
ECONOMIC GROWTH AND ARTS: BACKGROUND AND CONTEXT

1. Purpose of report

This report provides background information for the Economic Growth and Arts Committee.

2. Recommendations

Officers recommend that the Economic Growth and Arts Committee:

- 1. Receive the information.*
- 2. Note that a detailed work programme will be provided to the Committee in February 2014.*

3. Background information

The challenges facing Wellington's economy and its status as the arts and events capital of New Zealand have been well documented in recent years. The city still ranks well as a liveable city¹, but in recent times, economic activity in Wellington has been relatively flat². As the capital city, and home to a large pool of government employees, Wellington was somewhat insulated from the global financial crisis. However, the dependence on government that protected us through the down-times has prevented us from experiencing the recent upswing in economic activity that other cities in New Zealand have enjoyed.

If we want to sustain our top quality of life, we need to be proactive to lift the city's performance. This paper provides background information on the areas of economic growth, arts and culture and events.

The Arts and Cultural Capital

Wellington is a creative city that welcomes and promotes participation, experimentation and collaboration in the arts. Wellington has many arts organisations, arts practitioners, volunteers, audience members, funders/supporters, and industries such as film and media, who collectively make our arts scene creative and vibrant.

Wellington is critical to arts in New Zealand, as it is home to institutions that provide leadership, foster talent, and set the standard to the sector.

¹ Quality of Life Survey 2012

² GDP GROWTH 2009-2013 (March years) Source: Stats NZ

Wellington has a thriving digital economy which supports new and emerging art forms. It is the home for many independent artists from across New Zealand and is often the place where young New Zealand artists transition from tertiary study to professional careers.

To maintain our status we cannot be complacent. Other cities are investing heavily in the arts, while funding from Creative New Zealand has moved away from Wellington.

	Creative New Zealand \$ Funding 2011/12	Funding Change 2009/10 – 2011/12	Change
Total	37,027,778	+ \$5.2 million	+16%
Auckland	10,782,630	+ \$1.04 million	+11%
Canterbury	3,936,173	+ \$1.17 million	+42%
National	7,894,192	+ \$0.6 million	+8%
Rest of NZ	8,646,218	+ 2.6 million	+42%
Wellington	5,768,565	- \$0.18 million	-3%

The Events Capital

Wellington hosts key high profile events such as the Rugby Sevens, the New Zealand Festival (formerly the International Festival of the Arts), the World of WearableArt, and major film premieres. Our events are complemented by Wellington's compact, accessible CBD and a vibrant entertainment and hospitality sector.

Major events are a key economic contributor to Wellington, attracting visitors and creating jobs. Events contribute to a sense of community belonging and a sense of place. Finally events help position the city as a creative, innovative capital attracting, inspiring and retaining talent.

As with the arts we cannot be complacent. Auckland has implemented an aggressive Major Events strategy, and whilst Wellington is well placed in the events sector, we need to continue to develop, grow, attract and retain events in order that our portfolio continues to contribute to the Wellington economy.

Wellington has a wide portfolio of events, including major sporting, arts and cultural events. It is important to recognise that a varied offering of events provides for a more sustainable programme. However Wellington is uniquely positioned to maximise the advantages of being the home of creative, cultural and artistic leaders

We need to continue to build and strengthen Wellington's reputation for great art and culture, and iconic events.

Relationship with Central Government

The Council needs to further strengthen its relationship with Central Government. Central government is a co-funder of major arts and culture initiatives, the largest tenant of office space and the largest employer within the Wellington CBD. From an economic growth perspective, Council needs to be aligned with the government's Business Growth Agenda.

3. Relevant Strategies and Policies

Over the last three years Council has agreed a series of interrelated strategies and policies to address the challenges facing the economic performance of the region. Copies of these documents have been circulated to the committee for their reference. The following table summarises these.

Economic Development Strategy (2011)	<p>The aim is attract, retain and grow investment, to create jobs and to support sustainable economic growth in Wellington.</p> <p>This strategy provides an umbrella framework for the other policies and strategies. The strategy contains four pillars: Destination Wellington, Smart Capital, Connected Capital and Open for Business. There are 40 actions, of which 24 are identified as high priority. A full overview of progress on the strategy is included in Appendix 1.</p>
Digital Strategy (2011)	<p>The Aim is to set the direction for Wellington to achieve global recognition as a creative digital capital city. The strategy has three focus areas : make Wellington the place where talent wants to live; inspire shared knowledge and development of ideas and creativity; make Wellington a world leading place for digital activity.</p>
Arts and Culture Strategy (2011)	<p>The vision is that Wellington is the place for all people to experiment with, learn about and experience New Zealand's arts and culture, especially contemporary work. There are three strategic priorities and areas of focus : enabling the best and the boldest of arts and culture; diverse experiences by diverse communities; thriving creative enterprises.</p>

Events Policy (2012)	The vision is for Wellington to be considered the events capital of New Zealand. There are nine high level goals which encompass developing, growing, attracting and retaining events
International Relationship Policy (2013)	The purpose of the Council's International Relations Policy is to enhance Wellington's reputation as an attractive city for migrants, a great place to invest and do business.

5. The 8 Big Ideas

Recently Councillors have been briefed on "the 8 Big Ideas". The goal of these projects would be to further stimulate growth and create jobs. Seven of the "8 Big Ideas" are aligned with one of the pillars in the EDS:

'Big idea'	EDS pillar
1. Film Museum	Destination Wellington
2. international air connections	Connected Capital
3. A tech precinct	Smart Capital
4. Conference and concert facilities	Destination Wellington
5. A Miramar framework	Smart Capital
6. Being open for business	Open for Business
7. Better land transport options	Connected Capital
8. Being a liveable city	

6. Priorities

The priority areas for Economic Growth and Arts fall directly within the strategies and policies mentioned above. The priorities will be highlighted in the presentations by each of the Managers in the City Growth and Partnerships Directorate.

7. Forward Programme

The overarching Economic Development Strategy has ambitious targets for growth. It is timely to review these in light of the changes that have taken place to the wider economy since the first establishment of the strategy. Whilst reviewing the overarching targets, the Committee needs to agree to a twelve-month work programme with priority projects to progress. This will be reported back in February 2014.

There will be a range of proposals for the Committee to consider. for example it will need to consider:

- The future of Toi Poneke;
- Funding requests for capital improvements for arts and culture infrastructure;
- Future BID grant funding applications;
- A way forward for the Capital Education Initiative;
- The rollover of the Destination Wellington contract with Grow Wellington from 2015/16;
- A range of CCO matters that relate to Economic Development, Events and the Arts;
- Ongoing support in economic events and a review of existing partnerships;
- The work programme for international relations;
- Options for CBD free Wifi;
- Progress on the Tech Hub.

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SUPPORTING INFORMATION

1) Strategic fit / Strategic outcome

2) LTP/Annual Plan reference and long term financial impact

There are no decisions in this report and any financial impact of projects will be considered separately

3) Treaty of Waitangi considerations

Any considerations will be considered in individual projects

4) Decision-making

Any projects will be considered separately by the Committee

5) Consultation

a) General consultation

NA

b) Consultation with Maori

NA

6) Legal implications

NA

7) Consistency with existing policy

NA

Appendix 1: Progress on the Economic Development Strategy

Pillar	High priority actions	Status at November 2013	Supporting actions	Status at November 2013
Destination Wellington	1. Ensure the city's destination marketing approach is broadened to include talent, business and investment attraction by 2012.	In Progress	7. Continue to deliver tourism promotions into key markets that promote Wellington's events, retail and visitor offerings.	In Progress
	2. Clarify the roles of NZ Trade & Enterprise and the Council in attracting and retaining business investment. Establish key market segments for targeted Inward Investment activity and identify what the Council and its partners can do to support better promotion of Wellington City to these potential investors by 2012.	In Progress	8. Continue to invest in key recreational, cultural, social and visitor attractions.	In Progress
	3. Support the attraction of more international students by aligning city and tertiary education institution marketing efforts by 2012 with the objective of achieving a 2% increase in the number of foreign fee-paying students by 2015	In Progress	9. Better align destination marketing with the city's events, digital and arts and culture strategies to maximise their impact by 2012.	In Progress
	4. Assess the adequacy and future needs of city amenities that attract talent investment by 2012	In Progress		
	5. Refresh the Council's Events Strategy in light of this Economic Development Strategy in 2012.	Complete		
	6. Develop art and exhibits to visually express Wellington's digital strengths, and support the city's smart capital image, working together with industry partners starting in 2012.	In Progress		

Pillar	High priority actions	Status at November 2013	Supporting actions	Status at November 2013
The Smart Capital	10. Develop "smart" infrastructure to support Wellington's creative, knowledge-intensive economy.	In Progress	17. Continue to support incubator programmes such as Creative HQ.	In Progress
	11. Explore opportunities for supporting professional services firms to sell more services internationally (in particular IT firms and firms with experience in the provision of services to public sector organisations).	Not started	18. Implement key digital strategy initiatives and investigate how these will apply to broader knowledge sectors in the Wellington region by 2015.	In Progress
	12. Work with Grow Wellington to further exploit the region's centres of excellence by 2013.	In Progress		
	13. Build on existing world-leading digital businesses, and the recently created Masters in Digital Technology at Victoria University, to develop Wellington as the Australasian centre for education skills and research into digital effects and related areas by 2013.	Not started		
	14. Work with local education sector partners to find ways of better connecting international students with businesses, with the aim of retaining more talent in the city by 2012.	In Progress		
	15. Work with relevant central government and sector organisations, educational institutions and the local business community to ensure better transition for youth from education to employment.	In Progress		
	16. Explore the creation of a capital markets forum in 2012 to better connect Wellington's financial institutions (such as NZX, merchant banks, venture capitalists) with the needs and opportunities in high-growth Wellington firms.	Not started		

APPENDIX 1

Pillar	High priority actions	Status at November 2013	Supporting actions	Status at November 2013
The Connected Capital	19. Put in place a Long Haul Attraction Fund in order to secure direct flights from Wellington to Asia by 2013.	In Progress	24. Work with networks, such as Kiwi Expats Abroad (KEA) to connect to Wellington's expat communities.	In Progress
	20. Continue to advocate for the implementation of the Ngauranga to Wellington Airport Corridor Plan.	In Progress	25. Investigate the creation of a Wellington Alumni, a network of community and business leaders to help shape the strategy and act as a sounding board for the Council by 2015.	Not started
	21. Work to prepare the city for, and facilitate the roll-out of broadband fibre, working with relevant infrastructure providers.	Complete	26. Take advantage of Wellington's national institutions, embassies and consulates to better connect Wellington businesses to markets and knowledge internationally (with New Zealand Trade and Enterprise and Ministry of Foreign Affairs and Trade). Develop joint action plans for business focused activity by 2012	In Progress
	22. Monitor the success of free-to-use wifi in the CBD and explore extending the network to other parts of the city in 2012.	Complete	27. Undertake a programme of collaborative activities with the Council's international contacts (such as sister cities and other local and international networks, outbound trade missions, inbound official visits and delegations) to facilitate business and market development opportunities including supporting five business delegations on and offshore by 2015.	In Progress
	23. Consider the role for the Council in stimulating uptake of ultra-fast broadband once available, including exploring the case for a broadband infrastructure hub (such as the Cuba precinct) to provide high-speed connection for high-end digital uses.	In Progress	28. Continue to advocate for high-quality transport network infrastructure and intelligent transport systems (e.g. integrated ticketing, real time information).	In Progress

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Open for Business	29. Engage with businesses to ensure that Council services, and the way that these services are delivered, are underpinned by a "Can Do" attitude.	In Progress	37. Review the Council's procurement policies to ensure there are no undue impediments to smart, innovative firms gaining Council contracts by 2013.	In Progress
	30. Implement the Central City Framework to support the ongoing vitality of the central city.	In Progress	38. Use new and smart technologies (e.g. smart grid technologies, real-time information systems) to improve quality and efficiency of city infrastructure, amenities and natural resource use by 2015.	In Progress
	31. Further strengthen the Council's partnership with the CBD and identify the best way to work with key stakeholders that will be critical in building a closer working relationship by 2012.	In Progress	39. Make public spaces readily available for events and to showcase 'smart' innovative Wellington companies by 2012.	In Progress
	32. Engage with key corporate businesses in the city to understand their needs and how they can be retained in the city.	In Progress	40. Continue the programme of prioritised investment in core city infrastructure.	In Progress
	33. Consult business owners in suburban centres on their interest in being part of a Business Improvement District to promote local business vitality by 2012.	Complete		
	34. Explore opportunities for co-investment with Wellington iwi in projects that support the realisation of the city's economic potential, such as development of Shelly Bay by 2015.	Not started		
	35. Create a regular business issues forum to ensure the Council remains apprised of current developments in the economy, and that the business community can be better informed on key developments being undertaken by the Council, by 2012.	Not started		
	36. Build the Council's knowledge of the economy and its capacity to inform our discussions with businesses on economic opportunities for Wellington.	In Progress		