economic development

We aim to support economic growth to enhance quality of life.

The challenges we face

• Manage Council services in light of slower economic growth.
• Ensure the city is an easy place to do business.
• Focus on competitive strengths.
• Retain skills.
• Harness the economic opportunities presented by new technologies.
• Attract world leading talent to Wellington.

Our strategic approach

• Support high quality events and promote tourism and a vibrant retail sector.
• Celebrate creativity and innovation in the business sector.
• Improve the city’s connections to the rest of the world.
• Support downtown Wellington as the centre of the region’s retail and service economy.
• Provide a high quality of life for residents in order to attract and retain talent.
• Support business opportunities through the regional economic development agency Grow Wellington.

In this section

3.1 City promotions, events and attractions
3.2 Business support
Our 2009–19 long-term plan identified the following outcomes (ie what we are working towards) for the city’s economic development.

**STRONGER SENSE OF PLACE:** Wellington will be a prime tourist and conference destination, with a range of attractions that highlight the city’s best features.

**MORE COMPACT:** Wellington’s CBD will be the region’s premier retail, entertainment and commercial district.

**MORE EVENTFUL:** Wellington will maximise economic value from promoting and hosting high-profile events.

**MORE ENTREPRENEURIAL AND INNOVATIVE:** Wellington will have high levels of innovation underpinned by strong education and training, research, entrepreneurship and investment.

**BETTER CONNECTED:** Wellington will have world class communications and transport linkages.

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1. A full set of outcomes indicators is presented in the appendix: Monitoring Information on page 195

Sources: 1: Statistics New Zealand; 2: Informetrics (Auckland City, refers to the former Auckland City Territorial Authority); 3: Positively Wellington Tourism; 4: WCC Residents’ satisfaction survey; 5: WCC Events.
ACTIVITY 3.1

city promotions, events and attractions

We aim to position Wellington as an attractive destination by supporting and promoting events and visitor attractions, and by supporting the central city as a vibrant retail and entertainment district. This activity includes:

- Tourism promotion - We own and fund Positively Wellington Tourism to run domestic and international visitor campaigns.
- Visitor attractions - We provide ongoing funding to Te Papa, which attracts visitors to the city.
- Convention venues - Wellington Venues Limited, a Council-controlled trading organisation, operates the Michael Fowler Centre, Wellington Town Hall, TSB Bank Arena, St James Theatre and Opera House.
- City centre vitality - We provide free parking in the central city at weekends to encourage people into the city to shop and access other services. We maintain time restrictions to generate turnover and allow more people access.
- Events attraction and support - We operate an events development fund which we use to support major events that contribute to the city's economy. In addition to these projects, we provide support through other activities for a range of visitor attractions including the Carter Observatory, Zealandia, Wellington Zoo, the Cable Car, botanic gardens, and the city's museums and art gallery.

WHY IT'S IMPORTANT

Tourism makes a major contribution to the city's economy. The city's hospitality and entertainment industry is a major employer and it benefits directly from tourism spending. The events and attractions that draw visitors to Wellington also add to the city's vibrant atmosphere. Our support of Te Papa, for example, reflects, the appeal it has to tourists. Te Papa currently welcomes over 1.3 million visitors per year.

Wellington Venues Limited manages auditoriums that are not provided by the private sector. The performances, shows and conventions that are hosted bring new spending to the city and also provide residents with access to world class and local performances.

KEY PROJECTS

During the year:
- We hosted Wellington-exclusive large participation events including the 2011 World TaeKwonDo Championships and the 2nd Asia-Pacific Outgames.
- We prepared the city for Rugby World Cup 2011 – the largest event to be held in the city (see case study p 40).
- We supported several sell-out events including the NZI Sevens tournament for another five years.
- We established a new Council-controlled trading organisation, Wellington Venues Limited, a Council-owned body, together with Wellington Convention Centre and TSB Arena, with the aim of providing more effective and coordinated management, and better service for people hiring and using these key venues.
- We secured the NZI Sevens tournament for another five years.
- Wellington was named as a host city for the FIFA U-20 men’s World Cup in 2015.

Lonely Planet’s Best in Travel 2011 named Wellington one of the top 5 cities to visit.

HOW WE PERFORMED

Positioning Wellington as an eventful and attractive tourist and retail destination strengthens the city’s economy. We measure our contribution by monitoring the number of visitors to the city attended at key facilities and by the strong return on events investment.

<table>
<thead>
<tr>
<th>Visitors to Te Papa</th>
<th>International visitors – visitor nights</th>
<th>International visitors – market share (US, UK and Australia)</th>
<th>Positively Wellington Tourism – partnership funding</th>
<th>Events Development Fund – events supported</th>
<th>Events Development Fund – estimated attendance at supported events</th>
<th>Events Development Fund – estimated economic impact of events (new spend $000,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source: Te Papa</td>
<td>Source: Positively Wellington Tourism</td>
<td>Source: Ministry of Tourism’s International Visitor Survey</td>
<td>Source: Positively Wellington Tourism</td>
<td>Source: BCM City Events</td>
<td>Source: BCM City Events</td>
<td>Source: BCM City Events</td>
</tr>
<tr>
<td></td>
<td>International visitor rooms nights increased to 702,463 in the year to April 2011, an increase of 1.4% on the previous period.</td>
<td>Wellington’s market share of Australian visitors increased by 1.3 percentage points (from 24.4% to 25.7%). Market share for US visitors decreased by 0.4 percentage points to 18.0%, and UK visitor market share increased 2 percentage points to 36% for the February to March 2011 budget-based market share.</td>
<td>The Council’s funding amounted to 48.9% of total income; however, maintains the Council’s funding at least 50% of total income.</td>
<td>Wellington Venues Limited manages auditoriums that are not provided by the private sector. The performances, shows and conventions that are hosted bring new spending to the city and also provide residents with access to world class and local performances.</td>
<td>Attendance was affected this year due to the events development fund not supporting any major concert events. There is no target for number of events. We also support events that meet our funding criteria, which includes economic benefits outweighing costs by a ratio of at least 2:1. We achieved 2:1.</td>
<td>Wellington was named as a host city for the FIFA U-20 men’s World Cup in 2015.</td>
</tr>
</tbody>
</table>

Major ticketed events attracted significant visitor numbers and economic benefits and we met our overall goal of economic benefits outweighing costs by a ratio of at least 2:1. We achieved 2:1.

Carter Observatory – visitors Source: Carter Observatory Results: 46,124 (target: 46,000, 2009/10: 15,071).
### 3.1.5 Events Attractions and Support

<table>
<thead>
<tr>
<th></th>
<th>2010/11</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expenditure</td>
<td>3,258</td>
<td>3,160</td>
<td>98</td>
<td>3,632</td>
</tr>
<tr>
<td>Net Expenditure</td>
<td>3,258</td>
<td>3,160</td>
<td>98</td>
<td>3,632</td>
</tr>
</tbody>
</table>

*Source: Wellington Convention Centre and TSB Arena events*

### 3.1.2 Visitor Attractions

<table>
<thead>
<tr>
<th></th>
<th>2010/11</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expenditure</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net Expenditure</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*Source: Wellington Convention Centre and TSB Arena events*

### 3.1.3 Convention Centre

<table>
<thead>
<tr>
<th></th>
<th>2010/11</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>5,740</td>
<td>5,770</td>
<td>130</td>
<td>5,210</td>
</tr>
<tr>
<td>Expenditure</td>
<td>5,740</td>
<td>5,770</td>
<td>130</td>
<td>5,210</td>
</tr>
<tr>
<td>Net Expenditure</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*Source: Wellington Convention Centre*

### Creative workforce - Businesses, jobs and GDP by targeted sectors

<table>
<thead>
<tr>
<th>Sector</th>
<th>2007/08</th>
<th>2008/09</th>
<th>2009/10</th>
<th>2010/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>405</td>
<td>467</td>
<td>468</td>
<td>920</td>
</tr>
<tr>
<td>Accountancy, Cus and Businesses</td>
<td>735</td>
<td>740</td>
<td>714</td>
<td>820</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>634</td>
<td>610</td>
<td>601</td>
<td>680</td>
</tr>
<tr>
<td>Cultural and Recreational Services</td>
<td>160</td>
<td>160</td>
<td>160</td>
<td>160</td>
</tr>
<tr>
<td>Film</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>

*Source: Wellington Convention Centre and TSB Arena events*

### Central City Wi-Fi for the Rugby World Cup and beyond

Wellington has become the first city in New Zealand to offer free wireless internet throughout the main parts of its central city, turning it from the coolest little capital to the coolest connected capital.

From January, free Wi-Fi was made available on the waterfront, allowing web users to surf the net for free on smartphones, laptops and other internet devices in the area from Frank Kitts Lagoon along the harbour side of the NZX Centre and Te Papa.

The initiative was a partnership between Trade Me and the Council, with Trade Me providing the wireless access points and covering bandwidth costs, while the Council paid for installation and electricity use.

Though numbers have varied depending on weather and other factors, between 600 and 1400 people have logged on each day.

Trade Me has no revenue objectives for the service, but rather has provided it as a ‘good thing to do’.

‘Trade Me’s an online business and we’re a proudly Wellington company,’ says CEP John Macdonald. ‘It’s nice to be able to give something back. We hope lots of visitors to the waterfront get online with their smartphones and iPads and make the most of the service.’

From August, free Wi-Fi has been extended throughout the central city, covering an area from the Wellington Regional Stadium along the Golden Mile to Waitangi, Courtney Place and Cuba Street.

Coverage will eventually extend to other locations like the Zoo, Zealandia, the Cable Car, Carter Observatory, and main libraries.

The city Wi-Fi service is provided by Citylink and funded by the Council at an annual cost of $216,000, though some costs will be recouped from sponsorship.

Free Wi-Fi is one of many initiatives enhancing the experience of the thousands of international visitors coming to the city for the Rugby World Cup 2011. Others include the establishment of a Fanzone based around the new wharewaka beside Frank Kitts Lagoon, where games will be broadcast live on a giant screen, and the development of Carnival, a festival of arts and cultural events showcasing the city.

The Council has also completed a range of infrastructure projects to ensure the city is looking its best for the tournament, such as upgrades to Newtown Park and Maidland Park, and completion of the Manmore Mall bus lanes. Sports facilities such as Westpac Park have also been upgraded to provide training facilities for World Cup teams.

Wellington is hosting eight matches in the Cup, including two quarter-finals. The city is expected to gain millions of dollars in direct economic benefits, as well as an ongoing boost to its tourism industry.
ACTIVITY 3.2  

**business support**

We aim to improve Wellington’s competitiveness by promoting the city’s interests to central government and businesses, and supporting strategic projects that bring economic benefits to the city.

Our activities under this area include:

- **Regional and external relations** - We promote the city’s interests to central government, the business community and others. This includes hosting international civic and business delegations and maintaining international relationships.
- **Grants and creative workforce** - We provide grants to support projects that bring strategic economic benefits to the city. We also celebrate creativity and innovation by sponsoring anards and scholarships, and promote the city as a great place to live, work and play.
- **Long-haul airline attraction** - We are supporting efforts to attract at least one daily long-haul air service from Asia. Improvements in technology mean airlines are currently reviewing routes and Wellington’s relatively short runway is no longer a restriction to long haul aircraft.

**WHY IT’S IMPORTANT**

Maintaining relationships with other cities and gaining more direct access to their markets will increase tourism and investment in Wellington. Improving access to Asian markets is particularly important in the current economic climate.

By promoting the city’s interests, we can help to ensure that Wellington gets its fair share of central government resources (for example, for transport projects), and that the city’s interests are taken into account when laws are passed or regulations made.

The city’s prosperity is linked to that of the wider Wellington region, and these initiatives have regional as well as city benefits. Working alongside other institutions in the region such as Grow Wellington means we can make the most effective use of our limited resources towards shared goals.

**KEY PROJECTS**

During the year:

- The Council received 24 international delegations involving over 300 delegates including the Deputy Mayor of Beijing, the Mayor of Tianjin, and the Deputy Mayor of Xiamen. These three collectively represent over 28 million people and a GDP over $400 billion.
- The Council’s international relations team organised seven events, including a sushi fundraising event for Japan’s earthquake recovery.
- The Council prepared for a mayoral led delegation of local businesses to China and Japan in late July 2011.
- The Council developed Towards 2040 which includes an economic development strategy looking at the actions that the city needs to undertake to maximise its mid- to long-term viability.

**WHAT IT COST**


**Grants and Creative Workforce**

- Expenditure: $165,000
- Revenue: $43,000
- Net Expenditure: $122,000

**Regional and External Relations**

- Expenditure: $43,000
- Revenue: $6,000
- Net Expenditure: $37,000

**Long-Haul Airline Attraction**

- Expenditure: $165,000
- Revenue: $165,000
- Net Expenditure: $0

**WHAT IT ACTUAL**

**2010/2011 annual report**

The city’s prosperity is linked to that of the wider Wellington region, and these initiatives have regional as well as city benefits.