the Free Independent Travel (FIT) market from China. This is NZ's second largest tourism market with 447,800 visitors a year, but only 12 percent of those NZ visitors currently visit Wellington.
- Two China famils were hosted in Q1. CTrip/Zhongqai was a lead from KiwiLink China last year and has resulted in new FIT itineraries going on to CTrip, the most influential travel platform in China.
- WREDA signed an MOU with Christchurch International Airport in July, agreeing to work together on the implementation of Chinese payment platform Alipay. This will improve China-readiness of local businesses.
- An audit of Wellington's visibility on Chinese online platforms is also complete and will form the basis of a China digital strategy for the rest of the project.
- In October, WREDA is taking part in the Chinese Year or Tourism launch.

**Angela Wang** – ex Whalewatch Kaikoura - was appointed WREDA's China Tourism Development Manager in July with the objectives of growing Wellington's FIT market and helping regional businesses become China-ready. As part of her Q1 induction, key partner meetings, famils and establishing a clear set of partner and regional goals have been completed. Angela also attended the Tourism Export Council conference and has met with China Skinny, a leading China insights provider.



## Business Events Wellington

The Business Events Wellington (BEW) team were successful in winning 6 International, Australasian and National bids.

These events will together inject a projected economic value of **\$8,045,850** into the Wellington economy.

### Amongst the bids won were:

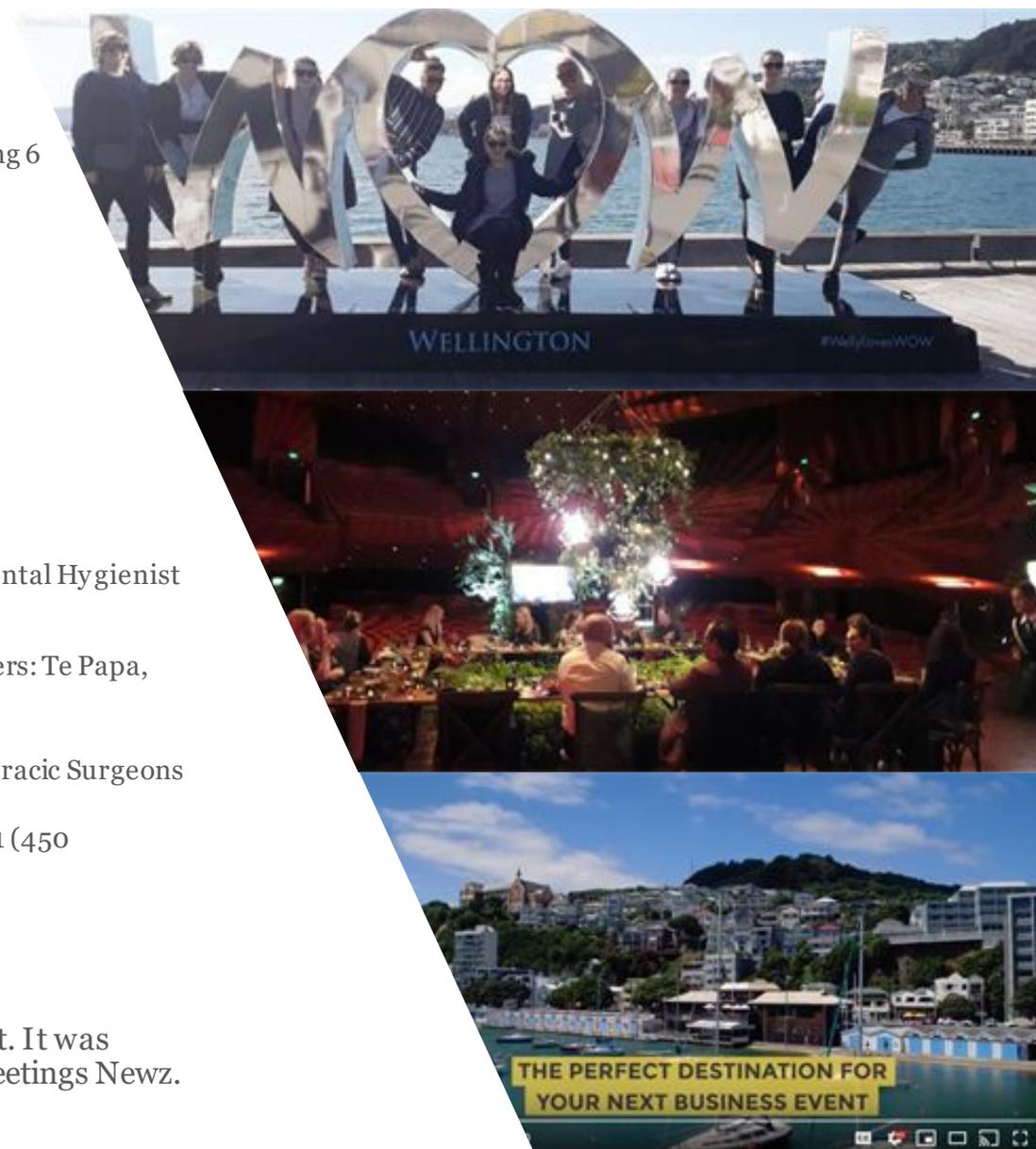
- The World Science Fiction Convention 2020 (WorldCon - coNZe)  
2000 delegates – est. EI \$4,302,000
- World Communications Association Biannual Conference 2019  
300 delegates – est. EI \$645,300
- Institute of Professional Editors Inaugural Conference  
400 delegates – est. EI \$803,600
- Asia Pacific Oral Health Conference (combined Australia and NZ Dental Hygienist Association bid) 800 delegates – est. EI \$1,505,700

International business event bids supported in this quarter with partners: Te Papa, Tourism NZ, CINZ and our colleagues at Venues Wellington:

- College of Intensive Care Medicine 2020 (350 delegates)
- Royal Australasian College of Surgeons - Society of Cardiac and Thoracic Surgeons Annual Scientific Meeting 2020 (250 delegates)
- International Society of Public Law (ICON) Annual Conference 2021 (450 delegates)
- International Coral Reef Symposium 2024 (2,500 delegates)

### Marketing

A video was produced aimed at providing future clients a visual representation of Wellington as a business event destination host. It was released publicly via WellingtonNZ.com, Tourism Ticker and Meetings Newz.



## i-SITE Visitor Information Centre

- This is a quieter quarter which provides opportunities for staff to attend **famils and upskill** in the Wellington region and throughout the country in order to provide a knowledgeable service to our visitors.
- Preparation for the biggest cruise season Wellington has been was in full swing (**110 ships** forecast for this year – 30 more than last season). Wellington City Ambassador retention was high, seeing over 100 volunteers return for another season and more WCA's recruited. Training for the ambassadors was highly successful with a trade show style taking place in Shed 6 with many local operators attending.
- The i-SITE also provided City Ambassadors for **WOW** with a team of four roaming the city providing information to visitors on show days.
- WREDA, CentrePort, Tranzit and ground handlers have worked together to develop a **new shuttle route** for the cruise season now that Brandon Street is unavailable due to commuter bus use. The new two-stop model implemented for peak days will ensure passengers are distributed around the city, with one stop at North Lambton Quay and the other on Wakefield Street.
- The **i-SITE Conference** took place in Greymouth and the **Cruise Conference** in Blenheim. Both were good opportunities for sharing ideas and discussing ways to develop the services we offer to both visitors of Wellington and locals.
- I-SITE staff supported the **Google 360** project by taking the tracker camera around the city to produce views of Wellington and some of the most visited attractions. The content will be fully integrated into Google Streetview so visitors can preview a range of Wellington's iconic view points and attractions before they arrive.



## Regional Trails Framework

Regional Trails Framework project is progressing well – and heading towards the brand and website launch in November.

The Trails Community & Industry Engagement Forum was established with an independent Chair and the first two meetings held. The Regional Trails Coordination Committee was re-established (comprising of the regions key landowners and framework partners) and a revised Terms of Reference and membership was confirmed. Signature Trail Design Guideline Standards to use to audit Signature trails and form a gap analysis for future trail product development have also been developed.

Working closely with the WREDA Marketing and Digital team and suppliers, the main focus in Q1 has been on the new regional trails brand ID and a new regional trails website, which has progressed to near final designs and functionality in consultation with key stakeholders. The scope of the project has grown from 38 trail destinations listed in the framework to over 200 individual trails on the website to ensure that there is a variety of trail experiences marketed across the region. This has meant a great deal of content generation and collaboration with partners and stakeholders. A photo shoot in September captured some stunning 'hero' images to market our key trails.



# New Developments

## Wellington Regional and Wairarapa Investment Plans

WREDA continues to work with the Wellington Regional Strategy Office in the completion of these plans. The work in the area of economic enablement will provide clear focus for the future delivery of WREDA activity.

WREDA has been also appointed to the MBIE regional advisory group for reviewing **PGF applications** for Kāpiti and Wairarapa

## Convention Centre and Indoor Arena

The WREDA team has worked alongside Wellington City Council during this quarter to develop the plans and business case for the development of the **Convention Centre** on Cable Street in Wellington now that that decision around the Movie Museum has been made. Final business case due later this year.

Similarly WREDA has worked with WCC to further the development of the strategic case for investment in an **indoor arena** for the Wellington region

## Porirua Adventure Park

The WREDA team has provided ongoing support to Porirua City Council and Select Contracts to further their work in the development of an Adventure Park in Porirua in the vicinity of Spicer Forest and Colonial Knob. WREDA considers this an important initiative that will provide many opportunities for Porirua and the wider region from the perspective of increased visitor numbers, broader spread of visitor spend, a great lifestyle attraction, a significant employer and not least, an authentic way of bringing people from across the region and further afield to Porirua to experience all that the city has to offer.

This development is also an important landmark in the establishment of a group of regional 'signature' trails that are key in the delivery of the regional trails framework.



**WREDA**

# Marketing & Communications

## Q1: July – September 2018

Wellington Regional Economic Development Agency

[WellingtonNZ.com](http://WellingtonNZ.com)

## Marketing summary

The colder months certainly don't seem to stop Wellington from having plenty on, and plenty to promote. Marketing highlights included:

- Tourism NZ and Marlborough JV campaign in Australia generating 163,486 website visits
- Visa Wellington On a Plate marketing campaign, which helped drive the best ever ticket sales for the festival
- Maori Language week content with the Maori Sidesteps, which generated 184,000 views
- Leverage of Lonely Planet naming Wellington NZ's top destination for 2018
- Creation of *Find Your Wild* Wellington regional trails brand
- 1.1million page views on WellingtonNZ.com
- 16% growth in our social channels with a combined audience reach of 22,720,900
- 133 media clips across travel and business storytelling (including launched of Shopify)

Q2 will see a number of campaigns and digital projects launched:

- WOW campaign wrapped up
- Summer NZ visitor marketing campaign (October – Jan)
- JV campaign with Te Papa's Terracotta Warriors (October – April)
- Advent campaign to drive spend in local hospo and retail (December)
- Royal Tour media activity
- Launch of WellingtonRegionalTrails.com and Find Your Wild brand launch
- Launch of HuttValleyNZ.com
- Live in WLG summer campaign
- Mortal Engines and Screen sector leverage



# Visitor marketing – Australia

## Spring Campaign “Creativity around every corner”

A \$600k joint campaign with TNZ and Destination Marlborough ran in August, highlighting Wellington's distinctive selling points (creativity & culture, cuisine and active nature) whilst also seamlessly incorporating Marlborough as a key experience within a Wellington short break, focusing on the creative experience had on land, sea and in the vines.

A hero video was promoted via paid social activity, digital displays, native editorial all linking to a dedicated campaign page on NewZealand.com. The campaign targeted independent professionals on Australia's eastern seaboard (Sydney/Melbourne/Brisbane/Gold Coast), and followed TNZ's conversion funnel. During the booking phase, Flight Centre deals were used as a call to action (focusing on accommodation and activities) and exclusive operator deals were featured. There was also an Air New Zealand sale which was promoted via banners and link posts, and a substantial Qantas Holidays trade component.

### Initial Results | September 2018

- 163k visits to campaign landing page
- 33% active visits
- 11,028 referrals

We supplemented this campaign with PR via our Content and Comms team. Stories in Vacations Mag, on Nine.com.au and a Jetstar feature were achieved.

## Wellington laneway has wow factor

Wellington is home to Manners Lane, one of the world's tastiest side streets, where you will find visitors savouring this alt side to the cool New Zealand capital

August 17, 2018 by Vacations Staff



## Visitor marketing NZ - Terracotta Warriors (currently in market)

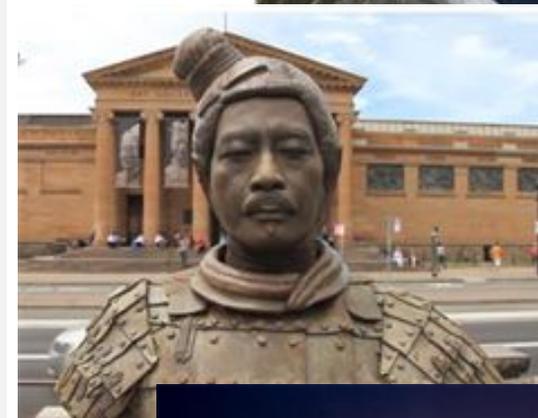
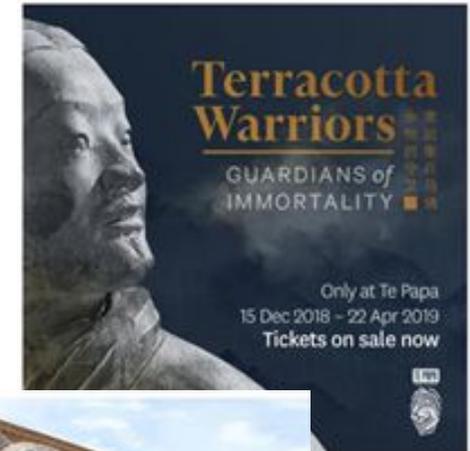
### *Breathe in history at Te Papa – Oct 1 to April 22*

We have partnered with Te Papa to promote their blockbuster summer exhibition - Terracotta Warriors : Guardians of Immortality. The campaign, “Breathe in History”, includes a TV ad, digital media, billboards, radio, street flags, print and PR. It also includes two experiential elements – Living Warriors and a spectacular Lantern outdoor exhibition.

**Hero Video** - [https://youtu.be/Frd2SQov\\_34](https://youtu.be/Frd2SQov_34)

The campaign is structured into several phases to ensure ticket sales are pushed throughout the 4 month exhibition period.

The 'living' statue element (refer to image 2) will take place in Auckland in late October and a large lantern installation (refer to image 3) that will be launched around Chinese New Year in the Te Papa forecourt available to the public for 3 weeks.



## Visitor marketing – NZ (coming Q2)

### **Summer campaign - Your Alternative Summer : October 2018 –January 2019**

Wellington isn't considered your typical summer vacation spot, with Kiwis favouring more traditional beach or lake holidays. And unlike much of the country, we still have hotel rooms, retail and restaurants to fill in January. Last year we started an approach to encourage couples and families to add an extra 'city' short-break to their holiday for some culture, cuisine and urban fun. We are continuing with this strategy to further build on the momentum and positive campaign results created last year. Summer events, including the Terracotta Warriors exhibition will be factored into the planning and conversion layers of the campaign.

#### **Inspire layer**

Couple/friend focussed ad: <https://youtu.be/3l8gf9AfUz4>

Family focussed ad: [https://youtu.be/ukZT5\\_9tjyw](https://youtu.be/ukZT5_9tjyw)

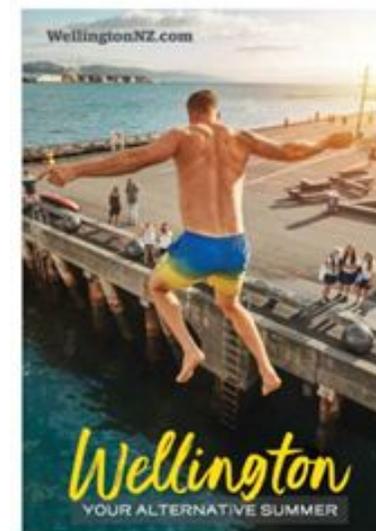
The campaign will be running outside Wellington across digital, social, outdoor and cinema; as well as WellingtonNZ channels.

There are 2 hero videos, showcasing Wellington through the eyes of a young couple in love, and a family with primary school-age children. In each of the videos, they each enjoy a summer experience in Wellington jam-packed with exploration perfect for their audiences.

#### **Planning layer**

We have partnered with Bauer to produce Wellington travel articles in the Listener, North and South, and Metro magazine.

Content, including articles, listicles and interviews will also be produced around summer events and activities in the city and be pushed out via WellingtonNZ channels as well as a dedicated Wellington summer landing page.



continued .....

### Conversion layer - Air New Zealand and Hotel Deals

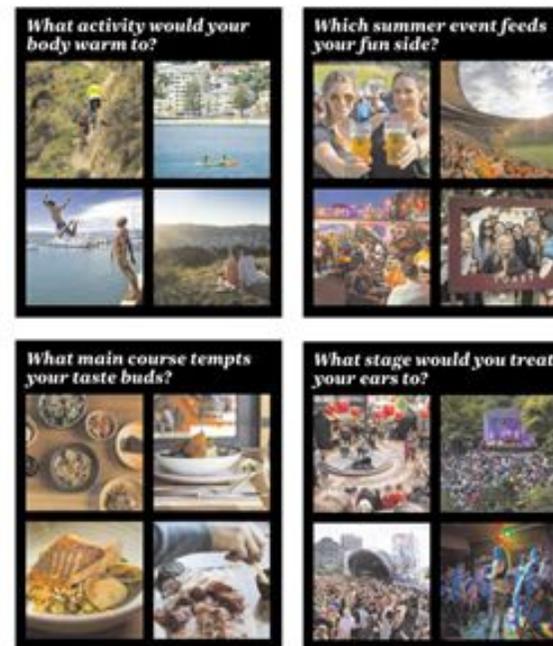
#### *Air New Zealand – Warm your soul in Wellington*

We are partnering with Air New Zealand to promote travel to Wellington this summer via their channels and database, in the shape of one of their destination quizzes, based on what Wellington has to offer this summer.

The campaign will be promoted via display banners and their database to drive visitation to Wellington this summer and have a competition element to encourage engagement.

#### *Digital hotel deals*

As part of the summer campaign we are investing in a mini display campaign for our hotel partners. Offering free display advertising (digital and Facebook ads) which will be targeted at those who have engaged with our summer ads and content, to help promote individual properties.



## Visitor & lifestyle - Media/PR (always on)

Our destination and lifestyle communications team hosted 16 journalists, influencers and film crews in Wellington and, generated 101 media clips.

**International media** highlights include hosting two US freelance journalists from Coveteur, V Magazine, Vogue, Afar and Maxim and, Irish TV travel/food show Tastes Like Home. Coverage highlights include National Geographic, LA Times, Tabi Labo (Japan), Wayne's Cookbook (China), India Today, and Travel + Leisure.

**Australian media** highlights include hosting Gourmet Traveller, Escape, Stellar (Sunday Herald Sun and Sunday Telegraph), Australian Women's Weekly, and Nine.com.au. Coverage highlights include Wellington features published in Jetstar Magazine, Traveller (Sydney Morning Herald and The Age), The Senior Traveller and Nine.com.au.

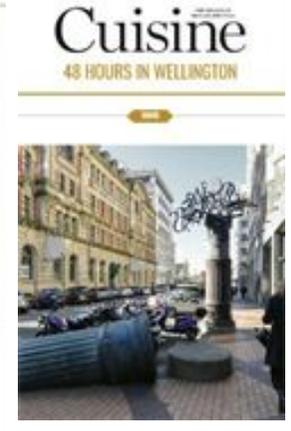
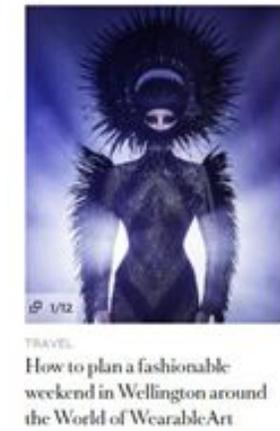
**Domestic media** highlights include destination and event coverage in NZ Herald, Viva, Kia Ora, Fashion Quarterly, The Spinoff, Dish Magazine, AA Traveller, Stuff, Sunday Star Times and The Press.

As at 30 September 2018	Q1
<b>Number of media hosted</b>	<b>16 Total</b>
<i>Domestic</i>	6
<i>Australia</i>	6
<i>International</i>	4
<b>Number of clips (NZ and AU)</b>	<b>101 Total</b>
<i>Domestic</i>	63
<i>Australia</i>	38
<b>Total Reach</b>	<b>8,673,731</b>

# Coverage examples (click to view)



**OPPORTUNITY, UNCONVENTIONAL AND ORIGINAL.** Wellington is a place where city streets narrow and it doesn't seem possible to anywhere else on earth. Sprawling along several harbours and bays, the eccentric houses and narrow winding streets weave their way up into the surrounding hillsides into dense native bush where the birding drops out of the urban scene and makes you forget you're in a city. Full of character and soul, known in New Zealand for its culture and art, Wellington is full of commissioned street art hidden down alleys and squawky, hewn timber beamed buildings where you have to know where to look to find them.



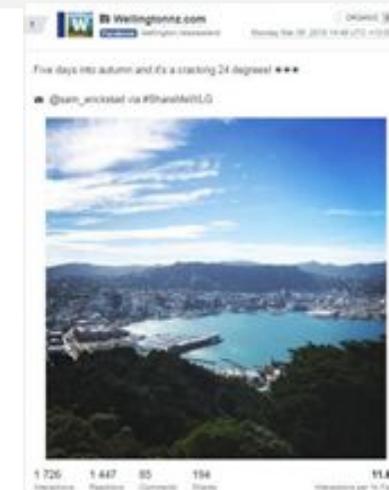
## Digital marketing – all sectors

WellingtonNZ.com received **534,873 visits** between July and September, with 331,104 unique users. Over **1.1 million pages** were viewed, with the top content still focusing on the LookSee information (predominantly again from India), followed closely by Job Search, the 'Discover' landing page and, the top 10 sights and activities to do in Wellington. The largest volume of visitors came from NZ | 64% (48% Wellington), India | 9.9%, Australia | 9.6%, USA | 4.2%, and South Korea | 2.9%. A proportion of the increase in traffic from India and Korea can be attributed to the education team running campaigns in these markets during this period.

Social channels reached a combined audience of more than 22 million users and growth of followers increased including those of individual channels, despite significant recent changes to Facebook's algorithm:

- **27.53%** growth in **Facebook** followers and average interactions per post has increased by 104.64%.
- **12.94%** growth in total **Instagram** followers, which means this is now the fastest-growing consumer-facing channel and provides cause for more energy to be directed into this platform
- Another **10%** growth with **LinkedIn** followers which indicates the business community are relating to the content we're sharing

Key performance indicators	Q1
WellingtonNZ.com visits	534,873
Accommodation section page views	41,335
Social media reach (across IG & FB)	22,720,900
<b>Total subscribed digital audience</b>	<b>488,106</b>
• Social media fans	257,158
• eNews subscribers	230,948



# Digital storytelling examples



**Food: Visa Wellington On A Plate**



**See & Do: Te Papa Terracotta Warriors Exhibition**



**Te Papa is named one of the top 25 museums in the world**



**Wellington is named Lonely Planet's number 1 destination in its NZ Top 20 places to visit.**



**Inclusivity and diversity - Launch of #WellyRainbow Crossing**



**WOW: #WellyLovesWOW - featuring WOW activation all over the capital**

**Wellington & the outdoors - Trails video to showcase the city's proximity to nature and outdoor activities**



**Meori Language Week with a Wellington spin - A video featuring Welly hotspots in Te Reo Maori**



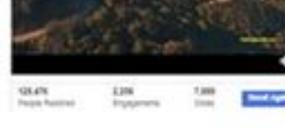
**Featuring WREDA Stakeholders in interesting, fun, relatable ways - Father's Day and Wellington Zoo**



**Retail, Businesses & the Wellingtonians behind them - Word On the Street blog**



**Food & Dining Scene - Word On the Street blog, featuring The Ramen Shop**



**Regional content to promote Regional tourism - feature on Wairarapa**



**Events - Promoted 30 Years of WOW in a series of four videos**



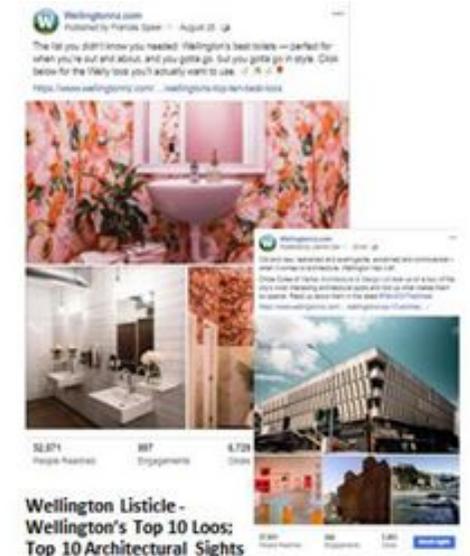
**Wellington Listicle - Wellington's Top 10 Loos; Top 10 Architectural Sights**



**Food & Dining Scene - Word On the Street blog, featuring The Ramen Shop**



**Regional content to promote Regional tourism - feature on Wairarapa**

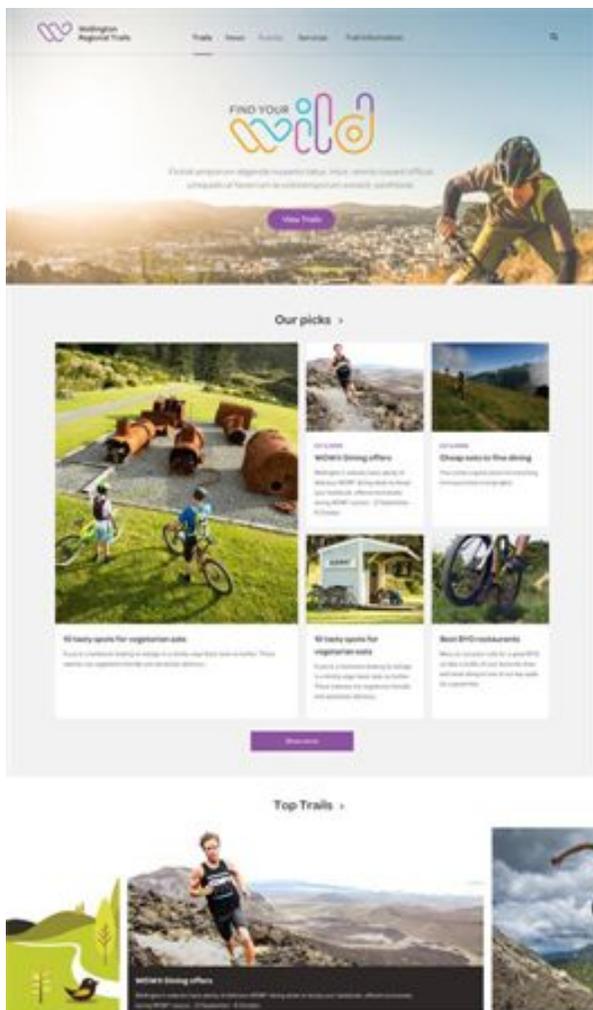


**Food & Dining Scene - Word On the Street blog, featuring The Ramen Shop**



**In-the-moment, current Wellington content - The Wellington Whale**

## Digital marketing – WellingtonNZ.com development



### Upgrade

The digital team have been working on the required upgrade for the WellingtonNZ.com platform, Silverstripe. This is on track to be completed by the middle of October. As part of this process, a significant amount of technical 'debt' has been removed or refactored which will mean better performance of the site speed, quicker development time, and the ability to take the next step in the evolution of WellingtonNZ and associated subsites. We are also in the migrating the site to a new specialised server to ensure optimum performance of the site globally.

### Website builds

There are two new websites currently in development, using the subsite functionality to build new sites utilising the existing framework and infrastructure of WellingtonNZ:

- **Wellington Regional Trails**  
A deliverable from the regional framework document, an interactive map site to showcase the variety of trails available across the region alongside inspirational and visitor destination content. Launching mid November
- **HuttValleyNZ.com**  
Working with the Upper and Lower Hutt City Councils to create a destination Hutt Valley site, using a similar model to that of KāpitiCoastNZ.com.

## Education marketing

In September, we ran an in-market China student awareness campaign to attract tertiary students in China, 16 – 25yrs, to consider Wellington as a study option.

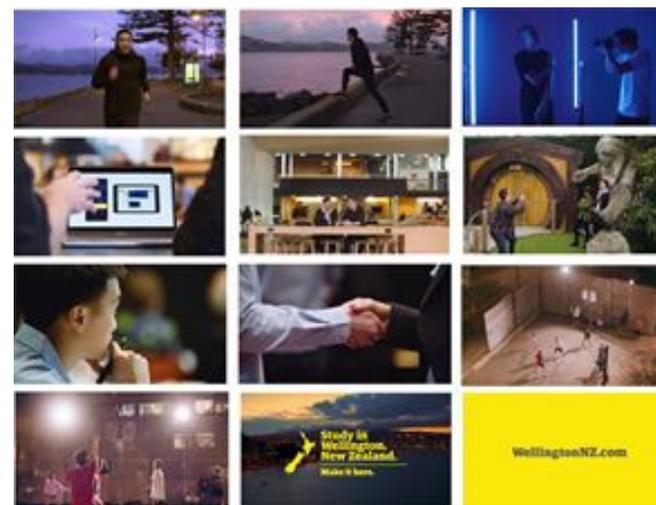
WeChat was the key channel for the campaign, and 4 Key Opinion Leaders (KOLs) were chosen to share the 60sec hero [video](#) via their WeChat channels. The campaign was timed to coincide with Education NZ's 'Think New' campaign which was in market across the similar period.

After watching the video and reading the corresponding article, potential students could use the QR code to sign-up to hear from us through a series of 5 emails encouraging them down a nurture trail and/or, download our Study in Wellington brochure for instant gratification.

We extended the reach of the video via posting on our own Facebook channel to a non-Chinese audience. Education NZ also assisted by posting the video on their own Weibo channel in China and created an article on Wellington as part of their Explore NZ series which they posted on WeChat along with the video and QR code for further lead generation.

The results so far:

- **63,731 video views (target 50,000)**
- **106 edm leads**



## Corporate and Business storytelling

Our **corporate communications** activity generated a range of stories around WREDA activity to boost Wellington’s economy. This has included wi-fi capability on buses, Wellington named New Zealand’s top destination by Lonely Planet, celebrating the iconic Beervana, Wellington on a Plate and World of WearableArt and, showcasing our incredible regions – like Kāpiti emerging as an eco-tourism hotspot.

Our **business storytelling programme** (promoting businesses and studying or working in Wellington) generated 31 stories across the quarter. Our highlights included sharing Screen Wellington’s record-breaking year of film permits with One News, announcing Shopify’s launch in Wellington and, attracting Chinese students to study in Wellington.

### Could Shopify help find NZ's sweet spot in business?

Mike O'Donnell • 09:00, Jul 14, 2018



Shopify has more than 650,000 merchants totaling up annual gross merchandise volume of \$55 billion.

### 50,000 extra passengers will see record-breaking cruise ship season for Wellington

STUFF • 10:52, Sep 30, 2018



Wellington is geared up for its biggest cruise ship season.



NEW ZEALAND

### Global brand to hire 100 Wellingtonians, let them work from home

12 Jul, 2018 6:00am

3 minutes to read



Acting mayor Simon Marsh, left, Shopify's Marcie Murray and Wreda chief executive Lance Walker are excited about the company setting up its base in Wellington. Photo / Supplied

**WREDA**

# Events & Experience

## Q1: July – September 2018

Wellington Regional Economic Development Agency

[WellingtonNZ.com](http://WellingtonNZ.com)

## Major Events

### Key Highlights:

- A successful Visa Wellington on a Plate with best ever ticket sales, and including record attendance at **Beervana**
- A sold out **All Blacks vs. South Africa** rugby test; 45% out of region attendance with accommodation in the city near 100% occupancy
- The start of the 30<sup>th</sup> Anniversary season of the **World of WearableArt** Awards (WOW). At the time of reporting WOW season has just wrapped up, with over 60,000 customers coming through the doors which is the largest audience for WOW to date. WREDA's marketing support of WOW included a considerable increase in city excitement activity and promotional and PR support, which has generated high-impact results.

The Major Events team has worked in partnership with Westpac Stadium to attract new event product to Wellington. The recent announcements of the **NZ Warriors** committing to playing home matches in Wellington for the next two years, and the **Eminem** concert are a great result.



## Venues - Performance & Exhibition

Delivered 65 events with 80,675 guests in our venues.

### KEY Highlights:

- Sold out performances for Orchestra Wellington's **Songs of Moana** primarily targeted at children with 4,200 people attending.
- The Opera House hosted the sold out performance of **Tash Sultana** and two strong performances from the Royal New Zealand Ballet showcasing **Strength and Grace** which received rave reviews.
- **Chicago** delivered a successful run in the Opera House, with 12,500 tickets sold highlighting Wellington has an appetite for musicals in our venues.
- There was a strong community reach again in the Michael Fowler Centre with **Tu Tagata Wellington Polyfest** and **Art Splash**.



## Venues – Conferences and Business Events

### Delivered 64 conferences and business events

Business Events of note held in Q1:

- IT Professionals – ITX 2018, 450 pax, 3 days
- Inspiring Stories – Festival for the Future, 1,500 pax, 3 days
- Ara Taiohi – Involve Conference, 500 pax, 2 days

Wellington continues to be a destination of choice for Australian business with 8 multi-faceted Australian events confirming in Q1 for 2019 through to 2021.

Venues Wellington exhibited in July at the national conference for Australasian Society of Association Executives, where 200 event decision makers were in attendance. Our presence strengthened our work in the Association market to attract conferences into Venues Wellington.



## Venues - Operations

The Venues Operations team continue to work in key focus areas, including accessibility, sustainability, customer experience and technology.

The digital signage system was rolled out in the TSB Arena and Shed 6, and is already improving customer migration through the venues, marketing and product displays. There are now plans for a further roll out in the other venues.

Our operational teams, along with our supplier partners continue to work hard with multiple events running across our venues on the same days, which stretches resources.

There is continued work with the WCC Property team on identifying venue improvements and updates. This work is increasingly significant as the venues are working hard to counter the closure of the St James and the Town Hall.



**WREDA**

# **Business Services**

**Wellington Regional Economic Development Agency**

**WellingtonNZ.com**

## Business Services

### IT

Our venues team have recently gone live with an upgrade to the latest version of EBMS (Event Booking Management Service). This brings the EBMS system into the cloud, offering enhanced resilience as well as increased functionality.

We will be going live with a new CRM system (Microsoft Dynamics) across our non Venues team in late October. This brings together multiple different historical CRM's into one.

### HR

Our Q1 focuses have been on Leadership Development (all levels), enhancing and lifting engagement and work on Diversity & Flexibility within the workplace

Within the Venues space we developed a new method of recruitment for our Hosts within the Venues and have successfully onboarded a number of new hosts using this method. Our training approach to Hosts was also modified. These changes have resulted in more motivated, customer focused casual hosting pool.

We have recently also recruited our first ever group of permanent hosting specialists. These hosting specialists will be the champions of the hosting team



## **Business Services (continued)**

### **Health and Safety**

WREDA continues to evolve its approach to health and safety through a cycle of continuous improvement to its standard procedures and policies, driven by staff, management and our Board.

WREDA's approach to health and safety, particularly in our Venues operations, starts with the staff working on the ground. We have strong representation throughout all levels and areas of the organisation on our Health and Safety Committees and Representatives whom continuing to drive improvement.

Within WREDA the majority of our reported incidents occur within the operation of our Venues and of those the majority relate to personal health incidents of patrons.

### **Harrassment**

WREDA is committed to maintaining a safe and discrimination-free environment that encourages respect for the dignity of each individual. WREDA has developed a harassment statement which is about to be launched. We are also working on an internal training programme surrounding harassment, which will be launched in Q3.

**WREDA**

# Finance and KPI's

## Q1: July – September 2018

Wellington Regional Economic Development Agency

**WellingtonNZ.com**

## WREDA Key Performance Indicators – Quarter One, 2018/19

On Track

Some Risk

Key Goals		Measure	2018/19 Annual Target	2018/19 YTD Q1	Status
Promote the region's brand and identity and tell Wellington's stories	Media programmes to boost the reputation of the Wellington region	Lifestyle and visitor attraction content in NZ, Australian media	1250	101	650 articles is what we are aiming to achieve under our regular PR programme. 1,250 is what we hope to achieve if we can access a big broadcast media opportunity as we did last year with Sunrise TV, which we're aiming to do.
		Work, do business, invest content in local NZ and Australian media	105	31	
		Unique visitors to WellingtonNZ.com and subsidiary sites	2.7m	534,873	
Grow the visitor economy	Marketing to the visitor sector locally and internationally	Weekend hotel guest night occupancy	80%	76%	
		Value of investment from International marketing partnership partners	\$500k	\$700k	
		International travel trade interactions	3750	586	
Attract an increased number of students to the region	Marketing to the student sector locally and internationally	Audience engagements from marketing and storytelling	150,000	113,061	
		# of agent interactions	450	340	
Grow and expand innovative new businesses, especially in the creative and tech sectors	Creative HQ leading the way in innovation, start-ups, acceleration and scale-ups	No. of start-up ventures and early stage businesses on the CHQ Platform <sup>1</sup>	70	26	
		No of acceleration programmes (Lightning Lab and Venture Up)	3	0	
		No. of members in "Start-up Garage"	3,500	3,184	
		No. of companies becoming investable	5	1	
		Deliver LL GovTech programme with # of teams/agencies participating	8	12	
		Generate income from Creative HQ's innovation services	\$2.4m	\$890k	
Be a partner in the Māori Economy	Establishing a working relationship with Mana Whenua and Māori business in the Wellington region	Mana Whenua satisfaction score with engagement	80%	Annual Measure	
		Deliver specific initiatives and projects in partnership with Māori business	TBD	N/A	

Facilitate the leveraging of the opportunities from new investment in the	Screen Wellington	Number of permits for film production issued	350	110	
		Value of facilitated screen production	\$65m	\$ 5.3 m	
	Visitor Infrastructure	WREDA will have activated plans in place for the delivery of visitor infrastructure projects reflecting their advancement by investing stakeholders	Yes	Annual Measure	
	Trails framework	Working reports of the Trails Framework Specialist will show active plan against every action item	50%	38%	
Build workforce and employer capability	Regional Business Partner Programme	Number of actively supported businesses	445	94	
	Development and delivery of a Labour Market plan for the region	Wellington regional Labour Market Plan completed by WRS office with WREDA support	Yes	Completion in Year	
		Students supported in youth entrepreneurship programmes	505	421	Young Enterprise student numbers slightly down for the year (majority of activity occurs in Q1) vs anticipated growth as the . Annual target at risk.
		Interns placed in priority sectors	275	50	
Deliver an unrivalled business, consumer and major events programme	Business Events Wellington and Wellington Major Events	ROI via out of Wellington spend	20:01	Annual Measure	
		Total event attendance	700,000	74,539	
		Number of international business event bids submitted and/or supported in FY	35	10	
		Proportion of business events submitted that are successful	60%	86%	
		Value of business events (international and domestic) secured in FY	\$25m	\$8.2m	
Utilise the management of Wellington city venues to make Wellington more vibrant and deliver an outstanding customer experience.	Venues Wellington	Value of expenditure by out of town venue attendees	\$58m	\$4.9M	
		Establish a model to measure Venues Wellington customer satisfaction	Establish baseline	Annual Measure	
		Advance the Cultural well-being of Wellington – number of Wellingtonians attending performance events at Venues Wellington	230,720	80,675	
		Number of Events:	440	129	
		Total			
		Performance	220	65	
		Conference	220	64	
WREDA in action	Partner/ Stakeholder Engagement	Partner/Stakeholder satisfaction score with engagement	80%	Annual Measure	

## Sources:

- \* Internal count of activity outputs and outcomes
- \* Student Applications, Visas and Permits report (Stats NZ)
- \* Immigration/Migration Reports (Stats NZ)
- \* Commercial Accommodation Monitor (Stats NZ)
- \* Monthly Regional tourism estimates (MBIE/Stats NZ)
- \* International Visitor Arrivals (Stats NZ)
- \* Convention Activity Survey (MBIE)
- \* delegate number multiplied by Convention Activity Survey (MBIE) spend data
- \* Total number of tickets sold to people from outside the Wellington region multiplied the average visitor spend (Stats NZ) for visitors from the places tickets are sold
- \* Total number of tickets sold to Wellington region addresses

## WREDA LIMITED STATEMENT OF FINANCIAL PERFORMANCE FOR THE 3 MONTHS ENDED 30 SEPTEMBER 2018 Including Creative HQ but excluding Venues Project

STATEMENT OF COMPREHENSIVE INCOME	YTD Actual 30-Sep-18	YTD Budget 30-Sep-18	Variance YTD	FY Forecast 30-Jun-19	FY Budget 30-Jun-19	Variance 30-Jun-19
<b>Revenue</b>						
Event revenue	0	0	0	0	0	0
Shareholder grants	5,936,769	6,121,620	(184,851)	22,163,251	22,163,251	0
Government grants	834,306	793,700	40,606	3,174,800	3,174,800	0
Partner revenue	759,640	853,249	(93,609)	1,527,000	1,527,000	0
Visitor Centre	70,531	71,537	(1,006)	451,599	451,599	0
Sub lease and carpark revenue	27,350	12,050	15,300	48,200	48,200	0
Interest income	18,493	19,800	(1,307)	60,000	60,000	0
Other income	553,507	311,027	242,480	1,308,108	1,308,108	0
<b>Total Revenue</b>	<b>8,200,596</b>	<b>8,182,983</b>	<b>17,613</b>	<b>28,732,958</b>	<b>28,732,958</b>	<b>0</b>
<b>Direct Costs</b>						
Cost of sales	10,735	11,463	728	51,599	51,599	0
Wages (events etc)	0	0	0	0	0	0
Other direct costs	0	0	0	0	0	0
<b>Total Direct Costs</b>	<b>10,735</b>	<b>11,463</b>	<b>728</b>	<b>51,599</b>	<b>51,599</b>	<b>0</b>
<b>Operating Expenses (overheads)</b>						
Salaries and wages	3,213,538	3,372,420	158,882	12,848,993	12,848,993	0
Other employment costs	169,621	204,644	35,023	609,068	609,068	0
Occupancy costs	185,259	187,291	2,032	749,165	749,165	0
Marketing & activity expenses	3,238,025	3,710,491	472,466	12,733,327	12,733,327	0
Utilities	14,447	14,757	310	50,828	50,828	0
IT and communications	90,960	91,319	359	354,545	354,545	0
Insurance	1,172	0	(1,172)	17,000	17,000	0
Administration costs	189,503	131,734	(57,769)	619,049	619,049	0
Vehicle expenses	16,172	11,424	(4,748)	45,696	45,696	0
Travel costs	51,583	55,543	3,960	222,170	222,170	0
Professional fees	16,338	23,026	6,688	89,757	89,757	0
Director fees	73,333	40,068	(33,265)	160,272	160,272	0
Other operating expenses	0	0	0	0	0	0
<b>Total Operating Expenditure</b>	<b>7,259,951</b>	<b>7,842,716</b>	<b>582,765</b>	<b>28,499,870</b>	<b>28,499,870</b>	<b>0</b>
<b>Total Expenditure</b>	<b>7,270,686</b>	<b>7,854,179</b>	<b>583,493</b>	<b>28,551,469</b>	<b>28,551,469</b>	<b>0</b>
<b>Net Surplus/(Deficit) before Depreciation and Tax</b>	<b>929,910</b>	<b>328,804</b>	<b>601,106</b>	<b>181,489</b>	<b>181,489</b>	<b>0</b>
Interest expense	170	0	(170)	0	0	0
Depreciation	46,328	32,871	(13,457)	131,484	131,484	0
Movement in investment valuation	0	0	0	0	0	0
Taxation expense	0	0	0	0	0	0
<b>Net Surplus/(Deficit)</b>	<b>883,412</b>	<b>295,933</b>	<b>587,479</b>	<b>50,005</b>	<b>50,005</b>	<b>0</b>

\* Detailed forecasting to begin in Q2

\* Negative variances in shareholder and partner funding, timing only

\* Other income positive compared to budget due to faster utilisation of commercial funds held for the benefit of Venues via ticketing and profit shares than anticipated, corresponding expenditure in administration

\* Salaries have some budgeted positions not yet filled

\* Lower marketing & activity expenditure is timing only

**WREDA****STATEMENT OF FINANCIAL POSITION – AS AT 30 SEPT 2018****Including Creative HQ and Excluding Venues Project**

STATEMENT OF FINANCIAL POSITION		As at 30-Sep-18
<b>Shareholders Equity</b>		
Paid up capital		
Retained earnings		3,352,527
<b>Total Shareholder/Trust Funds</b>		<b>3,352,527</b>
<b>Current Assets</b>		
Cash and cash equivalents		3,512,302
Other current assets		1,186,387
<b>Total Current Assets</b>		<b>4,698,689</b>
<b>Investments</b>		
<b>Non-current Assets</b>		
Fixed assets		572,656
Other non-current assets		1,816,244
<b>Total Non-current Assets</b>		<b>2,388,900</b>
<b>Total Assets</b>		<b>7,087,589</b>
<b>Current Liabilities</b>		
Accounts payable		395,798
Other current liabilities		3,299,397
<b>Total Current Liabilities</b>		<b>3,695,195</b>
<b>Non-current Liabilities</b>		
		39,867
<b>Total Liabilities</b>		<b>3,735,062</b>
<b>Net Assets</b>		<b>3,352,527</b>

\* WREDA is in a good financial position and has adequate cash to meet their debts as they fall due

\* \$1.3m of other current liabilities relates to income held in advance of expenditure



<b>Report</b>	<b>18.549</b>
Date	14 November 2018
File	CCAB-15-287
<b>Committee</b>	<b>Wellington Regional Strategy Committee</b>
<b>Authors</b>	<b>Samantha Seath, Wellington Regional Strategy Office, Greater Wellington Regional Council, and Barry Turfrey, Wellington City Council</b>

## Letter of Expectation – WREDA

### 1. Purpose

To consider and approve the Letter of Expectation to the Wellington Regional Economic Development Agency (WREDA) for consideration in its draft Statement of Intent for 2019/20.

### 2. Background

The two shareholding councils have developed a draft Letter of Expectation for the Committee to consider which is included as [Attachment 1](#).

Following the agreement of the Committee, and the Shareholding Councils if changes are made, the Letter of Expectation will be finalised and sent to WREDA. WREDA will then consider the matters raised, and address them in its draft Statement of Intent.

The draft Statement of Intent is due by 1 March 2019. Following receipt of the draft Statement of Intent, the Committee has two months to consider the draft and send comments back to WREDA. The final Statement of Intent is due by 30 June 2019.

### 3. Comment

Overall, the draft Letter of Expectation states that the Committee expects a greater emphasis on delivering activities and programmes that have a direct impact of the outcomes sought by the Wellington Regional Strategy. WREDA is expected to play a primary facilitation role in driving collective action with business, the tertiary sector, government agencies, councils in the Region, and the investment community.

The 2019/20 Statement of Intent should have clear targets, define what success looks like, and be ambitious. Such targets will be a reflection of additionality to a business as usual approach.

The Letter of Expectation also sets out a series of specific expectations in relation to each of the areas of WREDA's responsibility: economic development, tourism, and major events and venues management.

#### **4. Communication**

Once finalised, the letter will be sent to the Chair of WREDA. No further communication is necessary at this time.

#### **5. Consideration of climate change**

The matters addressed in this report are of a procedural nature, and there is no need to conduct a climate change assessment.

#### **6. The decision-making process and significance**

Officers recognise that the matters referenced in this report may have a high degree of importance to affected or interested parties.

The matter requiring decision in this report has been considered by officers against the requirements of Part 6 of the Local Government Act 2002 (the Act). Part 6 sets out the obligations of local authorities in relation to the making of decisions.

##### **6.1 Significance of the decision**

Part 6 requires Greater Wellington Regional Council to consider the significance of the decision. The term 'significance' has a statutory definition set out in the Act.

Officers have considered the significance of the matter, taking the Council's significance and engagement policy and decision-making guidelines into account. Officers recommend that the matter be considered to have low significance.

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

##### **6.2 Engagement**

In accordance with the significance and engagement policy, no engagement on the matters for decision is required.

#### **7. Recommendations**

*That the Committee:*

- 1. Receives the report.*
- 2. Notes the content of the report.*
- 3. Approves the Letter of Expectation, subject to any changes agreed by the Committee and Shareholding Councils.*
- 4. Authorises the Chair of the Committee to approve and sign the Letter of Expectation on behalf of the Committee.*

Report prepared by:

**Samantha Seath**  
Wellington Regional Strategy  
Office, Greater Wellington  
Regional Council

Report prepared by:

**Barry Turfrey**  
Wellington City Council

Report approved by:

**Luke Troy**  
General Manager, Strategy,  
Greater Wellington Regional Council

**Attachment 1:** Draft Letter of Expectation for 2019/20

Peter Biggs  
Chair  
Wellington Regional Economic Development Agency

Dear Peter

This letter sets out the Wellington Regional Strategy (WRS) Committee's expectations for the Wellington Regional Economic Development Agency and its subsidiary, Creative HQ (WREDA) regarding their Statement of Intent (SOI) for 2019-21.

The following areas have been identified as requiring a particular focus in the SOI;

- Delivery of specific projects in the draft Wellington Regional Investment Plan including:
  - **Skills and workforce development** – lead a focus on skill enhancement for the regional workforce to support future growth, particularly but not exclusively in the knowledge economy.
  - **Business Acceleration** – A greater focus on acceleration of companies and for this to be regional in nature (leveraging Creative HQ in particular).
  - **Maori economy** - to work closely with our iwi partners, the WRS Office and Ara Tahi in their development of a Māori Regional Economic Development Plan with a focus on the eventual delivery of actions.
  - **Destination** – the development of a region wide destination plan to make the region a more attractive proposition for visitors, students, talent and business.
- To support the Wairarapa councils and the Kapiti Coast District Council in their applications to the Provincial Growth Fund and, where relevant to WREDAs core business, to provide delivery of projects.
- The SOI will note the key activities planned to market the Wellington region, to a range of audiences and to drive growth in visitation, international student attraction and events.
- Minimise the impact of the extended closure of the St James by utilising the existing facilities and innovative use of other venues.
- Continuing the work and support for the development of an Indoor Arena and the Convention and Exhibition Centre.

The SOI should reflect a strong focus on efficiency in delivering activities and the cost of delivery. WREDA is expected to take every opportunity to utilise shared services available in partnership with Councils to reduce its cost base. The core funding provided by the Councils is seed funding and WREDA is expected to utilise this funding to partner in delivering activities, the SOI should demonstrate an emphasis on partnerships and partner funding to deliver programmes.

With respect to all of these points and the SOI in general we expect clear actions, expected outcomes with clear and measurable KPIs. Wherever possible there should be a clear line of sight between WREDA's actions and the outcomes being measured.

The Committee expects WREDA to be able to demonstrate compliance with the relevant Health and Safety legislation and have objectives relating to the measurement and reduction of greenhouse gas emissions.

Justin Lester  
Chair, Wellington Regional Strategy Committee

DRAFT



<b>Report</b>	<b>18.557</b>
Date	20 November 2018
File	CCAB-15-289
<b>Committee</b>	<b>Wellington Regional Strategy Committee</b>
<b>Author</b>	<b>Luke Troy, General Manager, Strategy</b>

## Multi-user Ferry Terminal

### 1. Purpose

To update the Wellington Regional Strategy Committee (the Committee) on progress with the Programme Business Case (PBC) for a multi-user ferry terminal which is being developed in a collaborative process with six partner organisations. The Cook Strait ferry service is a critical part of the country's transport network and provides significant benefits to the regional economy.

### 2. Background

Greater Wellington Regional Council (Greater Wellington) established a shared work programme to examine the opportunities arising from investment in the Central New Zealand Supply Chain. The shared work programme was initiated in March 2018, and resulted in a Memorandum of Understanding being signed by the parties in September. The work programme involves five workstreams and six partner organisations. The Central NZ Supply Chain Programme has overall oversight from a Programme Steering Group (comprising Chief Executives of the partner organisations) and a Chairs Forum (comprising chairs of the partner organisations).

One of the key workstreams is the preparation of a PBC to examine the options for a new multi-user ferry terminal from which both current services would operate (that is, Interislander and Bluebridge). This includes examining the preferred location of a terminal and the ancillary infrastructure, including changes to the transport network that would be required to facilitate a successful outcome. Two sites are currently being considered for a multi-user terminal – the Kaiwharawhara site and a site near Kings Wharf.

The PBC is being prepared collaboratively on behalf of six partner organisations – Greater Wellington, Wellington City Council, CentrePort, New Zealand Transport Agency, KiwiRail/Interislander, and StraitNZ Bluebridge. The Ferry Terminal workstream is provided oversight by a Workstream Steering Group. It has been recognised by all the partners that there is significant value in working

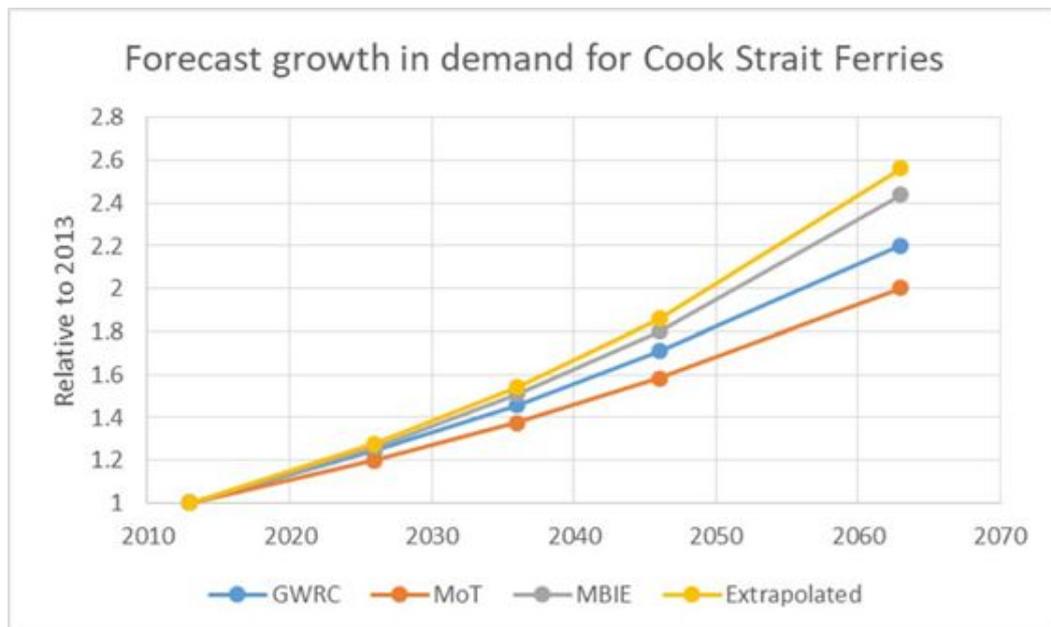
together and that some issues may not be capable of being resolved without collaboration.

The Cook Strait ferry service is a critical part of the New Zealand transport network, effectively forming part of State Highway 1 and the main truck rail line, connecting the North and South islands. It is responsible for moving \$15-20 billion worth of freight and over 1.1 million passengers per annum. Ferries and the terminal also have a vital role in the event of a major emergency (e.g. natural disaster) in Wellington, enabling bulk provisions, food, water and other supplies, to be brought into the Region when other forms of transport may be unavailable.

In 2017 ferries delivered over \$330 million into the Region's economy, supporting 3,600 jobs.

Forecasts of future demand indicate that substantial growth in both freight and passenger numbers is likely over the next 10-20 years. However, the terminal infrastructure is a long term investment, and so an understanding of demand over a 50 year timeframe should be considered when designing. By 2025 it is expected that annual passenger numbers will rise to 1.7 million. Forecasts over the longer term are more difficult, however it is expected that by 2025 a 20-30% increase in freight is likely.

**Figure 1:** Forecast growth (Stantec, 2018)



To cater for this growth, as well as to provide an enhanced customer experience, new terminal infrastructure is required. In addition, the following factors are relevant:

- There is increasing demand for Cook Strait services, including for passengers and freight
- Infrastructure is at the end of its useful life at the Kaiwharawhara site

- The Kaikoura earthquake in 2016 damaged some assets at the Bluebridge site, which has since been reconfigured by CentrePort and is operational. However, further improvements are necessary for long-term operation
- At least one ferry operator (Interislander) is planning to purchase and operate new larger vessels on the Cook Strait. These are scheduled to arrive in 2022. These new vessels will require new terminal facilities as well as additional infrastructure.

Rather than simply replace and upgrade the facilities at the two current terminals, the joint business case is evaluating a range of options to provide a new multi-user ferry terminal. These can then be compared against an enhanced status quo option in terms of costs and the range of other benefits a multi-user facility could deliver for the Region and Cook Strait ferry customers.

A well-designed multi-user terminal could provide for a more efficient and effective ferry service, a greatly enhanced customer experience for all users and significantly improved urban amenity for this northern gateway to the capital city.

Given the damage done to the port by the Kaikoura earthquake and the need for considerable remediation and reconstruction, CentrePort is developing a masterplan for the whole port, to guide future development. The location of a new ferry terminal(s) is a critical building block to that masterplan and given its importance to the regional and national economy, as well as its specific requirements, it can be considered first, before other infrastructure and development options.

Once a preferred location for a new ferry terminal has been identified and agreed, it will open up opportunities for other uses to be considered, including the location of a new cruise ship terminal and the configuration of the container terminal and the log yard. Consideration will also need to be given to the longer-term aspirations of the city to enhance public access to the waterfront, future proposals for the transport network as part of Let's Get Wellington Moving and other urban development proposals for this part of the city.

### **3. Comment**

Considerable progress has been made on the preparation of the PBC. A long-list evaluation of potential sites has been completed and two potential sites shortlisted for further evaluation – a site at Kaiwharawhara and a site at Kings Wharf, both within central Wellington.

A number of design workshops have been held to develop more detailed concepts for the shortlisted ferry terminal options. These will consider indicative layouts for the terminal, necessary improvements to the transport network and indicative costs. This will help identify the feasibility of each of the options and form part of the material for evaluation against the agreed project objectives.

Alongside this, other contextual information is being collected on: the resilience of the land; future transport network changes and future forecasts; operational marine issues; urban amenity issues; and future development opportunities.

The PBC is expected to be completed early in 2019. It would then be considered by the Steering Group and Chairs Forum and then each of the individual partner organisations.

Subject to agreement on the preferred option, it is envisaged that a detailed business case and detailed proposals would then be developed for partner approval.

It is already clear that a new multi-user ferry terminal will require significant improvements to the wider transport network with potential implications for commuter traffic, freight and local access. Given its location on the northern edge of the city, adjacent to the motorway and rail network, any proposed changes would need to be closely integrated into future proposals that form part of Let's Get Wellington Moving. This would need to consider road access into and out of the port, access for rail freight from the container transfer terminal to the port, public transport and pedestrian access to the ferry terminal, and access for general traffic into and out of the central city.

This programme of work is a critically important project for the city, the Region and New Zealand. A successful resolution has the potential to deliver significant economic benefits, enhanced transport access and substantial urban amenity and city development benefits. There is strong alignment with existing and emerging regional strategic direction.

The Wellington Regional Strategy (2012) includes "Building world-class infrastructure" as one of six key focus areas. This includes retaining and building trade through the port and improving key transport infrastructure. The overall aims of the strategy are to create a resilient and diverse economy; retain and create jobs and improve the relative position of the regional economy. The proposals for an improved ferry terminal with significantly enhanced capacity strongly aligns with the Strategy.

The Regional Land Transport Plan (2018) identifies improvement of freight access to CentrePort (including the Cook Strait ferries) as a key regional and national priority. Specific mention is made of the following issues: conflicts between road and rail crossings; poor connectivity to State Highway 1; the poor quality of the Hutt Road bridge and Aotea off-ramp; and minimal stacking capacity for vehicles entering and exiting the ferry terminals. Many of these issues would be addressed by the outcomes of this programme.

The emerging Wellington Region Investment Plan has a focus on transforming the regional economy through investment in four key areas: transport, housing, resilience; tourism and skills. The regeneration of the Port and an improved ferry terminal is identified as one of a small number of key projects with significant regional economic benefits.

#### **4. Communication**

To date, the PBC has focussed on seeking agreement between the six stakeholders, taking into account a wide range of factors. The process has not yet reached the point of widespread consultation or engagement. However, given the

potential for public interest, a media release has been prepared by Greater Wellington to accompany this report.

## **5. Consideration of climate change**

The matters addressed in this report are of a procedural nature, and there is no need to conduct a climate change assessment.

## **6. The decision-making process and significance**

No decision is being sought in this report. This report notes the progress being made on the multi-user ferry terminal.

### **6.1 Engagement**

Engagement will be undertaken once it is confirmed that there is a viable business case with multi-stakeholder endorsement to develop a new multi-user ferry terminal.

## **7. Recommendations**

*That the Committee:*

- 1. Receives the report.*
- 2. Notes the content of the report.*

Report prepared by:

**Luke Troy**  
General Manager, Strategy

Report approved by:

**Greg Campbell**  
Chief Executive

**Exclusion of the public****Report 18.556**

*That the Committee:*

*Excludes the public from the following part of the proceedings of this meeting namely, Wellington Regional Economic Development Agency (WREDA) director appointments*

*The general subject of each matter to be considered while the public is excluded, the reasons for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 (the Act) for the passing of this resolution are as follows:*

<b><i>General subject of each matter to be considered:</i></b>	<b><i>Reason for passing this resolution in relation to each matter</i></b>	<b><i>Ground under section 48(1) for the passing of this resolution</i></b>
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*Wellington Regional Economic Development Agency (WREDA) Board review and director appointments*

*The information contained in this report relates to the proposed appointment of directors to WREDA. Release of this information would prejudice the proposed appointees' privacy by disclosing the fact that they are being considered as a Director of WREDA. Greater Wellington Regional Council (GWRC) has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override the privacy of the individuals concerned.*

*That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under sections 7(2)(a) of the Act (i.e to protect the privacy of natural persons).*

*This resolution is made in reliance on section 48(1) of the Act and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as specified above.*