
ORDINARY MEETING

OF

ECONOMIC GROWTH AND ARTS COMMITTEE

MINUTE ITEM ATTACHMENTS

Time: 9:15 a.m.
Date: Tuesday, 15 March 2016
Venue: Committee Room 1
Ground Floor, Council Offices
101 Wakefield Street
Wellington

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Confirmation of Minutes Economic Growth and Arts Committee - 15/03/2016	
1. Economic Growth and Arts Committee-15 March 2016-item 1.4.1- Wellington Culinary Events Trust	3
2.1 Update on the Airport Runway Extension Project	
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2.6 Feedback on Peace Action Wellington petition	

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1. Economic Growth and Arts Committee-15 March 2016-item 2.6-
Images tabled by Cr Iona Pannett

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The background of the slide features a dark grey collage of food and beverage-related terms in various fonts and orientations. Visible words include: BRAISED, EXQUISITE, CRAFT, ORGANIC, WINE MATCH, Collaboration, FINE DINING, COLLABORATION, DEGUSTATION, WINE, bake, SEARING, WINE MATCH, fresh, CANAPÉ, TAPAS, ESPRESSO, and CARAMEL. The Wellington Culinary Events Trust logo is centered in the upper half, featuring the word 'Wellington' in a white script font and 'CULINARY EVENTS TRUST' in a white sans-serif font, both enclosed in a white double-line border.

Visa Wellington On a Plate & Beervana Update

Sarah Meikle, Chief Executive, Wellington Culinary Events Trust
March 2016

wcet.org.nz

Our goals

- Supporting Wellington's hospitality and culinary sector to thrive
- Supporting Wellington to become one of the world's great food cities
- Sharing the Wellington Food Story via different, inspiring and provocative culinary experiences; and
- Driving economic growth for the Wellington region through visitation and export growth



The Wellington region's craft breweries

Baylands Brewery

Choice Bros

Garage Project

Maiden

Northend Brewing

ParrotDog

Regent 58 Brewery

Te Aro Brewing

Tuatara

Yeastie Boys

Black Dog Brewing Company

Fork & Brewer

Kereru

Martinborough Brewing

Panhead

Peak Brewery

Steel Press Cider

Tiamana

Wild & Woolly



Other events that we work with

- Cricket fixtures – CWC and International Tests
- CubaDupa
- LUX
- NZ Jazz Festival
- Rugby – International Tests
- WOW



VWOAP & Beervana 2016

13 June	Tickets on Sale (Visa Pre-sale)
15 June	Tickets on Sale (General Release)
12-13 August	Beervana 2016
12-18 August	VWOAP 2016



VWOAP 2016 Participation

Festival Events	133 events (up from 125)
DINE Wellington	139 participating restaurants (up from 110)
Capital Cocktail	39 participating establishments (up from 30)
Burger Wellington	116 burgers (up from 80)





Timeline



Nov	2015	Wider public feedback on assessment reports opened
Feb	2016	Feedback received and reviewed.
Mar	2016	Application filed with WCC and GWRC Councils check applications for completeness
May	2016	Formal public notification and submissions
Jun	2016	Environment Court processes
Nov	2016	Environment Court hearing could commence
May	2017	Decision

Budget



Work to date	\$4,045,000	
Forecast costs to lodgement	\$265,000	
Estimated processing/hearing costs	<u>\$1,646,000</u>	
Total		\$5,956,000

Consultation - Wednesday 25 November to Friday 12 February



Three public open days:

- Wed 2 Dec 12pm to 3pm
Chaffers Dock, Wellington City
- Thu 3 Dec 5pm to 8pm
SPCA Fever Hospital, Mt Victoria
- Sat 5 Dec 12pm to 3pm
Brentwood Conference Centre Kilbirnie

All project information regarding the consultation, all reports and how to provide feedback, was available at www.connectwellington.co.nz

Consultation – The numbers



641 Provided feedback or subscribed to updates

- 361 Submitted in support
- 8 Provided conditional support
- 10 Neither for nor against
- 74 Expressed concern
- 74 Submitted in opposition
- 114 Just subscribed for updates



80% of Chamber Business members are in support

Polls of Wellington region show 80% were in support

Consultation - feedback



Support

- Recognise it will bring national and regional benefits
- Economic growth for Wellington
- Increased benefits from connectivity and access

Conditional support

- Confirmation of mitigation of potential affects – surfing amenity
- Support the project, but question how it will be funded

Concerns / Oppose

- Adverse effects on the environment – construction, marine, visual
- The extension is not long enough
- Whether the proposal is the best solution for Wellington

Your feedback on the runway extension

The public feedback process prior to finalising Wellington Airport's applications for consent to extend the runway will be ending on Friday 12 February. The feedback process commenced in late November and all submissions on the runway extension proposal were made publicly available to provide everyone the opportunity to gain a great understanding of the project. There was a great turnout at the three open days and we have received a lot of constructive feedback which we are already reviewing. As a result of the feedback we have commenced additional assessments including:

- Potential inshore effects from Surf Wave Focusing Structure at Lyall Bay**
The Danish hydrological institute has been commissioned to review any possible in-shore and beach erosion effects from the proposed surf-wave focusing structure which is to offset and potentially improve the effects of the runway reclamation on surfing amenity.
- Transport routes for reclamation material**
The primary proposed transport route currently has trucks leaving the site via Bridge St, but Traffic Design Group are investigating alternative options that reduce the effects of truck movements on residents and AECOM are assessing the potential noise effects from transport on these alternative routes and within acceptable limits.
- Sea level rise**
The current southern end of runway is already 7.5m above sea level. The extension will have an upward slope to improve aircraft performance, meaning it will be 5m above sea level on completion. NIWA are undertaking some further investigation to confirm the potential impact on sea level rise against the height of the runway.

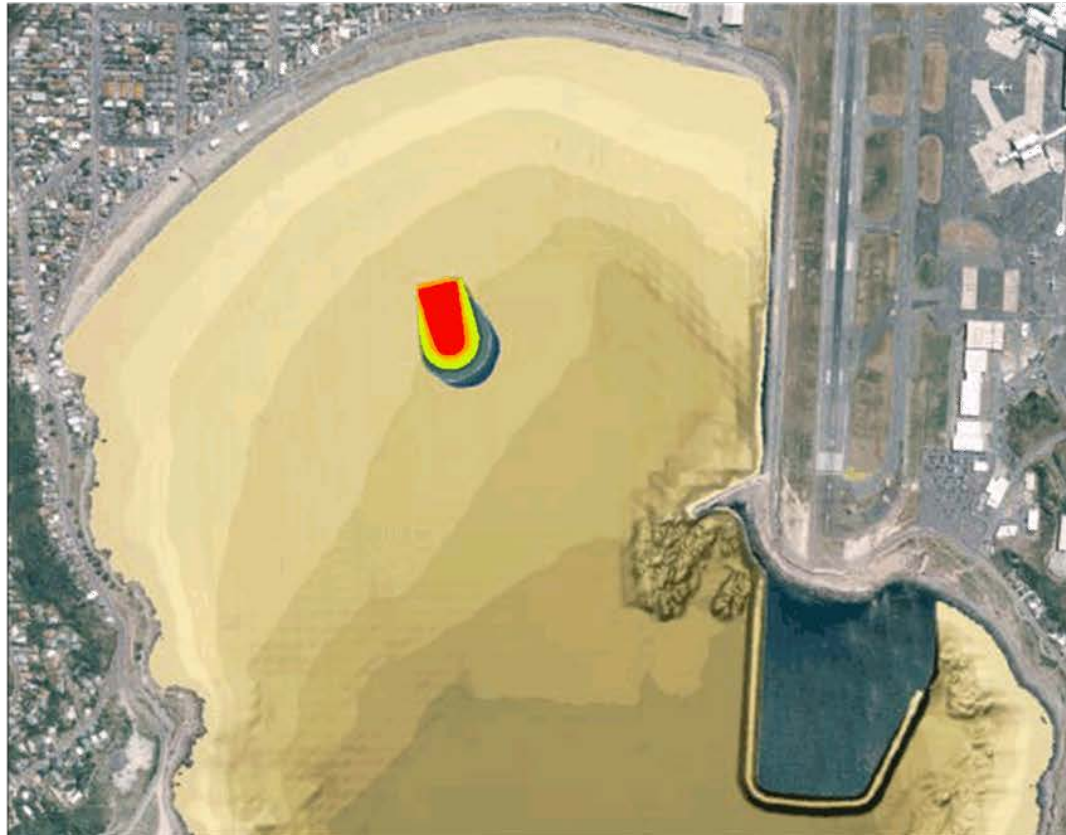
Feedback closes on Friday 12 February
visit www.connectwellington.co.nz

Economic critique



Area	NZIER	Sapere
Value of time savings	\$9.80 and based on land transport times	<ul style="list-style-type: none"> Air travel time value is considerably higher CASA values of \$57.02 for non-business and \$81.03 for business travel.
Local economy	NZ would benefit more if Wellington had poor connectivity, higher travel costs and therefore spent our overseas travel \$ at home.	<ul style="list-style-type: none"> That is a trade barrier with a significant loss of welfare. Not likely that all overseas spend would translate directly into local spend. If we are to stay at home then the cost to provide those services also needs to be accounted for.
Costs of providing goods and services to international tourist	The economic benefit had not deducted labour and fixed capital costs and the value of an international tourist is less.	<ul style="list-style-type: none"> The economic benefit used is already more conservative than MBIE guidelines, which are set to provide a consistent and standardised measure across all funding cases.
Chinese GDP growth	Based on OECD forecasts China's GDP won't grow that high so therefore the passenger forecasts should be lower.	<ul style="list-style-type: none"> OECD forecasts are the lowest. InterVISTAS have taken an average from OECD, World Bank, IMF, IHI Global Insights, Oxford Total market projections are an average annual rate of 2.4% which is very close to the airport's historical growth rate

Inshore effects from wave structure + sea level rise



Completing an assessment of the inshore effects of the wave Focusing structure

Sea level rise has been assessed by NIWA and at 9m high the runway will be resilient from predicted rises

Fuel emissions



IATA has adopted a set of ambitious targets to mitigate CO2 emissions from air transport:

- An average improvement in fuel efficiency of 1.5% per year from 2009 to 2020
- A cap on net aviation CO2 emissions from 2020 (carbon-neutral growth)
- A reduction in net aviation CO2 emissions of 50% by 2050, relative to 2005 levels

- Efficient aircraft operations, Improved technology and introducing sustainable low-carbon fuels
- Infrastructure improvements, modernized air traffic management systems
- A single global market-based measure, to fill the remaining emissions gap

A direct WLG to SIN service will eliminate fuel burn by:

~3% for aircraft the currently fly via Sydney

~9% for aircraft that fly via Auckland or Christchurch



Construction transport



Worst case 220 trucks a day for a 40 week period.

Average truck movements over the 3.5 year construction are approximately 120 per week (low of 20, high of 220).

Roads have 1400-1800 car capacity per lane per hour.





**Correct Q2 WREDA tables to replace those on pages 18 to 21 of the
Economics Growth and Arts Committee agenda for Tuesday, 15 March 2016**

WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY							
ACTIVITY SUMMARY							
General							
<ul style="list-style-type: none"> • First steps in completing the new structure completed with the Tier 2 management structure finalised following staff consultation. The new roles have been advertised , interviews will occur in early March • A preferred site to house the whole of WREDA has been identified. • Donesafe, a Health and Safety system is being installed across WREDA • 							
Events							
<ul style="list-style-type: none"> • 115,951 tickets sold, 131 performances, 154,312 attendees, 22% of the attendees came from outside the region • 165 conferences and events held, an 8% decrease on last year • 22 multi day conferences, a 23% increase on the previous year • Market share by delegate days steady at 17% 							
Economic Development							
<ul style="list-style-type: none"> • A consortium including WREDA has been formed to implement the international student attraction program, the target is to double the number of international students by 2025 • Wellington hosted the 10th AnimFX conference for animation in November • NZ Trade and Enterprise has appointed WREDA as the Regional Business Partner for Wellington, objective is to grow businesses in Wellington • Lighting Lab Manufacturing held the first iteration of its demo day • Seven businesses presented investment pitches to 50+ investors • Hosted large consumer retailer re food and beverages in the region. 							
Tourism and Marketing							
<ul style="list-style-type: none"> • From a tourism perspective direct arrivals from Australia achieved double-digit growth, domestic guest nights were up 19% as a result of new services • Marketing work continued to support a number of exhibitions and events in the City • Wellington hosted the Helloworld conference, over 400 Australian travel agency managers • Supported marketing for major events such as WOW • Trained 82 Indian travel agents • 77 Cruise ships have or will visit Wellington, 3 down on the previous year but the trend is for bigger ships 							
SUMMARY FINANCIALS (\$,000)							
FINANCIAL PERFORMANCE	Q2 Actual	Q2 Budget	Variance	YTD Actual	YTD Budget	Variance	FYE
Total Revenue	6,126	5,734	392	12,186	11,644	542	26,733
Operating Expenses	6,018	5,568	450	11,758	11,442	316	26,633
Net Surplus	108	166	(58)	428	202	226	100
FINANCIAL POSITION							
Total Assets	3,787	4,046	(259)	3,787	4,046	(259)	3,629
Total Liabilities	1,940	2,272	(332)	1,940	2,272	(332)	2,238
Equity	1,847	1,773	(74)	1,848	1,773	75	1,391
CASH FLOWS	Q2 Actual	Q2 Budget	Variance	YTD Actual	YTD Budget	Variance	FYE
Cash Flow in	5,671	4,793	878	13,032	12,813	219	25,213
Cash Flow out	6,593	5,868	725	13,078	13,060	18	23,787
Closing Cash	631	870	(239)	1,507	1,680	(173)	1,435

The major variances and matters of interest of the financial statements of WREDA are

- Revenue is up on budget due to unbudgeted revenue for Creative HQ conferences and programmes, increased partner income in Tourism partly offset by lower Destination Wellington drawdowns
- Overall, expenses are ahead of budget due to higher travel costs for CHQ conference (covered by increased revenue, the timing of marketing expenditure partly offset by the phasing of economic development expenditure re the drawdown of Destination Wellington drawdowns.
- The above budget surplus is largely a result of timing
- WREDA's balance sheet has cash on hand of \$1.5 m.
- The Venues Project made a surplus of \$73k compared with a surplus of \$427k budget. The main contributors to this are a higher portion of lower margin business and the timing of some expenditure.
- Due to an improved second six months performance Venues Project forecast to year end is expected to be \$27k ahead of budget.

KEY PERFORMANCE INDICATORS

MEASURE		6mths to 31 Dec15	Comments
Direct spend and attendance at Major Events	<i>Annual Target</i>	n/a	Major Events has not yet transferred
	Actual	n/a	
Utilisation rate Venues	<i>Annual Target</i>	56%	Utilisation rate is a stretch target, expect to get closer to the target by year end, the forecast is 53%
	Actual	47%	
Maintain convention market share	<i>Annual Target</i>	16%	Budget is expected to be achieved
	Actual	17%	
Australian arrivals	<i>Annual Target</i>	2%	The actual results reflects the new Jetstar services re Gold Coast and Melbourne which were not fully in place for the equivalent period last year
	Actual	19%	
Increase in commercial guest nights	<i>Annual Target</i>	4%	Whilst reported international visitor nights are down total visitor nights have increased by 5%. The spend by international visitors shows a 17% increase.
	Actual	(4%)	
Increase spend overseas visitors	<i>Annual Target</i>	4%	Higher visitor spend partly as a result of the new Jetstar services
	Actual	20%	
Number of visitors to WellingtonNZ website	<i>Annual Target</i>	10%	
	Actual	19%	
The value of shareholdings in third party held by WREDA in return for providing services will exceed	<i>Annual Target</i>	\$0.9m	Next valuation is in April 2016, the target is expected to be achieved
	Actual	n/a	
Screen production to Wellington (economic value to the Wellington Region)	<i>Annual Target</i>	\$20m	
	Actual	\$73m	
WREDA is a single integrated organisation by 30 June 2016			On track
Increase in the number of jobs in the region	<i>Annual Target</i>	2,000	
	Actual	800	

KPI COMMENTARY


WREDA has met or exceeded the majority of its KPIs for the six months ending 31 Dec 2015. Apart from the Venues utilisation rate, all KPIs are expected to be met by year end. At this stage Major Events has not transferred to WREDA.

OUTLOOK

Key activities and issues anticipated in the next quarter include:

- New organisational structure in place for WREDA
- Single location for the whole of WREDA
- Progress the transfer of Major Events

15/03/2016



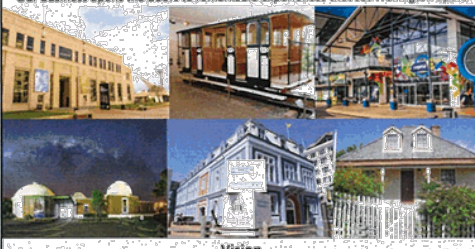
**experience
Wellington**
wellington museums trust

Presentation to the Economic Growth and Arts Committee

15 March 2016
10am

Wellington Partner
**Absolutely Positively
Wellington City Council**
Me Heke Ki Pōneke

Purpose
Our business opens the doors to remarkable experiences that set Wellington apart.



Vision
Excellent Experiences that Wellingtonians proudly share with the world

experience
Wellington



Visitation

Source: Capital E National Arts Festival for Children
2015 and 2016
Wellington Museums Trust

- 10% more visitors at the end of February 2016 (491,763) compared to February 2015 (445,211).
- Overall an 8% growth in visitation at Wellington Museum to 29 February.

experience
Wellington



Experience Planning

- Cindy Slierman opening November 2016
- 2017 Capital E National Arts Festival for Children

experience
Wellington

15/03/2016



Wellington Wage

- Wellington Wage implemented, benefiting 80 employees.


Credit: City Gallery Wellington Staff working at a Taster Open Day




Financial Performance

- Sound financial performance.
- Space Place budget position is being closely managed.


Credit: City and Council of Greater Wellington Research Institute Case Study

Developments

- Restore the "grand entry" to one of Wellington's and Civic Square's iconic heritage buildings.

Credit: Strategic Economic Development Ltd




Developments

- Completing the Wellington Museum Development is good for Wellington's Economy.
- Wellington Museum Level 2

Credit: The Wellington Museum





existing entrance _ exterior view

SK150826:

architects
architects
48 New Street
Wellington
0647 5418
0647 5418
0647 5418

city gallery entrance project
civic square
wellington



proposed option A_exterior view

SK1508261

date
draft
August 2015
15/06/15

architectural +
interior design
100, The Quadrant
Wellington
04 488 8888
04 488 8888
04 488 8888

city gallery entrance project
civic square
wellington



proposed long view hancock to front door

sk-150826

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city gallery entrance project
civic square
wellington

Toi Pōneke

*“It is a great asset to the cultural and creative capital and the envy of other cities!
Most of all, the collaboration of WCC and so many artists and arts organisations
provides economies of scale with sharing of core infrastructure of the building and
associated facilities, and well as an enriching environment” - SOUNZ.*

What did people tell us

Positive findings

- Plays a valuable role in the arts sector
- provides space for artists to work and rehearse
- **Facilitated collaboration**
- **Incubation and development functions valued**

Areas for improvement noted included:

- Arts information not typically accessed here
- **Building not purpose built for arts**
- **More opportunities could be developed to facilitate networking and communications with external organisations, public and funders**
- Has not helped the majority of respondents generate more income

What did people tell us

Going forward:

- Increase awareness of the Centre and online platforms
- Look at reconfiguring the space
- Strategically recruit tenants
- Facilitate further collaboration
- Strengthen links to the wider artistic community

Next Steps

- **Activation Programme**
 - Strengthen links to the wider artistic community
 - Build awareness
 - Participation and collaboration
 - Professional development
- **Evaluation framework**
- **The location**
 - Next lease renewal in 2020
 - Flexibility
 - Exhibition spaces – film, new technologies
 - Opportunity to look at the business model/strategy

“Since this first show I've been able to apply my new skills to help write better proposals and organise new shows. I'm thankful that places like Toi Pōneke are there to help emerging artists develop”.

Johnson Witehira



