

Quarterly Report

Q1: July to September 2022

WellingtonNZ

CREATING A THRIVING

Wellington Region

About this report

This report includes selected highlights of WellingtonNZ's activity and results across the last quarter. It does not capture all activity. Reported activity aligns to our strategic framework below.

Our strategy	MISSION Creating a thriving Wellington region for all		
	MORE Businesses succeeding & employing more people	MORE Locals & visitors participating in events & experiences	MORE Collaboration & investment across the region
	JOBS FOR THE FUTURE	PLACEMAKING	COLLABORATION & ENGAGEMENT
	Support businesses to grow, innovate & meet future workforce needs.	Enhance Wellington's reputation as New Zealand's creative heart	Work in partnership to support investment in the region to unlock opportunities
Our Rocks 'guiding priorities'	Technology To drive job growth & build scale in the Tech sector in Wellington (incl Screen, Gaming, Digital, SAS, Advanced Manufacturing)		
	Events & Tākina Enrich the lives of our people & attract visitors to the region		
	Tourists Promoting our region, telling our stories, & developing new attractions to draw visitors & enhance our economy & brand		
	Talent Strengthening resilient businesses & attracting people & companies to live & invest in Wellington		
	The Regional Economic Development Plan Driving the delivery of the REDP		
	Māori & Pacific (<i>Focus across all work</i>) Working with mana whenua to increase their wellbeing & create employment opportunities for Māori & Pacific peoples		

How our region is performing



75,319

GDP per person, YE March 2021*

*later figures not available yet

76,052

YE March 20

72,052

YE March 19



72%

Hotel Occupancy Aug 22

72%

July 22

Staff shortages have hoteliers reporting that this level of occupancy is peak for what they can currently cope with.



3.1%

Unemployment Rate March 22 (NZ 3.4%)

4.5%

March 2021

3.7%

March 2020



33.2%

Growth in Consumer Expenditure for 4 weeks ended 4 September 22 versus 2021.

Akld

41.9%

Canterbury

35.7%

Lockdown in Aug 2021 has skewed these figures

WellingtonNZ Performance Highlights



\$16.47 m

Direct Economic Impact of WellingtonNZ's activities and interventions

YTD Sep 2022 (July-Sept 22)

\$15 m

YTD Sep 2021

Note: 22 has a data lag for some impact measures



618

Different Wellington Regional Businesses engaged with YTD Sep 2022 (July – Sept 21) across WellingtonNZ's interventions

481

YTD Sep 2021



\$5.3 m

The value of business events secured

YTD Sep 2022 (July-Sept 22)

\$1.7 mil

YTD Sep 2021



\$1m

Capability and R&D funding YTD Sep 2022 (July – Sept 22) Via Mbie/Callaghan Innovation

\$1.1 mil

YTD Sep 2021

Only in Wellington

Opportunity

To showcase Wellington as a great place to live, work, invest, and thrive.

Featuring a diverse selection of business talent, the nationwide campaign celebrates Wellington as a place of a special magic. Illustrating "the Wellington effect" through video and written content, media, social and PR, the campaign centered on locating stories of success across the city, and then brought these stories further into public consciousness by casting bronze pigeons to anchor the talent stories to their special locations.

Outcome

With all 10x pigeons in [place](#) and completed campaign video views of over 1.9 million, Only in Wellington has been a massive success amongst the public and with our stakeholders.

With total numbers still to be counted, impressions are beyond 13 million, with over 23,000 WellingtonNZ.com page views 23k (an average time on site at 1:41) and media coverage including the front cover of the weekend Dominion Post, as well as pickup with NZ Herald and marketing industry leader Stop Press.

Campaign research undertaken by Angus & Associates indicates the work met its objectives of shifting perception of Wellington as a place to work, with 67% of the survey sample agreeing the video makes Wellington more appealing. Messaging people took from the work include "Wellington is a place that incubates big ideas" and "Wellington is a place where you can make your dreams a reality".

The campaign has appeared across a wide range of contextual platforms to reach target audiences — with tailored content and messaging running on TradeMe Jobs to Air NZ inflight entertainment, TV on Demand and beyond.

There is more to come with Only in Wellington as we continue to focus on attracting talent to Wellington and supporting our placemaking goals.

PLACEMAKING



Australian Visitor Attraction

Opportunity

To leverage TNZ activity in the Australian market by partnering with leading lifestyle publisher Broadsheet on a range of written and video content features promoting Wellington.

To target a young, travel-hungry and affluent audience located on Australia's east coast, using Wellington's wealth of food & drink, culture, and nature as key selling points, driving awareness and consideration for short visits here.

Outcome

Far exceeding all KPIs, the content series over-delivered on reach, and indicated to us a primed audience with a strong appetite for what Wellington has to offer (and for more travel content).

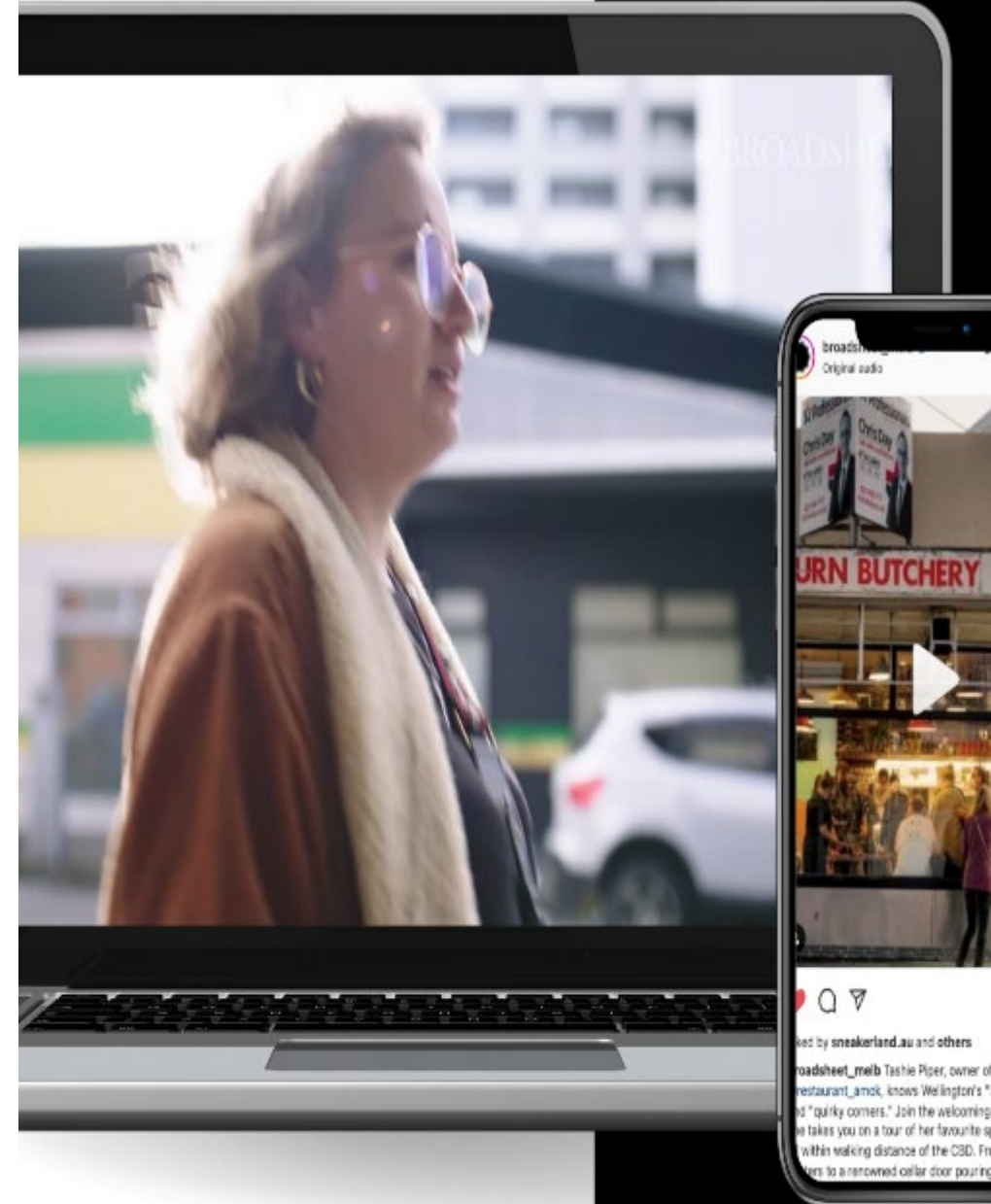
Reaching over 1.6m Australians through a number of editorial features, over 60+ social posts had a total social reach of 925k alone (85% above the KPI of 500,000) - with over 25k engagements across Facebook and Instagram.

A Guide to Martinborough was the star of the show, drawing in over 6.5k engagements on Facebook, while a video of Tashie Piper's (owner of restaurant AMOK) *Guide to Wellington* amassed more than 105,000 views (163% above the KPI of 40,000 views).

Total media value of the campaign came to AUD\$308,000 (3x our original investment).

Further to Broadsheet, a new marketing partnership with Qantas has been created targeting over 900k engaged frequent flyers with content to showcase all the Wellington region has to offer.

PLACEMAKING



Return of Major Events

Opportunity

After the lifting of Covid-19 restrictions, a strong Major Events programme has been established for the 2022/23 FY.

The Major Events team has worked closely with event proponents with the aim to return the major events programme to pre-covid levels. This will see the return of events that have been impacted by Covid-19 restrictions, along with addition of new events that will deliver economic, social and branding benefits to Wellington as we reposition Wellington as a major player in the events industry.

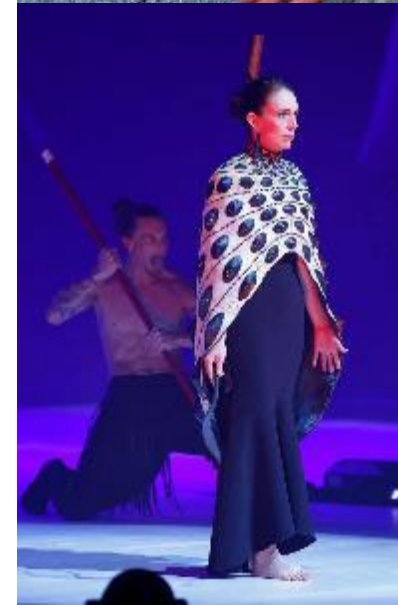
Outcome

In the first quarter of the FY, WellingtonNZ supported events included the All Blacks vs Ireland in July, Wellington on a Plate (WOAP), Beervana in August, and in September we welcomed the return of the World of WearableArt (WOW) for the first time since 2019. WellingtonNZ also partnered with Tāme Iti as he presented I will not Speak Māori on the Wellington Waterfront to mark the 50th Anniversary of Te Petihana Reo Māori.

Results

- All Blacks vs Ireland had a sold out attendance of over 36,000, with 35% coming from outside the region
- 14,700 attended Beervana with 45% of attendees came from outside of the Wellington region
- At the time of reporting the WOW season was still in progress, but had sold out the season with an approx total audience of 60,000 with 65% coming from outside the Wellington region

PLACEMAKING



Venues Wellington

Opportunity

After the lifting of Covid-19 restrictions, a strong programme of both business and performance events has been established for the 2022/23 FY, which has been enhanced with the reopening of the St James Theatre. There was particular pressure to deliver in Q1, as many postponed and rescheduled events were held, along with a full programme in the newly reopened St James Theatre and a host of other events across all of our venues as the events industry burst back into life.

Outcome

In the first quarter of the FY, Venues Wellington hosted 38 business events, including Kiwicon (2000 pax), Festival of the Future (1150 pax) and the NZ Hi-tech Awards (1040 pax). We also hosted 109 performance events, including the St James hosting the RNZB season of Cinderella, Wellington Opera's La Traviata and the season of Les Miserables which was attended by over 23,800, along with a host of other events right across the venues including the 75th anniversary concert of the NZSO, a season of Girl from the North Country in the Opera House, 10,000 attendees at Artsplash, sold-out Midnight Oil and Best Foods Comedy Gala gigs at the MFC and the Saints season at the TSB Arena.

Results

109 Performance events

Total performance event attendees: 126,142

38 Business events

Total business events attendees: 20,781

PLACEMAKING



Creative HQ Activity

Pre-incubation

A new programme for early stage founders that includes online microcredentials, in-person and online startup sessions, and 1:1 coaching sessions. This programme was announced in October and is proving popular with 500+ founders signed up to complete the startup sessions alone.

Govtech accelerator

Part funded by WNZ. 2022 is the 5th year anniversary of the GovTech Accelerator. This year we are running a new collaborative model with 5 Startups and 4 NGOs alongside 5 Govt teams. The programme ends with a Showcase event at Parliament on Dec 7th.

Wellington Innovation Hack

The WIH Programme, with 20 Gen Z innovators concluded with a showcase event at Creative HQ in July. Mayor Andy Foster was in attendance for this. Participating businesses included: Wellington On A Plate, Zealandia, Datacom and Kiwibank. The ideas were all well-received and many of them have been implemented.

School of Innovation Certificates with te Wānanga o Raukawa

We recently completed our three SOI certificates in Applied Innovation (15), Innovation Delivery (10) & Online Delivery (17) with 42 participants from Te Wānanga o Raukawa, in Otāki. The feedback has been excellent, and we are looking forward to an ongoing partnership to help them build out entrepreneurship programmes.

JOBS FOR THE FUTURE



Business Growth

Opportunity

We have a co-ordinated suite of high value programmes and services to help businesses increase their capability and develop their innovation potential. This will help them to grow revenue and employee bases, attract investment for growth, and expand their export value, so we can grow our region's prosperity for the benefit of all.

Outcome

In Quarter 1, the Business Growth Team:

- Received 146 Enquiries from businesses
- Provided \$145k in Management Capability funding to businesses
- Approved \$873k of R&D funding to businesses. Allowing multiple students to go into 32 of our brightest innovation companies in Wellington.
- Initiated the approval of 37 Experience grants & 5 Career grants supporting many students into business.

Results

Feedback from businesses is very positive. For example, Solve Data is a start-up business which has grown from 3 FTE in 2019 to 26 FTE in 2022.

"WNZ has been fantastic to deal with. Super helpful, providing advice, information, feedback, introductions etc. They made introductions to tax specialists at KPMG, other experts within Callaghan in Auckland and Wellington, and other professionals who were able to help." Guy Horrocks – Solve Data Limited

JOBS FOR THE FUTURE



Regional Economic Development Plan

Opportunity

The Wellington Regional Economic Development Plan was launched in August 2022. It aims to provide a united long-term direction and help the region to prioritise, fund and deliver high impact economic initiatives to:

1. Create some of the 100,000 new decent jobs needed in the region over the next 30 years
2. Improve the quality of life of residents – in alignment with government’s PRISM framework.

Approach

- The plan was developed by WellingtonNZ on behalf of the Wellington Regional Leadership Committee (WRLC) made up of Mayors, iwi leaders, Govt Ministers and Independent chair.
- It represents over twelve months of conversations and mahi across our region including business groups, Māori ED representatives and networks, iwi, and 10 councils.
- The plan aligns with and supports the outcomes of WCC’s Economic Wellbeing Strategy.
- WellingtonNZ will oversee implementation of the plan.

Results

There are 33 Initiatives within the plan – some are already making an impact, including through:

- Six students accepting roles through the new Summer of Engineering pilot programme to date.
- A Screen Steering Group has been established to improve coordination, attract productions and a promotional showreel is in development for release in November 2022.
- A social procurement forum led by Te Matarau a Māui to bring Māori businesses together with local & central government to build capability and promote opportunities is scheduled for 11 November in Lower Hutt.

COLLABORATION & ENGAGEMENT



What's coming up

JOBS FOR THE FUTURE

Support businesses to grow, innovate and meet future workforce needs

- Creative HQ's Govtech accelerator will conclude with a Showcase in November
- Sustainable Tourism second intake of regional operators underway and programme has been extended into several other regions of New Zealand.
- Summer of Tech and new Engineering internship placements.
- STEM Mentorship programme in partnership with Ngāti Toa and Victoria University.
- Wairarapa Healthcare worker EOI advert in the Canadian Health Journal to find healthcare workers and ensure there is wrap around support.

PLACEMAKING

Enhance Wellington's reputation as New Zealand's creative heart

- A visitor attraction campaign targeting summer travel (Oct-Nov)
- Advent Calendar campaign, this year with a print and national extension from digital (Nov/Dec)
- Regional Trails campaign and conversion activity for summer (Nov)
- National Wine Trail promotion in Australia (Oct)
- FIFA 2023 Women's World Cup Draw activity (Oct)
- Ongoing Major Events programme & promotion, including the conclusion of WOW, SIX60, Guns n' Roses.
- Busy performance, community and business event programme across the Venues Wellington portfolio.
- Updated Wellington (waterfront) sign look for summer
- 102 cruise ships expected 22/23 season, up to 185k passengers and a welcome boost to vibrancy and spend into Wellington CBD

COLLABORATION & ENGAGEMENT

Working in partnership to support investment in the region to unlock opportunities

- The implementation of the new Wellington Regional Economic Development Plan is underway
- The implementation of the new Wairarapa Economic Development Strategy and Action Plan
- The umbrella Regional Destination Development Plan is in Final Draft pending a review meeting with regional iwi and stakeholders
- Delivery of Wellington Region Screen Sector Strategy including a regional Showreel to attract investment and productions.

WellingtonNZ Service Performance – Q1 YTD Sep 2022

Key performance indicators

Indirect Measures

- 6** KPIs on track
- 0** KPIs at risk
- 0** KPI will not be met
- 5** KPIs data not yet available/annual



Key performance indicators

Direct Measures

- 6** KPIs on track
- 0** KPIs at risk
- 0** KPI will not be met
- 3** KPIs data not available/annual



Financials

Shareholder vs Non-Shareholder Revenue



- Non-Shareholder 36%
- Shareholders 64%

Includes WellingtonNZ and CHQ

Indirect Measures of Impact

	YTD	Target 2022/23
International Arrivals through Wellington Airport – International (1)	Data not yet available	100,000
International Arrivals through Wellington Airport – Australian (2)	Data not yet available	120,000
Visitors Spend - Domestic (3)	\$174.6m	\$900 Million
Visitors Spend – Other (4)	\$28.2m	\$180 Million
Total Visitors Nights to Wellington Region (5)	Data not yet available	2,400,000
Share of Multi-Day Conferences reported in Wellington Region (6)	Data not yet available	22%
Population Growth due to Migration to Wellington Region (7)	Annual	2,500
Wellington Region GDP (8)	4.8%	2.5%
Number of Filled Jobs in Wellington (9)	257,005	270,000
Number on Jobseeker Support benefit – Work Ready (10)	10,701	11,500
Mean Annual Earnings of people in employment in Wellington Region – Total (11)	75,319	\$76,169

Comments on indirect measures

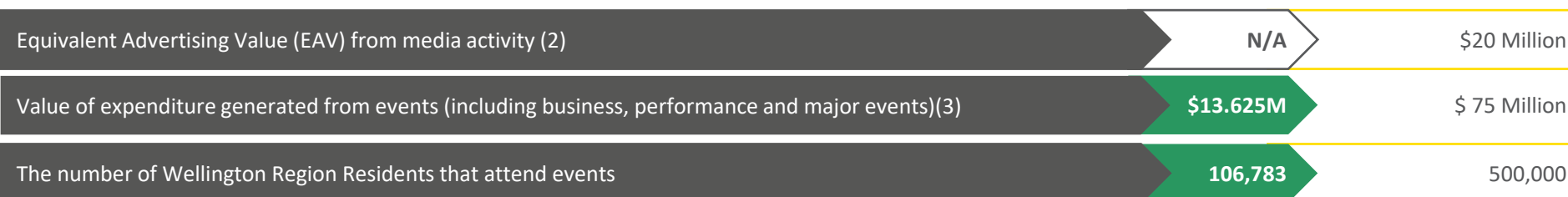
1. Target set as at 1 March 2021 with changing border restrictions
2. Target set as at 1 March 2022 with changing border restrictions
3. Data available for July and August only, data lag
4. Data available for July and August only, data lag
8. Latest data as at June 2022 for City only
9. Latest data as at March 22
10. Latest data as at March 22

WellingtonNZ Service Performance – YTD Sep 2022

WellingtonNZ is delivering direct value/ROI on our shareholders investment



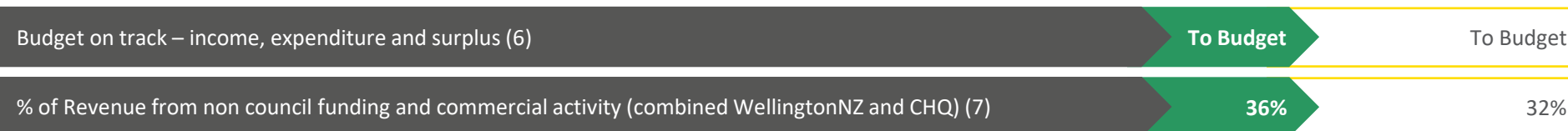
WellingtonNZ is shaping and amplifying the regional destination/brand story



WellingtonNZ is supporting businesses to upskill and grow



Internal – Financial Health



Internal – Employee Health



Internal – Stakeholder Relation Health



Comments on measures

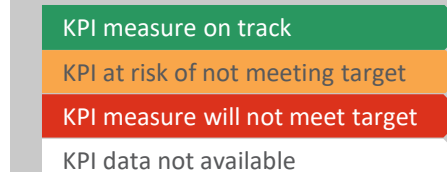
1. Estimate with available data only. Data lag, updated later

2. EAV will be available in Q2. Reporting has changed and only available 6 monthly now.

3. Timing of reporting by events lags behind quarterly reporting, not all events held in Q1 are included in this figure, which will be updated at later date

Annual – results available end of year

Traffic Light Key



WellingtonNZ Statement of Financial Performance

For the 3 months ended 30 September 2022, including Creative HQ but excluding the Venues Project

STATEMENT OF FINANCIAL PERFORMANCE	YTD Actual 30-Sep-22	YTD Budget 30-Sep-22	Variance YTD	FY Budget 30-Jun-23
Revenue				
Event revenue	0	0	0	0
Shareholder grants	5,200,630	6,416,023	(1,215,393)	27,932,412
Central Government grants	597,346	979,829	(382,484)	4,714,180
Partner revenue	1,209,546	1,106,826	102,720	2,537,755
Commercial/Service	844,668	1,889,871	(1,045,203)	5,734,073
Sub lease and carpark revenue	0	0	0	0
Interest income	52,581	16,850	35,731	67,400
Other income	55,806	199,670	(143,864)	648,679
Total Revenue	7,960,578	10,609,070	(2,648,492)	41,634,499
Total Direct Costs	0	0	0	0
Operating Expenses (overheads)				
Salaries and wages	3,794,218	4,083,880	289,662	18,970,857
Other employment costs	99,568	118,600	19,032	432,270
Occupancy costs	186,880	212,981	26,100	754,119
Marketing & activity expenses	3,230,451	4,326,675	1,096,224	18,993,871
Utilities	6,662	7,220	558	28,280
IT and communications	143,386	190,094	46,708	655,774
Insurance	0	0	0	500
Administration costs	59,503	52,920	(6,583)	217,788
Vehicle expenses	11,032	12,158	1,126	48,631
Travel costs	44,392	191,610	147,218	490,810
Professional fees	31,744	74,787	43,042	397,750
Director fees	82,917	95,888	12,971	383,552
Other operating expenses	(1,174)	24,417	25,591	85,647
Total Operating Expenditure	7,689,579	9,391,229	1,701,650	41,459,849
Total Expenditure	7,689,579	9,391,229	1,701,650	41,459,849
Net Surplus/(Deficit) before Depreciation and Tax	270,999	1,217,841	(946,842)	174,651
Interest expense	4,375	3,104	(1,271)	10,795
Depreciation	72,125	66,391	(5,735)	351,516
Movement in investment valuation	0	0	0	0
Taxation expense	0	16,110	16,110	53,698
Net Surplus/(Deficit)	194,499	1,132,236	(937,737)	(241,358)

This is the first quarter in two years that the financial results have not been impacted by the Covid-19 restrictions.

Shareholder and Central Government grants' revenue are under budget due to a slower release of Major Event and Regional Event funding than anticipated in budget (timing only) and due to lower management fee from Venues. *Reminder: Venue's revenue and all other costs are recorded in WCC accounts. We receive a management fee equivalent to the salaries and wages within Venues.*

Commercial/Service revenue is below budget due to timings and delays in starting projects within CHQ, so the revenue is held on the Balance Sheet in income in advance. Also, within this revenue category is iSite revenue. It is below budget, but sales are increasing as visitors return to Wellington and also commissions from event ticket sales. Visitor numbers are expected to increase as we head into the Summer season. The first cruise ship to visit Wellington since 2020, docks on 25 October.

There has been lower spending on marketing and activities, but this is just timing as campaigns come online. Major and Regional Event Funds have been spent on Event sponsorship and attraction for past, current and future events such as Visa Wellington on a Plate, Beervana, Tame Iti, WOW, Jazz Festival, FIFA WWC 2023, Greytown Christmas festival and Toast Martinborough.

No concerns with operating expenditure YTD, although inflationary pressure is occurring in some areas of this expenditure.

WellingtonNZ Statement of Financial Position

As at 30 September 2022, including Creative HQ and excluding Venues Project

The organisation's cash balance is as expected for this time of year where funding is received in the first quarter but is not necessarily spent within the same period (timing). These cash holdings are reflected within income in advance, which is shown in our other current liabilities line. This includes Central Government recovery funds (to fund Regional events and Tourism recovery) and other non-shareholder revenue in advance. This expenditure, and therefore revenue, will be spread over several accounting periods. Other income in advance relates to our major events expenditure and acquisition funds.

Accounts payable and other current assets are consistent with expectations at this time of the year.

The organisation has sufficient funds to meet all liabilities as due. There are no issues with debt control.

STATEMENT OF FINANCIAL POSITION	As at 30-Sep-22	As at 30-Jun-22
Shareholders Equity		
Paid up capital		
Retained earnings	4,130,551	3,936,052
Total Shareholder/Trust Funds	4,130,551	3,936,052
Current Assets		
Cash and cash equivalents	9,109,619	7,016,445
Other current assets	2,820,927	3,086,977
Total Current Assets	11,930,545	10,103,422
Investments	1,879,471	1,879,471
Non-current Assets		
Fixed assets	734,530	738,967
Other non-current assets	0	43,572
Total Non-current Assets	734,530	782,539
Total Assets	14,544,547	12,765,432
Current Liabilities		
Accounts payable	595,428	1,733,695
Other current liabilities	9,818,567	7,095,685
Total Current Liabilities	10,413,995	8,829,380
Non-current Liabilities	0	0
Total Liabilities	10,413,995	8,829,380
Net Assets	4,130,551	3,936,052