

STRATEGY AREA 3

# ECONOMIC DEVELOPMENT



## GROWING THE REGIONAL ECONOMY FOR A PROSPEROUS COMMUNITY

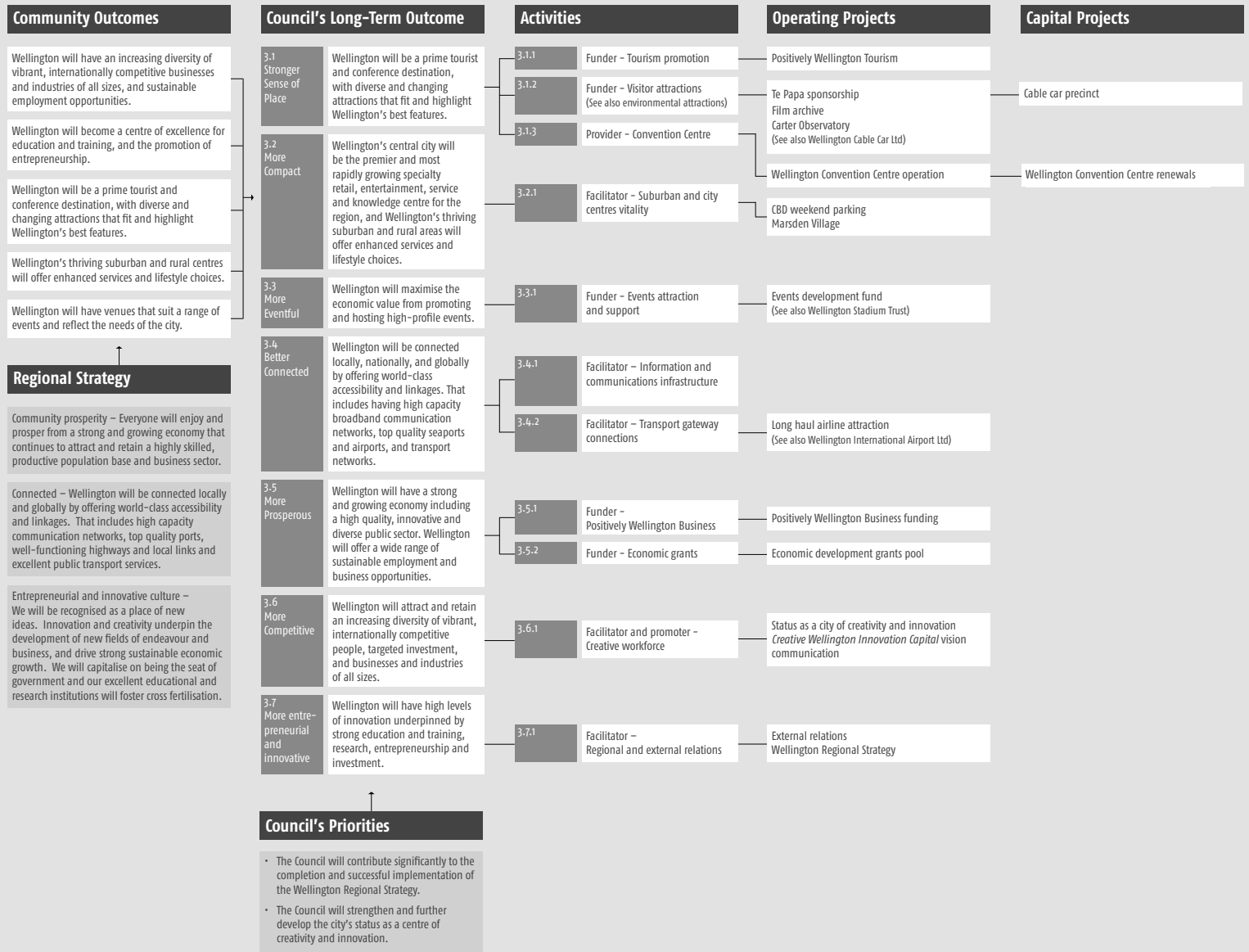
We aim for sustainable, long-term growth based on an internationally-competitive business sector, great visitor attractions and high-quality infrastructure. With economic prosperity, Wellington is able to offer residents an outstanding quality of life.



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## STRATEGY TREE – ECONOMIC DEVELOPMENT



# Introduction

Economic development can't be seen in isolation. Its importance is in its impact on residents' quality of life. With growth comes jobs and opportunities, along with a sense of pride in the region's achievements.

Wellington's economy has grown steadily in recent years, broadly in line with the national average. As with other regions, we have maintained low unemployment in recent years. Tourism has expanded rapidly, our film industry has emerged as a world leader, and steps have been taken to increase the economic contribution of our creative sector.

However, we also face significant challenges. We are part of a global market, which means we have to compete every step of the way for sales, investment capital, talent, events, tourism, and for businesses to locate here. We need to provide attractions that bring visitors to the city and make people want to live here. We need to retain those businesses that have traditionally formed the basis of our economy, while also broadening our economic base by encouraging creative, added-value industries such as film, ICT and biotechnology. We need world-class transport and communications networks, and we need to retain the city's special character and the wide range of recreation opportunities that make Wellington an attractive city for talented people to live.

## KEY FACTS

- regional unemployment rate (December 2005 quarter): 3.1 percent.  
NZ average: 3.6 percent. OECD average: 6.4 percent
- number of international tourists who visited Wellington in the year ended March 2005: 578,282. Number who visited in the year ended March 2000: 374,556.  
Percentage increase: 54
- Wellington city estimated economic growth (year to March 2005): 9.1 percent.  
National economic growth over the same period: 3 percent.



## OUR LONG-TERM OUTCOMES

Our overall economic development goal is to achieve long-term, sustainable growth in GDP per capita, in order to improve citizens' quality of life and community prosperity. Over the next 10 years, we aspire to the following outcomes:

### 3.1 STRONGER SENSE OF PLACE:

**WELLINGTON WILL BE A PRIME TOURIST AND CONFERENCE DESTINATION, WITH DIVERSE AND CHANGING ATTRACTIONS THAT FIT AND HIGHLIGHT WELLINGTON'S BEST FEATURES.**

The tourism industry makes a significant contribution to the Wellington economy. Tourism has enjoyed strong growth over recent years and the region has played host to an increasing number of international visitors. There is scope to leverage this opportunity, which is still considered to be an emerging destination offshore. Making the city a destination of choice for international and domestic visitors means:

- advocating for tourism products that promote Wellington's unique sense of place
- maximising the economic value Wellington can generate from visitors through its strategic central location, capital city status, and location on a main travel route
- growing Wellington's market presence in the key target markets and within New Zealand
- maximising the revenue Wellington tourism businesses can generate through increasing visitor nights and expenditure, whilst enhancing the city's natural capital
- investigating the need for greater depth of commissionable tourism product
- ensuring tourism perspectives are well considered in regional planning and development, so visitor growth is adequately supported by quality infrastructure.

### 3.2 MORE COMPACT:

**WELLINGTON'S CENTRAL CITY WILL BE THE PREMIER AND MOST RAPIDLY GROWING SPECIALTY RETAIL, ENTERTAINMENT, SERVICE AND KNOWLEDGE CENTRE FOR THE REGION, AND WELLINGTON'S THRIVING SUBURBAN AND RURAL AREAS WILL OFFER ENHANCED SERVICES AND LIFESTYLE CHOICES.**

Wellington's central business district (CBD) is the 'heart' of the city and the wider region. The Council takes an active role in promoting the area for business and as a visitor destination. CBD employment activities are concentrated on office jobs and close communication between businesses, whilst specialist manufacturing can occur in other locations. Similarly, the CBD, as a focus of tourism, is able to offer a concentrated range of entertainment and dining options as well as boutique, high-value retail activity. Each precinct of the CBD has a distinct character and feel, which adds to the Wellington experience. There is scope to build on these strengths and focus support to key sectors. Developing the central city as a premier centre means:

- retaining key businesses in Wellington
- working closely with the business community
- further developing and branding Wellington as a centre of excellence for creative industries, businesses, and education.

### 3.3 MORE EVENTFUL:

**WELLINGTON WILL MAXIMISE THE ECONOMIC VALUE FROM PROMOTING AND HOSTING HIGH-PROFILE EVENTS.**

The aim is to ensure Wellington develops and attracts high-profile events so that maximum economic benefit to the city is achieved. Targeting events with high returns will enhance the city's status as 'events capital', will help in increasing the city's profile outside the Wellington region, and increase the quality, variety and vibrancy in the city. Making the city more eventful means:

- enhancing and promoting the city's image as an 'events capital'
- ensuring Wellington targets and attracts top international and national events
- investigating opportunities to co-ordinate and promote events at a regional level.

### **3.4 BETTER CONNECTED:**

WELLINGTON WILL BE CONNECTED LOCALLY, NATIONALLY, AND GLOBALLY BY OFFERING WORLD-CLASS ACCESSIBILITY AND LINKAGES. THAT INCLUDES HAVING HIGH-CAPACITY BROADBAND COMMUNICATION NETWORKS, AND TOP-QUALITY SEAPORTS, AIRPORTS AND TRANSPORT NETWORKS.

Access to key transport facilities that handle exports boosts productivity and economic growth. Improved communications networks that enable quicker and expanded data capture, analysis and sharing also boost productivity and increase economic growth. In terms of national connectivity, there is scope to better leverage our strategic positioning as the gateway to both the North and South Island. Ensuring the city is more connected means:

- engaging more with government and private sector partners to ensure that funding for transport and communications infrastructure is targeted to areas of greatest benefit
- understanding the affordability of providing communications infrastructure, and knowing where the benefits and costs fall
- selling our strategic and logistical position as centre of the nation more effectively.

### **3.5 MORE PROSPEROUS:**

WELLINGTON WILL HAVE A STRONG AND GROWING ECONOMY INCLUDING A HIGH-QUALITY, INNOVATIVE AND DIVERSE PUBLIC SECTOR. WELLINGTON WILL OFFER A WIDE RANGE OF SUSTAINABLE EMPLOYMENT AND BUSINESS OPPORTUNITIES.

Wellington has a smart and diverse population and strong communities. The aim is to build on these strengths to generate high incomes and ensure exceptional quality of life, underpinning a strong and growing economy. A more prosperous city means:

- providing employment for all
- attracting and retaining a highly skilled productive population base and business sector
- maximising the benefits of being the capital city, the hub of New Zealand and the centre of our nationhood
- creating wealth by raising the productivity of all businesses.

### **3.6 MORE COMPETITIVE:**

WELLINGTON WILL ATTRACT AND RETAIN AN INCREASING DIVERSITY OF VIBRANT, INTERNATIONALLY COMPETITIVE PEOPLE, TARGETED INVESTMENT, AND BUSINESSES AND INDUSTRIES OF ALL SIZES.

The city has a role as a business centre for the region, founded on a solid base of services. We want to internationalise in order to achieve a state where businesses locate in Wellington because this is the place where ideas with global application and global market connections can best be created. A key aspect is to attract people who will create investment, business and jobs in targeted areas, and people in the education and research fields. The competitiveness of the city's economy can be enhanced through productivity gains which can be achieved by:

- reducing regulatory and institutional barriers where these impede development of existing business and discourage new business
- attracting and retaining migrant and international students in key high-value industry areas
- targeting investments in the identified key growth sectors and clusters
- increasing support to the emerging advanced business services sector
- achieving balance between cost of living and quality of life.

Wellington has a smart and diverse population and strong communities. The aim is to build on these strengths to generate high incomes and ensure exceptional quality of life.

### 3.7 MORE ENTREPRENEURIAL AND INNOVATIVE:

WELLINGTON WILL HAVE HIGH LEVELS OF INNOVATION UNDERPINNED BY STRONG EDUCATION AND TRAINING, RESEARCH, ENTREPRENEURSHIP AND INVESTMENT.

The aim is to make Wellington a place of new ideas, whereby entrepreneurial activity and innovation are key. Wellington has a head start in achieving this aim as it is endowed with sound public research institutions and receives significant public investment in research. There is excellent scope within Wellington for improving the emphasis on commercialisation of research and ideas. This involves ensuring effective linkages between education and research organisations (that develop ideas), and business (that can assist in making these ideas a commercial reality).

This will be made possible by:

- improving the conditions that spur innovation, such as increasing the linkages between the private sector and public research, and ICT capability within firms
- increasing the level of economic activity generated from research work undertaken at the region's tertiary institutions
- developing linkages between businesses and government to ensure that available funds for innovation can be accessed
- adopting facilitative policies designed to improve the ability of firms to identify opportunities and translate them into commercial success
- promoting businesses that provide innovative solutions to environmental problems.

### HOW WE'LL MEASURE OUR PROGRESS TOWARDS THESE OUTCOMES

To assess whether Wellington is developing a **stronger sense of place** (in terms that the city is a prime tourist and conference destination), we will monitor trends in visitor numbers, accommodation occupancy rates, and guest nights. We will also measure the number of international and national conferences held in the city each year.

To assess whether Wellington is becoming **more compact** (in the sense that the central city is the region's fastest-growing retail, entertainment, service and knowledge centre) we will monitor employment trends and business numbers in these sectors.

To assess whether Wellington is becoming **more eventful**, we will record the number of 'iconic' and 'A-level' events held in the city and their estimated contribution to the economy.

To assess whether the city is becoming **better connected**, we will monitor trends in broadband usage, the value of cargo volumes at the airport and seaport, and the number of national and international airline passengers entering Wellington airport.

To assess whether Wellington is becoming **more prosperous**, we will monitor trends in city and regional GDP growth, regional economic activity, unemployment, job vacancies, number of people employed in each industry, and labour force participation.

To assess whether Wellington is becoming **more competitive**, we will monitor the number of top-200 companies based in the city, and monitor trends in the number of business start-ups and closures.

To assess whether Wellington is becoming **more entrepreneurial and innovative**, we will monitor trends in industry training, number of businesses and employees in the research and development sector, and number of tertiary students enrolled in the region.

## OUR THREE-YEAR PRIORITIES

For the period 2006–09, we've identified the following two priorities for our economic development work. The priorities are important stepping stones towards our long-term goals:

- we will contribute significantly to the completion and successful implementation of the Wellington Regional Strategy
- we will strengthen and further develop the city's status as a centre of creativity and innovation.

### HOW WE PLAN TO ACHIEVE THESE PRIORITIES

Economic development has been an area of high priority for the Council in recent years. We've worked to attract events, promote the city as a tourism and business destination, and support the development of creative and high-tech industries. We've also worked to support business development, promote vibrant retail areas, foster a city culture that values enterprise, and ensure Wellington remains one of the country's premier providers of tertiary education. Over the next three years, we plan to continue all of this work and to take several new steps to enhance the city's economic well-being.

During 2005/06, we've been working with our neighbouring local authorities on a Wellington Regional Strategy which aims to enhance economic performance and quality of life by internationalising the region and unlocking its economic potential. This strategy will be finalised in September 2006 and implementation will begin during 2006/07 (see 3.7.1 Regional and external relations).

We are working to attract a daily long-haul airline service between Wellington and Asia to increase tourism, help the Carter Observatory redevelop itself as a centre of learning and visitor attraction, and investigate the possibility of establishing a world-class sound recording and scoring stage for use by the film and music industries.

Detailed information about our proposed activities is provided on the following pages.

## SIGNIFICANT NEGATIVE EFFECTS

We do not anticipate any significant negative effects to arise from our economic development activities.



# Our Economic Development Activities

Over the next few pages, we provide detailed information about our economic development activities, what they cost, who we think should pay, and how we'll measure our performance.

## 3.1.1 TOURISM PROMOTION

### WHAT WE DO

Positively Wellington Tourism is the city's official tourism marketing organisation. Its vision is to position the region as a destination of choice both domestically and internationally. We provide funding to allow it to achieve this vision.

Its work includes:

- marketing the Wellington region throughout New Zealand and overseas (with a strong focus on Australia)
- working with businesses and other organisations to develop events and visitor attractions
- carrying out research on ways to increase visitor numbers and expenditure.

See also activity 3.4.2 Transport Gateway Connections.

### WHY IT'S IMPORTANT

Tourism makes a major contribution to the city's economic well-being. Visitor numbers have increased rapidly in recent years, and there is considerable potential for further growth. Tourism, and the events that attract tourists, contribute to a vibrant city atmosphere.

### WHAT IT WILL COST

| Operational Spending 2006/07 – 08/09 |                               | Expenditure<br>2006/07 | User charges and<br>other revenue | Net expenditure/<br>rates funding<br>requirement |
|--------------------------------------|-------------------------------|------------------------|-----------------------------------|--|
| Project description                  |                               | (\$000)                | (\$000)                           | (\$000)  |
| C105                                 | Positively Wellington Tourism | 4,116                  | -                                 | 4,116  |
| <b>Total for 2006/07</b>             |                               | <b>4,116</b>           | <b>-</b>                          | <b>4,116</b>                                     |
| <b>Total for 2007/08</b>             |                               | <b>4,248</b>           | <b>-</b>                          | <b>4,248</b>                                     |
| <b>Total for 2008/09</b>             |                               | <b>4,379</b>           | <b>-</b>                          | <b>4,379</b>                                     |

Promoting tourism provides economic incentives for us to preserve and enhance Wellington's natural landforms, heritage, and other features that make the city unique. This activity contributes towards the following community outcomes: 'Wellington will be a prime tourist and conference destination, with diverse and changing attractions that fit and highlight Wellington's best features' and 'Wellington will have venues that suit a range of events and reflect the needs of the city'.

### HOW WE WILL MEASURE OUR PERFORMANCE

Activity performance measures for Positively Wellington Tourism are detailed within the Council Controlled Organisations section of this plan.

#### WHO SHOULD PAY

|                          |      |
|--------------------------|------|
| User charges             | 0%   |
| Other revenue            | 0%   |
| Targeted rate (Downtown) | 100% |
| General rate             | 0%   |

|              |             |
|--------------|-------------|
| <b>Total</b> | <b>100%</b> |
|--------------|-------------|

### 3.1.2 VISITOR ATTRACTIONS

#### WHAT WE DO

Wellington's status as a hot tourist destination reflects the huge range of high-quality attractions on offer from Te Papa to nature-based attractions such as the Karori Sanctuary. Because we see these attractions as vital to the city's prosperity, we support their development and, in some cases, their ongoing operations.

We make a significant annual contribution towards Te Papa, which attracts more than one million visitors each year with its superb permanent displays and temporary exhibitions.

We provide ongoing support to the Carter Observatory, which is developing plans to further develop itself as a leading-edge science-based visitor attraction. We are also working with the observatory, Wellington Botanic Garden, Cable Car Museum and Skyline Restaurant on proposals to improve marketing and enhance the visitor experience in the area at the top of the Cable Car.

Over the past few years we've also supported the New Zealand Film Archive to enhance its visitor experience. With its new Mediaplex facility now up and running, the seed funding we provided will cease in June 2007.

Note: see also activity 4.8.1 Environmental and Conservation Attractions in the Environment section of this plan.

#### WHY IT'S IMPORTANT

These institutions raise Wellington's profile, attract valuable tourism dollars, bring people together, and make vital contributions to our cultural identity. Te Papa welcomes more than one million visitors per year. Our support helps it to attract visitors from New Zealand and overseas. Because Te Papa's focus is New Zealand's history, prehistory and art, its existence allows other Council-funded museums and galleries to focus more on the local Wellington story.

The Film Archive attracts significant numbers of visitors and preserves New Zealand's film and TV heritage.

The Wellington Convention Centre provides venues for arts performances, conventions, trade shows, meetings, dinners, and a wide range of community and cultural events.

Wellington's status as a hot tourist destination reflects the huge range of high-quality attractions on offer from Te Papa to nature-based attractions such as the Karori Sanctuary.

This activity contributes towards the following community outcomes: 'Wellington will be a prime tourist and conference destination, with diverse and changing attractions that fit and highlight Wellington's best features', and 'Wellington will have venues that suit a range of events and reflect the needs of the city'.

| WHO SHOULD PAY           |             |
|--------------------------|-------------|
| User charges             | 0%          |
| Other revenue            | 0%          |
| Targeted rate (Downtown) | 70%         |
| General rate             | 30%         |
| <b>Total</b>             | <b>100%</b> |

## HOW WE WILL MEASURE OUR PERFORMANCE

| Performance measures   | Performance targets |   |
|--|---------------------|---|
| 1. The total number of visitors to Te Papa (with breakdown by overseas visitors, domestic visitors and visitors outside the region). | 2006/07             | visitation is maintained at a minimum of 1.1 million visits (all ages). A minimum of 35% of adult visits are from international visitors and a minimum of 35% of adult domestic visits are from visitors from outside the Wellington Region |
|  | 2007/08             | visitation is maintained at a minimum of 1.1 million visits (all ages). A minimum of 35% of adult visits are from international visitors and a minimum of 35% of adult domestic visits are from visitors from outside the Wellington Region |
|  | 2008/09             | to increase visitor numbers across all categories   |
|  | 2016/17             | to increase visitor numbers across all categories.  |

## WHAT IT WILL COST

| Operational Spending 2006/07 – 08/09 |                     | Expenditure<br>2006/07 | User charges and<br>other revenue | Net expenditure/<br>rates funding<br>requirement |
|--------------------------------------|---------------------|------------------------|-----------------------------------|--|
| Project description                  |                     | (\$000)                | (\$000)                           | (\$000)  |
| C440                                 | Te Papa sponsorship | 2,000                  | -                                 | 2,000  |
| C618                                 | Film Archive        | 50                     | -                                 | 50   |
| C659                                 | Carter Observatory  | 86                     | -                                 | 86   |
| <b>Total for 2006/07</b>             |                     | <b>2,136</b>           | <b>-</b>                          | <b>2,136</b>                                     |
| <b>Total for 2007/08</b>             |                     | <b>2,064</b>           | <b>-</b>                          | <b>2,064</b>                                     |
| <b>Total for 2008/09</b>             |                     | <b>2,128</b>           | <b>-</b>                          | <b>2,128</b>                                     |

| Capital Spending 2006/07 – 08/09 |                    | Expenditure<br>2006/07 |
|----------------------------------|--------------------|------------------------|
| Product description              |                    | (\$000)                |
| CX496                            | Cable car precinct | 100                    |
| <b>Total for 2006/07</b>         |                    | <b>100</b>             |
| <b>Total for 2007/08</b>         |                    | <b>310</b>             |
| <b>Total 2008/09</b>             |                    | <b>426</b>             |

### 3.1.3 CONVENTION CENTRE

#### WHAT WE DO

We own and operate the Wellington Convention Centre. It is contracted to manage the Events Centre. The Convention Centre provides the city with venues of international quality for conferences and conventions, arts performances, trade shows, meetings and other events. The Events Centre provides a high-quality venue for sports and entertainment events.

#### WHY IT'S IMPORTANT

These institutions attract valuable tourism dollars, bring people together, make vital contributions to our cultural identity, and contribute to Wellington's profile as New Zealand's events capital.

This activity contributes towards the following community outcomes: 'Wellington will be a prime tourist and conference destination, with diverse and changing attractions that fit and highlight Wellington's best features', and 'Wellington will have venues that suit a range of events and reflect the needs of the city'.

#### How we will manage our assets

*Wellington Convention Centre:* The Wellington Convention Centre comprises the Wellington Town Hall and the Michael Fowler Centre. Our Wellington Convention Centre Asset Management Plan sets out performance, condition and customer service requirements for both buildings. The properties are managed with the aim of complying with all relevant legislative requirements at all times. We aim to maintain both in excellent condition, sufficient to protect our investment and maintain existing levels of service while achieving reasonable return on expenditure. Regular audits are carried out to assess condition and performance on all buildings. User surveys are also used.

The century-old Town Hall is listed as a heritage building in our District Plan and is also registered with the Historic Places Trust. We manage it in line with our Built Heritage Policy and in compliance with district plan requirements which aim to protect heritage features.

*Events Centre:* The Events Centre is owned by Wellington Waterfront Ltd and managed by our Wellington Convention Centre business unit under contract. As part of the contract, we are required to maintain the interior of the building and contribute a minimum of \$50,000 per year in capital works within the venue. The Events Centre was upgraded in 2005/06 to increase its seating capacity. A second stage of upgrade work, including a facelift for the south exterior wall, will start in 2006/07 and be completed over the next three years.

| WHO SHOULD PAY |             |
|----------------|-------------|
| User charges   | 55%         |
| Other revenue  | 0%          |
| Targeted rate  | 0%          |
| General rate   | 45%         |
| <b>Total</b>   | <b>100%</b> |

## HOW WE WILL MEASURE OUR PERFORMANCE

| Performance measures  | Performance targets |   |
|---|---------------------|---|
| 1. The number of events in total (including concerts) held at the Wellington Convention Centre (Michael Fowler Centre, Wellington Town Hall) and Events Centre. | <b>2006/07</b>      | 840 events (including 100 concerts)   |
|   | <b>2007/08</b>      | 872 events (including 120 concerts)   |
|   | <b>2008/09</b>      | 855 events (including 105 concerts)   |
|   | <b>2016/17</b>      | 900 events (including 130 concerts)   |
| 2. Occupancy levels at the Wellington Convention Centre (Michael Fowler Centre, Wellington Town Hall) and Events Centre.  | <b>2006/07</b>      | Town Hall = 62%; Michael Fowler Centre = 70%;<br>Queens Wharf Events Centre = 58% |
|   | <b>2007/08</b>      | Town Hall = 65%; Michael Fowler Centre = 72%;<br>Queens Wharf Events Centre = 60% |
|   | <b>2008/09</b>      | Town Hall = 66%; Michael Fowler Centre = 72%;<br>Queens Wharf Events Centre = 61% |
|   | <b>2016/17</b>      | Town Hall = 70%; Michael Fowler Centre = 76%;<br>Queens Wharf Events Centre = 70% |
| 3. Retention of 4-star Qualmark rating and ISO9001 accreditation.   | <b>2006/07</b>      | Retention of 4-star Qualmark rating and<br>ISO9001 accreditation                  |
|   | <b>2007/08</b>      | Retention of 4-star Qualmark rating and<br>ISO9001 accreditation                  |
|   | <b>2008/09</b>      | Retention of 4-star Qualmark rating and<br>ISO9001 accreditation                  |
|   | <b>2016/17</b>      | Retention of 4-star Qualmark rating and<br>ISO9001 accreditation                  |

## WHAT IT WILL COST

| Operational Spending 2006/07 – 08/09 |  | Expenditure<br>2006/07 | User charges and<br>other revenue | Net expenditure/<br>rates funding<br>requirement |
|--------------------------------------|--|------------------------|-----------------------------------|--|
| Project description                  |  | (\$000)                | (\$000)                           | (\$000)  |
| <b>C101</b>                          | Wellington Convention Centre operation | 8,904                  | (4,758)                           | 4,146  |
| <b>Total for 2006/07</b>             |  | <b>8,904</b>           | <b>(4,758)</b>                    | <b>4,146</b>                                     |
| <b>Total for 2007/08</b>             |  | <b>9,100</b>           | <b>(4,910)</b>                    | <b>4,190</b>                                     |
| <b>Total for 2008/09</b>             |  | <b>9,500</b>           | <b>(4,983)</b>                    | <b>4,517</b>                                     |

## WHAT IT WILL COST CONTINUED

| Capital Spending 2006/07 – 08/09 |                                       | Expenditure<br>2006/07 |
|----------------------------------|---------------------------------------|------------------------|
| Product description              |                                       | (\$000)                |
| CX275                            | Wellington Convention Centre renewals | 402                    |
| <b>Total for 2006/07</b>         |                                       | <b>402</b>             |
| <b>Total for 2007/08</b>         |                                       | <b>616</b>             |
| <b>Total for 2008/09</b>         |                                       | <b>678</b>             |

### 3.2.1 SUBURBAN AND CITY CENTRES VITALITY

#### WHAT WE DO

We provide free parking in the central city at weekends.

We also carry out work to maintain and enhance Marsden Village in Karori.

#### WHY IT'S IMPORTANT

Free parking encourages residents and visitors to come in to the central city at weekends. This keeps the central city lively, supporting the wide range of events and attractions on offer. It also provides benefits for retailers and other city businesses. The Marsden Village maintenance work helps keep that area lively and attractive. This activity contributes towards the following community outcomes: 'Wellington will be a prime tourist and conference destination, with diverse and changing attractions that fit and highlight Wellington's best features', and 'Wellington's thriving suburban and rural centres will offer enhanced services and lifestyle choices'.

#### WHO SHOULD PAY

|                          |      |
|--------------------------|------|
| User charges             | 0%   |
| Other revenue            | 0%   |
| Targeted rate (Downtown) | 100% |
| General rate             | 0%   |

|              |             |
|--------------|-------------|
| <b>Total</b> | <b>100%</b> |
|--------------|-------------|

Note: Marsden Village maintenance and upgrade work is funded through the Marsden Village targeted rate. Free parking is funded through the downtown rate which is paid by central city businesses.

## HOW WE WILL MEASURE OUR PERFORMANCE

| Performance measures  | Performance targets |                              |
|---|---------------------|------------------------------|
| 1. Weekend on-street carpark turnover, compared to weekday levels. (Turn-over rate measures the average number of cars that use a particular carpark each day). | <b>2006/07</b>      | Weekend = 4.7; weekday = 7.5 |
|   | <b>2007/08</b>      | Weekend = 4.7; weekday = 7.5 |
|   | <b>2008/09</b>      | Weekend = 4.7; weekday = 7.5 |
|   | <b>2016/17</b>      | Weekend = 4.7; weekday = 7.5 |
| 2. The percentage of residents who are more likely to come to central Wellington for other reasons than work as a direct result of WCC's free weekend parking.  | <b>2006/07</b>      | 58%                          |
|   | <b>2007/08</b>      | 60%                          |
|   | <b>2008/09</b>      | 62%                          |
|   | <b>2016/17</b>      | 70%                          |

## WHAT IT WILL COST

| Operational Spending 2006/07 – 08/09 |                     | Expenditure<br>2006/07 | User charges and<br>other revenue | Net expenditure/<br>rates funding<br>requirement |
|--------------------------------------|---------------------|------------------------|-----------------------------------|--|
| Project description                  |                     | (\$000)                | (\$000)                           | (\$000)  |
| <b>C105B</b>                         | CBD weekend parking | 1,210                  | -                                 | 1,210  |
| <b>C645</b>                          | Marsden Village     | 13                     | -                                 | 13   |
| <b>Total for 2006/07</b>             |                     | <b>1,223</b>           | <b>-</b>                          | <b>1,223</b>                                     |
| <b>Total for 2007/08</b>             |                     | <b>1,262</b>           | <b>-</b>                          | <b>1,262</b>                                     |
| <b>Total for 2008/09</b>             |                     | <b>1,300</b>           | <b>-</b>                          | <b>1,300</b>                                     |

Major events raise Wellington's profile, attract valuable tourism dollars, benefit local businesses, and bring people together.

### 3.3.1 EVENTS ATTRACTIONS AND SUPPORT

#### WHAT WE DO

We work to attract, develop and support major events and attractions such as the Montana World of WearableArt Awards, the Volvo Ocean race, the AXA International Rugby Sevens, the Vodafone X\*Air Games, women's World Cup cycling races, and the World Golden Oldies Rugby Festival.

In the coming year we will work towards developing at least two new iconic events by the middle of 2009. Maintaining our reputation as New Zealand's 'events capital' will be a challenge in coming years, with other cities following Wellington's success and competing for high-profile attractions.

#### WHY IT'S IMPORTANT

Major events raise Wellington's profile, attract valuable tourism dollars, benefit local businesses, and bring people together. The Sevens and the World of WearableArts are each estimated to inject more than \$8 million of new spending into the local economy. This activity contributes towards the following community outcome: 'Wellington will be a prime tourist and conference destination, with diverse and changing attractions that fit and highlight Wellington's best features'.

| WHO SHOULD PAY             |             |
|----------------------------|-------------|
| User charges               | 0%          |
| Other revenue              | 0%          |
| Targeted rate (Commercial) | 100%        |
| General rate               | 0%          |
| <b>Total</b>               | <b>100%</b> |

#### HOW WE WILL MEASURE OUR PERFORMANCE

| Performance measures  | Performance targets                      |   |
|---|--|---|
| 1. The estimated economic impact to the city of major events assisted by the Events Development fund. | 2006/07<br>2007/08<br>2008/09<br>2016/17 | \$20 million<br>\$20 million<br>\$20 million<br>\$20 million  |
| 2. The number of events supported by the Events Development fund, and the estimated attendance.       | 2006/07<br>2007/08<br>2008/09<br>2016/17 | The number of events supported and the estimated attendance can vary from year to year, therefore a target is not appropriate. Our target is to support as many worthwhile projects as possible that meet our funding criteria and budget restrictions. |
| 3. Resident satisfaction with WCC associated events and festivals.                                    | 2006/07<br>2007/08<br>2008/09<br>2016/17 | 90%<br>90%<br>90%<br>90%  |



#### WHAT IT WILL COST

| Operational Spending 2006/07 – 08/09 |                         | Expenditure<br>2006/07 | User charges and<br>other revenue | Net expenditure/<br>rates funding<br>requirement |
|--------------------------------------|-------------------------|------------------------|-----------------------------------|--|
| Project description                  |                         | (\$000)                | (\$000)                           | (\$000)  |
| C581                                 | Events development fund | 1,354                  | -                                 | 1,354  |
| <b>Total for 2006/07</b>             |                         | <b>1,354</b>           | <b>-</b>                          | <b>1,354</b>                                     |
| <b>Total for 2007/08</b>             |                         | <b>1,398</b>           | <b>-</b>                          | <b>1,398</b>                                     |
| <b>Total for 2008/09</b>             |                         | <b>1,445</b>           | <b>-</b>                          | <b>1,445</b>                                     |

### 3.4.1 INFORMATION AND COMMUNICATIONS INFRASTRUCTURE

#### WHAT WE DO

Under this activity, we are exploring ways to promote our economic development objectives by making it easier for people to access information technology, and encouraging uptake. During the coming year we will be developing the economic component of our ICT policy, through which we will be looking into obtaining government support for initiatives that build ICT skills and initiatives that enhance the city's communications infrastructure.

We also support community ICT programmes (see 6.4.7 Community ICT access) and an e-Democracy programme (see 7.1.1 Consultation and communication). Each of these is guided by the ICT Policy.

#### WHY IT'S IMPORTANT

Information technology is increasingly seen as a driver of economic growth, which means development of communications infrastructure and a tech-literate workforce is important for our city's future prosperity. This activity contributes to the following community outcome: 'Wellington will become a centre of excellence for education and training and the promotion of entrepreneurship.'

#### HOW WE WILL MEASURE OUR PERFORMANCE

Following completion of the economic component of our ICT policy later in the year, performance measures and targets will be developed.

We will also monitor our achievement in this area by reporting on our work with central government to enhance the city's information and communications infrastructure.

#### WHAT IT WILL COST

This is a new activity, supporting our Information and Communications Technology Policy. It has no projects and no budget. Any initiatives which require significant Council funding will be consulted on as part of future Council plans.

### 3.4.2 TRANSPORT GATEWAY CONNECTIONS

#### WHAT WE DO

Positively Wellington Tourism and Wellington International Airport Ltd have developed a strategy aimed at attracting at least one daily long-haul air service to Wellington from a south-east Asian market.

In the past, Wellington’s development as an international visitor market has been restricted because long-haul aircraft couldn’t land on the airport’s relatively short runway. From 2008, that will change. New Boeing and Airbus aircraft will be able to provide long-haul services from the existing runway. Airlines are making decisions now about where to use these aircraft.

Under this project, Positively Wellington Tourism and Wellington International Airport will work to raise awareness of the city among international airlines and aircraft manufacturers, as well as among potential visitors from throughout Asia. They will undertake research to develop a business case for presentation to airlines. In addition, they will work to ensure the city’s tourism services vehicle hire, for example have the capacity to handle an increase in demand. We propose to help fund this work, with additional funding to come from other sources.

#### HOW WE WILL MEASURE OUR PERFORMANCE

| Performance measures  | Performance targets |   |
|---|---------------------|---|
| Development and implementation of ‘attracting long haul airlines to Wellington’ plan – achievement of key milestones. | 2006/07             | marketing, website, research and business case development    |
|   | 2007/08             | marketing, website, research and business case development    |
|   | 2008/09             | at least one long haul airline is flying daily to Wellington  |
|   | 2016/17             | at least one long haul airline is flying daily to Wellington. |

#### WHY IT’S IMPORTANT

This initiative will increase tourism and economic investment in the region. It will also help position Wellington International Airport as a hub for lower North Island and upper South Island travellers. This activity contributes to the following community outcomes: ‘Wellington will have an increasing diversity of vibrant, internationally competitive businesses and industries of all sizes, and sustainable employment opportunities’ and ‘Wellington will be a prime tourist and conference destination, with diverse and changing attractions that fit and highlight Wellington’s best features’.

| WHO SHOULD PAY |             |
|----------------|-------------|
| User charges   | 0%          |
| Other revenue  | 0%          |
| Targeted rate  | 0%          |
| General rate   | 100%        |
| <b>Total</b>   | <b>100%</b> |

## WHAT IT WILL COST

| Operational Spending 2006/07 – 08/09 |                               | Expenditure<br>2006/07 | User charges and<br>other revenue | Net expenditure/<br>rates funding<br>requirement |
|--------------------------------------|-------------------------------|------------------------|-----------------------------------|--|
| Project description                  |                               | (\$000)                | (\$000)                           | (\$000)  |
| C658                                 | Long haul aircraft attraction | 200                    | -                                 | 200  |
| <b>Total for 2006/07</b>             |                               | 200                    | -                                 | 200  |
| <b>Total for 2007/08</b>             |                               | 206                    | -                                 | 206  |
| <b>Total for 2008/09</b>             |                               | 213                    | -                                 | 213  |

### 3.5.1 POSITIVELY WELLINGTON BUSINESS

#### WHAT WE DO

Economic development agency Positively Wellington Business promotes the region with the aim of attracting new business, assisting start-ups, and helping existing businesses grow. It has four key programmes: it works to develop high-growth industries such as film, creative manufacturing, education, biotechnology, professional services, and information technology; it helps business development through training, advice and research; it promotes investment; and it attracts migrants to fill skills shortages. Along with other local authorities, we provide funding to help Positively Wellington Business to carry out its work.

For 2006/07, we're increasing our funding to Positively Wellington Business so it can prepare to implement economic development initiatives agreed to under the Wellington Regional Strategy. The additional funding will help its migrant attraction, investment attraction, creative HQ business incubator, and business development programmes.

#### WHY IT'S IMPORTANT

Positively Wellington Business's programmes contribute to several of our economic development goals. They enhance Wellington's international competitiveness, foster entrepreneurship and innovation, increase employment opportunities and contribute to the region's prosperity. This activity contributes to the following community outcomes: 'Wellington will have an increasing diversity of vibrant, internationally competitive businesses and industries of all sizes, and sustainable employment opportunities', and 'Wellington will become a centre of excellence for education and training, and the promotion of entrepreneurship'.

#### HOW WE WILL MEASURE OUR PERFORMANCE

Activity performance measures for Positively Wellington Business are detailed within the Council Controlled Organisations section.

| WHO SHOULD PAY |             |
|----------------|-------------|
| User charges   | 0%          |
| Other revenue  | 0%          |
| Targeted rate  | 0%          |
| General rate   | 100%        |
| <b>Total</b>   | <b>100%</b> |

## WHAT IT WILL COST

| Operational Spending 2006/07 – 08/09 |  | Expenditure<br>2006/07 | User charges and<br>other revenue | Net expenditure/<br>rates funding<br>requirement |
|--------------------------------------|--|------------------------|-----------------------------------|--|
| Project description                  |  | (\$000)                | (\$000)                           | (\$000)  |
| C434                                 | Positively Wellington Business funding | 2,211                  | -                                 | 2,211  |
| <b>Total for 2006/07</b>             |  | <b>2,211</b>           | <b>-</b>                          | <b>2,211</b>                                     |
| <b>Total for 2007/08</b>             |  | <b>2,282</b>           | <b>-</b>                          | <b>2,282</b>                                     |
| <b>Total for 2008/09</b>             |  | <b>2,353</b>           | <b>-</b>                          | <b>2,353</b>                                     |

## 3.5.2 ECONOMIC GRANTS

### WHAT WE DO

We provide grants to support projects that provide economic benefits to the city. Economic development grants are normally one-off, aimed at supporting feasibility studies or preliminary research into projects that have potential to benefit the city. When considering grant applications, we use a wide range of criteria, including the project's contribution to Council's strategic objectives. Projects must benefit the wider community rather than just individuals. Grants are not available for government agencies or limited liability companies.

### WHY IT'S IMPORTANT

This activity supports projects that have potential to contribute to the city's economic development. Depending on the project, grants may contribute to any of the following community outcomes, including: 'Wellington will have an increasing diversity of vibrant,

internationally competitive businesses and industries of all sizes, and sustainable employment opportunities; and 'Wellington will become a centre of excellence for education and training, and the promotion of entrepreneurship'.

### WHO SHOULD PAY

|               |             |
|---------------|-------------|
| User charges  | 0%          |
| Other revenue | 0%          |
| Targeted rate | 0%          |
| General rate  | 100%        |
| <b>Total</b>  | <b>100%</b> |

### HOW WE WILL MEASURE OUR PERFORMANCE

| Performance measures   | Performance targets |   |
|--|---------------------|---|
| Total number of grant applicants   | 2006/07             | To distribute economic grants pool budget in accordance with eligibility criteria |
| Total number of applicants receiving grants  | 2007/08             |   |
| Total budget allocated to grants   | 2008/09             |   |
| (Note: The above measures reflect monitoring capacity and therefore do not have detailed performance targets.) | 2016/17             |   |

## WHAT IT WILL COST

| Operational Spending 2006/07 – 08/09 |                                  | Expenditure<br>2006/07 | User charges and<br>other revenue | Net expenditure/<br>rates funding<br>requirement |
|--------------------------------------|----------------------------------|------------------------|-----------------------------------|--|
| Project description                  |                                  | (\$000)                | (\$000)                           | (\$000)  |
| C647                                 | Economic development grants pool | 165                    | -                                 | 165  |
| <b>Total for 2006/07</b>             |                                  | <b>165</b>             | <b>-</b>                          | <b>165</b>                                       |
| <b>Total for 2007/08</b>             |                                  | <b>170</b>             | <b>-</b>                          | <b>170</b>                                       |
| <b>Total for 2008/09</b>             |                                  | <b>176</b>             | <b>-</b>                          | <b>176</b>                                       |

### 3.6.1 CREATIVE WORKFORCE

#### WHAT WE DO

We carry out a range of activities to promote Wellington as a great place to live and do business, support the region's economic development and celebrate the city's successes.

This includes:

- promoting our Creative Wellington – Innovation Capital brand, work with key industry sectors to make the city more competitive and ensure Wellington is recognised as an attractive place to live, invest and do business
- running our Move to Wellington campaign to attract and retain skilled, creative people and build the overall skills and capabilities of the Wellington workforce.

During 2006/07, we will investigate a proposal to establish a world-class sound recording and scoring stage for film and music. It's proposed the scoring stage would be located within the National Schools of Dance and Drama/Te Whaea complex in Mt Cook.

#### WHY IT'S IMPORTANT

Our work under this activity raises Wellington's profile, helps increase the city's economic competitiveness, encourages innovation and entrepreneurship, and helps forge partnerships that bring economic benefits to the city. This activity contributes to the following community outcomes: 'Wellington will have an increasing diversity of vibrant, internationally-competitive businesses and industries of all sizes, and sustainable employment opportunities', and 'Wellington will become a centre of excellence for education and training, and the promotion of entrepreneurship'.

#### WHO SHOULD PAY

|               |             |
|---------------|-------------|
| User charges  | 0%          |
| Other revenue | 0%          |
| Targeted rate | 0%          |
| General rate  | 100%        |
| <b>Total</b>  | <b>100%</b> |

## HOW WE WILL MEASURE OUR PERFORMANCE

| Performance measures  | Performance targets |                                     |
|---|---------------------|-------------------------------------|
| 1. The number of businesses and jobs by targeted sector. Sectors include: education, ICT, professional engineering, creative and film, manufacturing and biotechnology. | 2006/07             | positive growth within each sector  |
|   | 2007/08             | positive growth within each sector  |
|   | 2008/09             | positive growth within each sector  |
|   | 2016/17             | positive growth within each sector. |
| 2. Location quotients by targeted sector. Sectors include: education, ICT, professional engineering, creative and film, manufacturing and biotechnology.                | 2006/07             | positive growth within each sector  |
|   | 2007/08             | positive growth within each sector  |
|   | 2008/09             | positive growth within each sector  |
|   | 2016/17             | positive growth within each sector. |

## WHAT IT WILL COST

| Operational Spending 2006/07 – 08/09 |   | Expenditure<br>2006/07 | User charges and<br>other revenue | Net expenditure/<br>rates funding<br>requirement |
|--------------------------------------|---|------------------------|-----------------------------------|--|
| Project description                  |   | (\$000)                | (\$000)                           | (\$000)  |
| C582                                 | Status as a centre of creativity and innovation                 | 650                    | -                                 | 650  |
| C616                                 | "Creative Wellington - Innovation Capital" vision communication | 660                    | -                                 | 660  |
| <b>Total for 2006/07</b>             |   | <b>1,310</b>           | <b>-</b>                          | <b>1,310</b>                                     |
| <b>Total for 2007/08</b>             |   | <b>1,351</b>           | <b>-</b>                          | <b>1,351</b>                                     |
| <b>Total for 2008/09</b>             |   | <b>1,399</b>           | <b>-</b>                          | <b>1,399</b>                                     |

## 3.7.1 REGIONAL AND EXTERNAL RELATIONS

### WHAT WE DO

We work to make Wellington more competitive by promoting the city's interests to central government, national organisations, the business community, and through our sister city programmes. This work includes hosting business and civic delegations, and fostering partnerships with tertiary institutions and other key sectors.

During 2006/07, we aim to finalise a Wellington Regional Strategy which will set the direction for the region's development in coming years. The strategy aims to unlock the region's economic potential, by strengthening infrastructure, addressing skill shortages, putting under-utilised land to better use, generating wealth from new ideas, and making it easier to do business. It also aims to 'internationalise' the region that is, to sell Wellington and its goods and services to the world. We anticipate that this will raise a number of exciting new initiatives. We'll consider our support of these on a case-by-case basis in the context of our current economic development programmes. For more on the strategy, see Part 2: Setting Our Direction.

## Why it's important

This activity supports several of our economic development aims, by helping the city become more competitive, more entrepreneurial and more prosperous, contributing to people's overall quality of life. It recognises that the health of Wellington city's economy is dependent on the state of the wider regional and national economies. This activity contributes to the following community outcomes: 'Wellington will become a centre of excellence for education and training, and the promotion of entrepreneurship' and 'Wellington will have an increasing diversity of vibrant, internationally competitive businesses and industries of all sizes, and sustainable employment opportunities.

### WHO SHOULD PAY

|               |             |
|---------------|-------------|
| User charges  | 0%          |
| Other revenue | 0%          |
| Targeted rate | 0%          |
| General rate  | 100%        |
| <b>Total</b>  | <b>100%</b> |

## HOW WE WILL MEASURE OUR PERFORMANCE

| Performance measures   | Performance targets  |  |
|--|--|--|
| The number of events/activities held with our formal international partnership cities (both in Wellington and overseas). | <b>2006/07</b> At least 15 events/activities<br><b>2007/08</b> At least 15 events/activities<br><b>2008/09</b> At least 15 events/activities<br><b>2016/17</b> At least 15 events/activities<br>(Note – We will review our long term target following analysis of our short term achievement.) |  |

## WHAT IT WILL COST

| Operational Spending 2006/07 – 08/09 |                              | Expenditure<br>2006/07 | User charges and<br>other revenue | Net expenditure/<br>rates funding<br>requirement |
|--------------------------------------|------------------------------|------------------------|-----------------------------------|--|
| Project description                  |                              | (\$000)                | (\$000)                           | (\$000)  |
| C145                                 | External relations           | 183                    | -                                 | 183  |
| C657                                 | Wellington Regional Strategy | 100                    | -                                 | 100  |
| <b>Total for 2006/07</b>             |                              | <b>283</b>             | <b>-</b>                          | <b>283</b>                                       |
| <b>Total for 2007/08</b>             |                              | <b>189</b>             | <b>-</b>                          | <b>189</b>                                       |
| <b>Total for 2008/09</b>             |                              | <b>197</b>             | <b>-</b>                          | <b>197</b>                                       |

# 10-Year Financial Projections

## Net operating expenditure (by strategy area, activity and project for 10 years)

| Annual Plan Project         | Forecast<br>2006/07<br>\$000                            | Forecast<br>2007/08<br>\$000 | Forecast<br>2008/09<br>\$000 | Proposed<br>2009/10<br>\$000 | Proposed<br>2010/11<br>\$000 | Proposed<br>2011/12<br>\$000 | Proposed<br>2012/13<br>\$000 | Proposed<br>2013/14<br>\$000 | Proposed<br>2014/15<br>\$000 | Proposed<br>2015/16<br>\$000 |              |
|-----------------------------|---|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------|
| <b>Economic Development</b> |   |                              |                              |                              |                              |                              |                              |                              |                              |                              |              |
| C105                        | Positively Wellington Tourism                           | 4,116                        | 4,248                        | 4,379                        | 4,503                        | 4,618                        | 4,729                        | 4,832                        | 4,927                        | 5,013                        | 5,100        |
| <b>3.1.1</b>                | <b>Funder – Tourism promotion</b>                       | <b>4,116</b>                 | <b>4,248</b>                 | <b>4,379</b>                 | <b>4,503</b>                 | <b>4,618</b>                 | <b>4,729</b>                 | <b>4,832</b>                 | <b>4,927</b>                 | <b>5,013</b>                 | <b>5,100</b> |
| C440                        | Te Papa sponsorship                                     | 2,000                        | 2,064                        | 2,128                        | 2,188                        | 2,244                        | 2,298                        | 2,348                        | 2,394                        | 2,436                        | 2,478        |
| C618                        | Film Archive  | 50                           | -                            | -                            | -                            | -                            | -                            | -                            | -                            | -                            | -            |
| C659                        | Carter Observatory                                      | 86                           | -                            | -                            | -                            | -                            | -                            | -                            | -                            | -                            | -            |
| <b>3.1.2</b>                | <b>Funder and provider – Visitor attractions</b>        | <b>2,136</b>                 | <b>2,064</b>                 | <b>2,128</b>                 | <b>2,188</b>                 | <b>2,244</b>                 | <b>2,298</b>                 | <b>2,348</b>                 | <b>2,394</b>                 | <b>2,436</b>                 | <b>2,478</b> |
| C101                        | Wellington Convention Centre operation                  | 4,146                        | 4,190                        | 4,517                        | 4,583                        | 4,741                        | 4,845                        | 4,972                        | 4,847                        | 5,040                        | 5,074        |
| <b>3.1.3</b>                | <b>Provider – Convention venues</b>                     | <b>4,146</b>                 | <b>4,190</b>                 | <b>4,517</b>                 | <b>4,583</b>                 | <b>4,741</b>                 | <b>4,845</b>                 | <b>4,972</b>                 | <b>4,847</b>                 | <b>5,040</b>                 | <b>5,074</b> |
| C105B                       | CBD weekend parking                                     | 1,210                        | 1,249                        | 1,287                        | 1,324                        | 1,358                        | 1,390                        | 1,421                        | 1,448                        | 1,474                        | 1,499        |
| C645                        | Marsden Village   | 13                           | 13                           | 13                           | 14                           | 14                           | 14                           | 15                           | 15                           | 15                           | 15           |
| <b>3.2.1</b>                | <b>Facilitator – Suburban and city centres vitality</b> | <b>1,223</b>                 | <b>1,262</b>                 | <b>1,300</b>                 | <b>1,338</b>                 | <b>1,372</b>                 | <b>1,404</b>                 | <b>1,436</b>                 | <b>1,463</b>                 | <b>1,489</b>                 | <b>1,514</b> |
| C581                        | Events development fund                                 | 1,354                        | 1,398                        | 1,445                        | 1,487                        | 1,525                        | 1,563                        | 1,599                        | 1,629                        | 1,658                        | 1,690        |
| <b>3.3.1</b>                | <b>Funder – Events attraction and support</b>           | <b>1,354</b>                 | <b>1,398</b>                 | <b>1,445</b>                 | <b>1,487</b>                 | <b>1,525</b>                 | <b>1,563</b>                 | <b>1,599</b>                 | <b>1,629</b>                 | <b>1,658</b>                 | <b>1,690</b> |
| C658                        | Long haul aircraft attraction                           | 200                          | 206                          | 213                          | 219                          | 224                          | 230                          | 235                          | 239                          | 244                          | 248          |
| <b>3.4.2</b>                | <b>Facilitator – Transport gateway connections</b>      | <b>200</b>                   | <b>206</b>                   | <b>213</b>                   | <b>219</b>                   | <b>224</b>                   | <b>230</b>                   | <b>235</b>                   | <b>239</b>                   | <b>244</b>                   | <b>248</b>   |
| C434                        | Positively Wellington Business funding                  | 2,211                        | 2,282                        | 2,353                        | 2,419                        | 2,481                        | 2,540                        | 2,596                        | 2,647                        | 2,693                        | 2,739        |
| <b>3.5.1</b>                | <b>Funder – Positively Wellington Business</b>          | <b>2,211</b>                 | <b>2,282</b>                 | <b>2,353</b>                 | <b>2,419</b>                 | <b>2,481</b>                 | <b>2,540</b>                 | <b>2,596</b>                 | <b>2,647</b>                 | <b>2,693</b>                 | <b>2,739</b> |
| C647                        | Economic development grants pool                        | 165                          | 170                          | 176                          | 181                          | 185                          | 190                          | 194                          | 198                          | 201                          | 204          |
| <b>3.5.2</b>                | <b>Funder – Economic grants</b>                         | <b>165</b>                   | <b>170</b>                   | <b>176</b>                   | <b>181</b>                   | <b>185</b>                   | <b>190</b>                   | <b>194</b>                   | <b>198</b>                   | <b>201</b>                   | <b>204</b>   |



| Annual Plan Project  | Forecast<br>2006/07<br>\$000 | Forecast<br>2007/08<br>\$000 | Forecast<br>2008/09<br>\$000 | Proposed<br>2009/10<br>\$000 | Proposed<br>2010/11<br>\$000 | Proposed<br>2011/12<br>\$000 | Proposed<br>2012/13<br>\$000 | Proposed<br>2013/14<br>\$000 | Proposed<br>2014/15<br>\$000 | Proposed<br>2015/16<br>\$000 |
|--|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| C582 Status as a centre of creativity and innovation                 | 650                          | 671                          | 692                          | 711                          | 729                          | 747                          | 763                          | 778                          | 792                          | 805                          |
| C616 "Creative Wellington – Innovation Capital" vision communication | 660                          | 680                          | 707                          | 728                          | 746                          | 765                          | 783                          | 797                          | 811                          | 829                          |
| <b>3.6.1 Facilitator and promoter – Creative workforce</b>           | <b>1,310</b>                 | <b>1,351</b>                 | <b>1,399</b>                 | <b>1,439</b>                 | <b>1,475</b>                 | <b>1,512</b>                 | <b>1,546</b>                 | <b>1,575</b>                 | <b>1,603</b>                 | <b>1,634</b>                 |
| C145 External relations  | 183                          | 189                          | 197                          | 203                          | 209                          | 214                          | 219                          | 223                          | 227                          | 233                          |
| C657 Wellington Regional Strategy                                    | 100                          | -                            | -                            | -                            | -                            | -                            | -                            | -                            | -                            | -                            |
| <b>3.7.1 Facilitator – Regional and external relations</b>           | <b>283</b>                   | <b>189</b>                   | <b>197</b>                   | <b>203</b>                   | <b>209</b>                   | <b>214</b>                   | <b>219</b>                   | <b>223</b>                   | <b>227</b>                   | <b>233</b>                   |
| <b>Total Economic Development</b>                                    | <b>17,144</b>                | <b>17,360</b>                | <b>18,107</b>                | <b>18,560</b>                | <b>19,074</b>                | <b>19,525</b>                | <b>19,977</b>                | <b>20,142</b>                | <b>20,604</b>                | <b>20,914</b>                |

### Net capital expenditure (by strategy area activity and project for 10 years)

| Annual Plan Project                                    | Forecast<br>2006/07<br>\$000 | Forecast<br>2007/08<br>\$000 | Forecast<br>2008/09<br>\$000 | Proposed<br>2009/10<br>\$000 | Proposed<br>2010/11<br>\$000 | Proposed<br>2011/12<br>\$000 | Proposed<br>2012/13<br>\$000 | Proposed<br>2013/14<br>\$000 | Proposed<br>2014/15<br>\$000 | Proposed<br>2015/16<br>\$000 |
|--|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Economic Development</b>                            |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |
| CX496 Cable Car Precinct                               | 100                          | 310                          | 426                          | -                            | -                            | -                            | -                            | -                            | -                            | -                            |
| <b>3.1.2 Funder and provider – Visitor attractions</b> | <b>100</b>                   | <b>310</b>                   | <b>426</b>                   | <b>-</b>                     | <b>-</b>                     | <b>-</b>                     | <b>-</b>                     | <b>-</b>                     | <b>-</b>                     | <b>-</b>                     |
| CX275 Wellington Convention Centre renewals            | 402                          | 616                          | 678                          | 611                          | 728                          | 523                          | 966                          | 606                          | 635                          | 646                          |
| <b>3.1.3 Provider – Convention venues</b>              | <b>402</b>                   | <b>616</b>                   | <b>678</b>                   | <b>611</b>                   | <b>728</b>                   | <b>523</b>                   | <b>966</b>                   | <b>606</b>                   | <b>635</b>                   | <b>646</b>                   |
| <b>Total Economic Development</b>                      | <b>502</b>                   | <b>926</b>                   | <b>1,104</b>                 | <b>611</b>                   | <b>728</b>                   | <b>523</b>                   | <b>966</b>                   | <b>606</b>                   | <b>635</b>                   | <b>646</b>                   |

# Summary Table

## ECONOMIC DEVELOPMENT – LEVELS OF SERVICE AND MEASUREMENT FRAMEWORK

|  |   |   |  |                |   |                |   |                |   |                |  |
|--|---|---|--|----------------|---|----------------|---|----------------|---|----------------|--|
| <b>3.1 COUNCIL OUTCOMES</b><br><b>Stronger sense of place</b> – Wellington will be a prime tourist and conference destination, with diverse and changing attractions that fit and highlight Wellington’s best features.<br><br><b>COUNCIL OUTCOME INDICATOR</b> <ul style="list-style-type: none"> <li>• visitor numbers (international and domestic)</li> <li>• accommodation (commercial) – occupancy rates</li> <li>• accommodation (commercial) – guest nights</li> <li>• number of major conferences (international / national).</li> </ul> |   |   |  |                |   |                |   |                |   |                |  |
| <b>3.1.1 TOURISM PROMOTION</b>   |   |   |  |                |   |                |   |                |   |                |  |
| <b>LEVEL OF SERVICE</b>  |   | <b>PERFORMANCE MEASURE</b>  |  |                |   |                |   |                |   |                |  |
| <ul style="list-style-type: none"> <li>• we provide support to Positively Wellington Tourism, the city’s official tourism marketing organisation. Its aim is to position the region as a destination of choice both domestically and internationally.</li> </ul>   |   | Activity performance measures for Positively Wellington Tourism are detailed within the Council Controlled Organisations section in volume one. |  |                |   |                |   |                |   |                |  |
| <b>3.1.2 VISITOR ATTRACTIONS</b>   |   |   |  |                |   |                |   |                |   |                |  |
| <b>LEVEL OF SERVICE</b>  |   | <b>PERFORMANCE MEASURE</b>  | <b>PERFORMANCE TARGETS</b>   |                |   |                |   |                |   |                |  |
| <ul style="list-style-type: none"> <li>• we make a significant annual contribution towards Te Papa, which attracts more than one million visitors each year</li> <li>• we provide ongoing support to the Carter Observatory, which is developing plans to further develop itself as a leading-edge science-based visitor attraction.</li> </ul>  |   | The total number of visitors to Te Papa (with breakdown by overseas visitors, domestic visitors and visitors outside the region).               | <table border="1"> <tr> <td><b>2006/07</b></td> <td>visitation is maintained at a minimum of 1.1 million visits (all ages). A minimum of 35% of adult visits are from international visitors and a minimum of 35% of adult domestic visits are from visitors from outside the Wellington Region</td> </tr> <tr> <td><b>2007/08</b></td> <td>visitation is maintained at a minimum of 1.1 million visits (all ages). A minimum of 35% of adult visits are from international visitors and a minimum of 35% of adult domestic visits are from visitors from outside the Wellington Region</td> </tr> <tr> <td><b>2008/09</b></td> <td>to increase visitor numbers across all categories</td> </tr> <tr> <td><b>2016/17</b></td> <td>to increase visitor numbers across all categories.</td> </tr> </table> | <b>2006/07</b> | visitation is maintained at a minimum of 1.1 million visits (all ages). A minimum of 35% of adult visits are from international visitors and a minimum of 35% of adult domestic visits are from visitors from outside the Wellington Region | <b>2007/08</b> | visitation is maintained at a minimum of 1.1 million visits (all ages). A minimum of 35% of adult visits are from international visitors and a minimum of 35% of adult domestic visits are from visitors from outside the Wellington Region | <b>2008/09</b> | to increase visitor numbers across all categories | <b>2016/17</b> | to increase visitor numbers across all categories. |
| <b>2006/07</b>   | visitation is maintained at a minimum of 1.1 million visits (all ages). A minimum of 35% of adult visits are from international visitors and a minimum of 35% of adult domestic visits are from visitors from outside the Wellington Region |   |  |                |   |                |   |                |   |                |  |
| <b>2007/08</b>   | visitation is maintained at a minimum of 1.1 million visits (all ages). A minimum of 35% of adult visits are from international visitors and a minimum of 35% of adult domestic visits are from visitors from outside the Wellington Region |   |  |                |   |                |   |                |   |                |  |
| <b>2008/09</b>   | to increase visitor numbers across all categories   |   |  |                |   |                |   |                |   |                |  |
| <b>2016/17</b>   | to increase visitor numbers across all categories.  |   |  |                |   |                |   |                |   |                |  |

| <b>3.1.3 CONVENTION CENTRE</b>   |  |                            |  |
|--|--|----------------------------|--|
| <b>LEVEL OF SERVICE</b>  | <b>PERFORMANCE MEASURE</b>   | <b>PERFORMANCE TARGETS</b> |  |
| <ul style="list-style-type: none"> <li>• we own and operate the Wellington Convention Centre. It is contracted to manage the Events Centre</li> <li>• the Convention Centre provides the city with venues of international quality for conferences and conventions, arts performances, trade shows, meetings and other events. The Events Centre provides a high-quality venue for sports and entertainment events.</li> </ul> | 1. The number of events in total (including concerts) held at the Wellington Convention Centre (Michael Fowler Centre, Wellington Town Hall) and Queens Wharf Events Centre. | <b>2006/07</b>             | 840 events (including 100 concerts)  |
|  |  | <b>2007/08</b>             | 872 events (including 120 concerts)  |
|  |  | <b>2008/09</b>             | 855 events (including 105 concerts)  |
|  |  | <b>2016/17</b>             | 900 events (including 130 concerts)  |
|  | 2. Occupancy levels at the Wellington Convention Centre (Michael Fowler Centre, Wellington Town Hall) and Queens Wharf Events Centre.  | <b>2006/07</b>             | Town Hall = 62%; Michael Fowler Centre = 70%; Queens Wharf Events Centre = 58% |
|  |  | <b>2007/08</b>             | Town Hall = 65%; Michael Fowler Centre = 72%; Queens Wharf Events Centre = 60% |
|  |  | <b>2008/09</b>             | Town Hall = 66%; Michael Fowler Centre = 72%; Queens Wharf Events Centre = 61% |
|  |  | <b>2016/17</b>             | Town Hall = 70%; Michael Fowler Centre = 76%; Queens Wharf Events Centre = 70% |
|  | 3. Retention of 4-star Qualmark rating and ISO9001 accreditation.  | <b>2006/07</b>             | Retention of 4-star Qualmark rating and ISO9001 accreditation                  |
|  |  | <b>2007/08</b>             | Retention of 4-star Qualmark rating and ISO9001 accreditation                  |
|  |  | <b>2008/09</b>             | Retention of 4-star Qualmark rating and ISO9001 accreditation                  |
|  |  | <b>2016/17</b>             | Retention of 4-star Qualmark rating and ISO9001 accreditation                  |

### 3.2 COUNCIL OUTCOMES

**More compact** – Wellington’s central city will be the premier and most rapidly growing specialty retail, entertainment, service and knowledge centre for the region, and Wellington’s thriving suburban and rural areas will offer enhanced services and lifestyle choices.

#### COUNCIL OUTCOME INDICATOR

- Growth in businesses and employees engaged in retail, entertainment, service and knowledge sectors, (with comparison to the region).

#### 3.2.1. ARTS AND CULTURAL FESTIVALS

| LEVEL OF SERVICE   | PERFORMANCE MEASURE   | PERFORMANCE TARGETS  |  |
|--|---|--|--|
| <ul style="list-style-type: none"> <li>• we provide free parking in the central city at weekends</li> <li>• we also carry out work to maintain and enhance Marsden Village in Karori.</li> </ul> | 1. Weekend on-street carpark turnover, compared to weekday levels. (Turn-over rate measures the average number of cars that use a particular carpark each day). | <b>2006/07</b><br><b>2007/08</b><br><b>2008/09</b><br><b>2016/17</b> | Weekend = 4.7; weekday = 7.5<br>Weekend = 4.7; weekday = 7.5<br>Weekend = 4.7; weekday = 7.5<br>Weekend = 4.7; weekday = 7.5 |
|  | 2. The percentage of residents who are more likely to come to central Wellington for other reasons than work as a direct result of WCC’s free weekend parking.  | <b>2006/07</b><br><b>2007/08</b><br><b>2008/09</b><br><b>2016/17</b> | 58%<br>60%<br>62%<br>70%   |

### 3.3 COUNCIL OUTCOMES

**More eventful** – Wellington will maximise the economic value from promoting and hosting high-profile events.

#### COUNCIL OUTCOME INDICATOR

- Iconic and A-level events held in the city, and their economic contribution (see Events Strategy).

#### 3.3.1 EVENTS AND ATTRACTIONS

| LEVEL OF SERVICE  | PERFORMANCE MEASURE   | PERFORMANCE TARGETS  |   |
|---|---|--|---|
| <ul style="list-style-type: none"> <li>• we work to attract, develop and support major events and attractions to the city.</li> </ul> | 1. The estimated economic impact to the city of major events assisted by the Events Development fund. | <b>2006/07</b><br><b>2007/08</b><br><b>2008/09</b><br><b>2016/17</b> | \$20 million<br>\$20 million<br>\$20 million<br>\$20 million  |
|   | 2. The number of events supported by the Events Development fund, and the estimated attendance.       | <b>2006/07</b><br><b>2007/08</b><br><b>2008/09</b><br><b>2016/17</b> | The number of events supported and the estimated attendance can vary from year to year, therefore a target is not appropriate. Our target is to support as many worthwhile projects as possible that meet our funding criteria and budget restrictions. |
|   | 3. Resident satisfaction with WCC associated events and festivals.                                    | <b>2006/07</b><br><b>2007/08</b><br><b>2008/09</b><br><b>2016/17</b> | 90%<br>90%<br>90%<br>90%  |

### 3.4 COUNCIL OUTCOMES

**Better connected** – Wellington will be connected locally, nationally, and globally by offering world-class accessibility and linkages. That includes having high capacity broadband communication networks, top quality seaports and airports, and transport networks.

#### COUNCIL OUTCOME INDICATOR

- broadband usage
- cargo loaded and unloaded at Wellington Seaport and Airport (dollar value)
- number of international and national airline passengers entering Wellington airport.

#### 3.4.1 INFORMATION AND COMMUNICATIONS INFRASTRUCTURE

| LEVEL OF SERVICE  | PERFORMANCE MEASURE   |
|---|---|
| <ul style="list-style-type: none"> <li>• we are exploring ways to promote our economic development objectives by making it easier for people to access information technology, and encourage uptake</li> <li>• we will also be seeking government support for initiatives that build ICT skills and initiatives that enhance the city's communications infrastructure.</li> </ul> | <p>Following completion of the economic component of our ICT policy later in the year, performance measures and targets will be developed.</p> <p>We will also monitor our achievement in this area by reporting on our work with central government to enhance the city's information and communications infrastructure.</p> |

#### 3.4.2 TRANSPORT GATEWAY CONNECTIONS

| LEVEL OF SERVICE  | PERFORMANCE MEASURE  | PERFORMANCE TARGETS   |  |
|---|--|---|--|
| <ul style="list-style-type: none"> <li>• Positively Wellington Tourism and Wellington International Airport Ltd have developed a strategy aimed at attracting at least one regular long-haul air service to Wellington from a south-east Asian market</li> <li>• both groups will work to raise awareness of the city among international airlines and aircraft manufacturers, as well as among potential visitors from throughout Asia.</li> </ul> | <p>Development and implementation of 'attracting long haul airlines to Wellington' plan – achievement of key milestones.</p> | <p><b>2006/07</b></p> <p><b>2007/08</b></p> <p><b>2008/09</b></p> <p><b>2016/17</b></p> | <p>marketing, website, research and business case development</p> <p>marketing, website, research and business case development</p> <p>at least one long haul airline is flying daily to Wellington</p> <p>at least one long haul airline is flying daily to Wellington.</p> |

### 3.5 COUNCIL OUTCOMES

**More prosperous** – Wellington will have a strong and growing economy including a high quality, innovative and diverse public sector. Wellington will offer a wide range of sustainable employment and business opportunities.

#### COUNCIL OUTCOME INDICATOR

- gross Domestic Product growth in the city and region
- regional economic activity growth
- number of job vacancies
- employees by industry
- labour force participation rate (labour force/working-age population).

#### 3.5.1 POSITIVELY WELLINGTON BUSINESS

| LEVEL OF SERVICE  | PERFORMANCE MEASURE  |
|---|--|
| <ul style="list-style-type: none"> <li>• we provide support to the economic development agency Positively Wellington Business, which promotes the region with the aim of attracting new business, assisting start-ups, and helping existing businesses grow.</li> </ul> | Activity performance measures for Positively Wellington Business are detailed within the Council Controlled Organisations section. |

#### 3.5.2 ECONOMIC GRANTS

| LEVEL OF SERVICE   | PERFORMANCE MEASURE  | PERFORMANCE TARGETS                      |  |
|--|--|--|--|
| <ul style="list-style-type: none"> <li>• we provide grants to support projects that provide economic benefits to the city. Economic development grants are normally one-off, aimed at supporting feasibility studies or preliminary research into projects that have potential to benefit the city.</li> </ul> | Total number of grant applicants<br>Total number of applicants receiving grants<br>Total budget allocated to grants<br>(Note – The above measures reflect monitoring capacity and therefore do not have detailed performance targets.) | 2006/07<br>2007/08<br>2008/09<br>2016/17 | To distribute economic grants pool budget in accordance with eligibility criteria. |

### 3.6 COUNCIL OUTCOMES

**More competitive** – Wellington will attract and retain an increasing diversity of vibrant, internationally competitive people, targeted investment, and businesses and industries of all sizes.

#### COUNCIL OUTCOME INDICATOR

- New Zealand's top 200 companies based in Wellington
- business – births and deaths.

#### 3.6.1 CREATIVE WORKFORCE

| LEVEL OF SERVICE   | PERFORMANCE MEASURE   | PERFORMANCE TARGETS |                                    |
|--|---|---------------------|------------------------------------|
| <ul style="list-style-type: none"> <li>• we carry out a range of activities from street banners to publications to promote Wellington as a great place to live and do business, support the region's economic development and celebrate the city's successes. This work includes promoting our creative Wellington – Innovation Capital brand, and running our Move to Wellington campaign.</li> </ul> | 1. The number of businesses and jobs by targeted sector. Sectors include: education, ICT, professional engineering, creative and film, manufacturing and biotechnology. | 2006/07             | Positive growth within each sector |
|  |   | 2007/08             | Positive growth within each sector |
|  |   | 2008/09             | Positive growth within each sector |
|  |   | 2016/17             | Positive growth within each sector |
|  | 2. Location quotients by targeted sector. Sectors include: education, ICT, professional engineering, creative and film, manufacturing and biotechnology.                | 2006/07             | Positive growth within each sector |
|  |   | 2007/08             | Positive growth within each sector |
|  |   | 2008/09             | Positive growth within each sector |
|  |   | 2016/17             | Positive growth within each sector |

### 3.7 COUNCIL OUTCOMES

**More entrepreneurial and innovative** – Wellington will have high levels of innovation underpinned by strong education and training, research, entrepreneurship and investment.

#### COUNCIL OUTCOME INDICATOR

- Industry training – Number of people undertaking industry training
- Businesses and employees engaged in research and development sector (as defined by Stats NZ – ANSIC)
- Tertiary students enrolled in Wellington Region (with comparison to NZ)

#### 3.7.1 EXTERNAL RELATIONS

| LEVEL OF SERVICE   | PERFORMANCE MEASURE  | PERFORMANCE TARGETS |   |
|--|--|---------------------|---|
| <ul style="list-style-type: none"> <li>• we work to make Wellington more competitive by promoting the city's interests to central government, national organisations, the business community, and through our sister city programmes. This work includes hosting business and civic delegations, and fostering partnerships with tertiary institutions and other key sectors.</li> </ul> | The number of events/activities held with our formal international partnership cities (both in Wellington and overseas). | 2006/07             | At least 15 events/activities   |
|  |  | 2007/08             | At least 15 events/activities   |
|  |  | 2008/09             | At least 15 events/activities   |
|  |  | 2016/17             | At least 15 events/activities<br>(Note – We will review our long term target following analysis of our short term achievement.) |