

## **ECONOMIC DEVELOPMENT**

### **WHAT'S YOUR VIEW?**

Comment online [www.Wellington.govt.nz](http://www.Wellington.govt.nz)

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Draft Annual Plan, Wellington City Council, PO Box 2199, Wellington.

### 3. ECONOMIC DEVELOPMENT

#### 3.1 City promotions, events and attractions

By supporting city promotions, events and attractions, we underscore Wellington's reputation as a great place to live and visit.

We want Wellington to be an exciting, prosperous, and 'eventful' place to be for residents and visitors alike. We seek to help the city maintain its edge as a prime tourist and conference destination, maximise economic value from promoting and hosting high-profile events, support the development of a thriving retail sector, and build on the city's strengths – such as its compactness and its strong sense of identity – to enhance prosperity and contribute to higher quality of life for all Wellingtonians.

To achieve this, we:

- Provide funding for Positively Wellington Tourism, the city's official tourism marketing organisation, so it can run highly successful domestic and international visitor attraction campaigns.
- Support Te Papa – with more than one million visitors each year, it is one of the city's major attractions.
- Operate an events development fund, which contributes to the city's vibrancy by supporting a huge range of events – including the International Arts Festival, the World of Wearable Art Awards, Rugby Sevens, Chinese New Year festivities and more.
- Support Wellington Venues Ltd, which provides venues for arts/entertainment and sports community events, as well as attracting out-of-town visitors to conventions.

In 2011/12 the refurbished Carter Observatory will undergo further improvements. The Carter Pickering and Discovery room will be fitted out with a multi-media interactive display focused on space exploration to enhance the visitor experience.

**The 2011 Rugby World Cup provides a major opportunity to showcase Wellington to a global audience.**

The Rugby World Cup 2011 provides a major opportunity to showcase Wellington to the world - tournament coverage reaches a cumulative global audience of over four billion people, and research shows at least 29,500 overseas visitors intend to visit the Wellington region during their time in New Zealand for the Cup.

The economic benefits to the region from hosting RWC 2011 are estimated at around \$45 million, and long-term gains are expected as word about Wellington as a tourist destination, and place to live, continues to spread.

Planning for Wellington's role in RWC 2011 is well under way. A carnival-themed festival will feature diverse content from the arts, cultural and tertiary sectors, and from Wellington's entertainment venues, galleries and museums.

At the heart of the festival will be the official RWC 2011 village or 'fan zone', centred around the new Wharewaka on the waterfront. This will be Wellington's must-visit RWC 2011 destination, featuring big screens, entertainment, memorabilia and a cultural programme providing an experience like nowhere else in the world. Another 'live site' is planned for Courtenay Place during the quarter-finals weekend. A 'civic village' in the Town Hall and Civic Square will feature family entertainment, and an outdoor programme will include installations, street performance and more at sites around the waterfront. Locals and visitors alike will have plenty to see and do.

The city will be looking its best, thanks to some key infrastructure work being brought forward, extra street cleaning resources and projects like the new sculpture by Wellington's iconic and award-winning special effects company Weta Workshop.

## We're working together with the region to sustain and develop the things that are important to the region.

There are growing pressures facing the funding of amenities (visitor attractions, services, venues and events) in the region. Councils across the region worked together to undertake research on residents' views on regional amenities and their contribution to the region's identity, quality of life, economy and attractiveness for residents and visitors. This research also looked at whether residents would support the idea of collaborative funding and how much they might be willing to pay to support regionally important amenities.

In 2011/12 we will: define the amenities that might be eligible for regional funding support and develop options for governance, funding and operating models.

We have created a new council controlled organisation – Wellington Venues Ltd - to manage the Wellington Convention Centre and the St James Theatre and State Opera House.

While the collocation of key functions under one council-controlled organisation will lead to operational efficiencies, a recent condition assessment of the St James Theatre assets has identified deferred maintenance that now needs to be carried out. Capital expenditure funding is required for ongoing renewals and maintenance of these assets estimated at \$925,000. A further \$830,000 is also required to renew the Town Hall Organ and renew retractable seating in TSB Bank Arena.

## MEASURING OUR PERFORMANCE

Our targets for 2011/12 are:

- The economic impact of events supported by the Events Development Fund is \$58.5 million (new spend).
- 77,740 visitors to Carter Observatory.
- 810 events (including 125 concerts) hosted at the Wellington Convention Centre and the TSB Bank Arena.
- 1.3 million visitors to Te Papa (including 520,000 from overseas and 365,000 New Zealanders from outside the Wellington region).
- 67%, 71% and 79% occupancy for Town Hall, Michael Fowler Centre and TSB Bank Arena respectively.
- During the weekend, the car park turnover rate is 4.3 cars per day.
- Positive growth across sectors in the *creative workforce* (businesses, jobs and GDP by targeted sector: education, food and beverage, manufacturing, film, and primary).

Performance targets for Positively Wellington Tourism and the Carter Observatory are included in the Council Controlled Organisation section of the draft annual plan – please see the appendix.

## WHAT IT WILL COST

3.1 City promotions, events and attractions	Operating expenditure 2011-2012			Capital expenditure 2011-2012
	Income (\$000)	Expenditure (\$000)	Net expenditure (\$000)	Total (\$000)
3.1.1 Tourism promotion	-	5,778	5,778	-
3.1.2 Visitor attractions	-	3,032	3,032	-
3.1.3 Convention venues	(248)	3,275	3,027	2,201
3.1.4 Suburban and city centres vitality	-	1,286	1,286	-
3.1.5 Events attraction and support	-	4,387	4,387	-
<b>2011/12 3.1 Total</b>	<b>(248)</b>	<b>17,758</b>	<b>17,510</b>	<b>2,201</b>
<b>2010/11 3.1 Total</b>	<b>(6,263)</b>	<b>23,969</b>	<b>17,706</b>	<b>603</b>

## ECONOMIC DEVELOPMENT

### 3.2 Business support

We aim to enhance residents' quality of life by raising overall levels of prosperity.

We want Wellington to be an internationally competitive and prosperous city. Through our business support work, we seek to encourage innovation and entrepreneurship, and to enhance Wellington's competitiveness as a world-class location for talent, business/industry and investment.

We also aim to support the city centre's development as the region's premier retail, knowledge and entertainment district; and to make the city more 'connected' by securing a communications and transport infrastructure that is vital to business success.

To achieve this, we:

- Represent Wellington's interests to central government and other agencies, the business community, and sister cities.
- Celebrate business creativity and achievement through sponsorship of the Wellington Regional Gold Awards and the World Class New Zealand Awards.
- Fund work to attract a long haul airline between Wellington and Asia.

A key area of focus in the coming year is to continue work to make Wellington "broadband friendly and ready" with other councils in the region. Central Government has established an Ultra Fast Broadband Initiative for most urban areas. Our focus in 2011/12 will be on ensuring that the regions regulations are modernised and ready for when the broadband fibre is deployed.

In considering what we can do to reduce our costs to ratepayer from this activity area we have been mindful not to look at areas that may impact on the economic recovery. Instead we have focused on making small cuts in a number of areas to minimise any impact.

In 2011/12 we're proposing to reduce our contestable economic grants from \$50,000 to \$25,000 a year to reflect the level of demand on this grant pool. We had initially considered removing the economic grants completely but are proposing to retain the reduced amount to support economic development initiatives.

We are also proposing to make a minor reduction (from \$80,000 to \$70,000) in the grants that we provide to support international associations with our sister programme, and make a reduction to our marketing budget (reduction of \$25,000) that is used for Council supported events.

In focusing on this area we are conscious that Wellington city ratepayers also contribute over \$4m per annum to the regional council for the work of Grow Wellington – the agency charged with regional economic development.

## MEASURING OUR PERFORMANCE

- Economic grants: number of applicants, number of successful applicants, and total budget allocated to economic grants – there is no target for this measure.
- International partnerships: number of events/activities held with formal international partnership cities - there is no target for this measure.

## WHAT IT WILL COST

3.2 Business Support	Operating expenditure 2011-2012			Capital expenditure 2011-2012
	Income (\$000)	Expenditure (\$000)	Net expenditure (\$000)	Total (\$000)
3.2.1 Long-haul airline attraction	-	200	200	-
3.2.2 Regional and external relations	-	520	520	-
3.2.3 Grants and creative workforce	-	1,397	1,397	-
<b>2011/12 3.2 Total</b>	-	<b>2,117</b>	<b>2,117</b>	-
<b>2010/11 3.2 Total</b>	-	<b>2,147</b>	<b>2,147</b>	-