

Report 15.611
Date 1 December 2015
File CCAB-15-75

Committee Wellington Regional Strategy
Author Barry Turfrey, Wellington City Council

Wellington Regional Economic Development Agency (WREDA)

Purpose

1. To consider the first quarter 2015/16 report for WREDA.

Background

2. The first quarter 2015/16 report was sent to the WRS Committee in early November, a copy of the report is attached (refer **Attachment 1**).
3. A summary of the report and analysis is noted below.
4. The report will be presented by the Chief Executive, Chris Whelan who will also give an update on WREDA.

ACTIVITY SUMMARY

General

- The arrival of the new Chief Executive, Chris Whelan.
- Completion of WREDA's first Annual Report combining 3 separate organisations
- Single digital portal being finalised for all of WREDA

Events

- 68,693 tickets sold, 76 performances, 22% of the attendees came from outside the region
- 87 conferences and events held

Economic Development

- An estimated \$70m of economic value to the region has been brought in through Dreamworks shooting a new film, The Ghost in the Shell, in and around Wellington.
- Result 9 Accelerator for Government Services has been well received
- Working with local education providers to have a combined approach to attracting international students to Wellington

Tourism and Marketing

- From a tourism perspective direct arrivals from Australia achieved double-digit growth, domestic guest nights were up 11% as a result of new services
- Marketing work continued to support a number of exhibitions and events in the City

SUMMARY FINANCIALS \$ Thousands

| FINANCIAL PERFORMANCE | Q1 Actual | Q1 Budget | Variance | YTD Actual | YTD Budget | Variance | FYE |
|-----------------------|-----------|-----------|----------|------------|------------|----------|--------|
| Total Revenue | 6,060 | 5,910 | 150 | | | | 26,733 |
| Operating Expenses | 5,740 | 5,874 | 134 | | | | 26,633 |
| Net Surplus | 320 | 36 | 284 | | | | 100 |
| FINANCIAL POSITION | | | | | | | |
| Total Assets | 6,676 | 7,339 | (663) | | | | 4,202 |
| Total Liabilities | 4856 | 5,364 | (508) | | | | 2,541 |
| Equity | 1,820 | 1,975 | (155) | | | | 1.661 |
| CASH FLOWS | | | | | | | |
| Cash Flow in | 7,361 | 8,020 | (659) | | | | |
| Cash Flow out | 6,485 | 7,210 | (725) | | | | |
| Closing Cash | 876 | 810 | 66 | | | | |

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

- Revenue is up on budget due to unbudgeted income in the quarter for Creative HQ conferences and programmes, partly offset by lower Destination Wellington drawdowns
- Overall, expenses are in line with budget although there are a number of expenses over and under budget due largely to timing differences.
- The above budget surplus is largely a result of timing
- WREDA's balance sheet has cash on hand of \$2.6 m.
- The Venues Project made a loss of \$296,000 compared with a breakeven budget. The main contributors to this are a higher portion of lower margin business and the timing of some expenditure. These variances are currently being addressed to ensure the year-end budget is met.

KEY PERFORMANCE INDICATORS

| MEASURE | Q1 | | Comments |
|---|---------------|--------------------|---|
| | Annual Target | 30 Sep 15 | |
| Direct spend and attendance at Events | Annual Target | n/a | Major Events has not yet transferred |
| | Actual | n/a | |
| Utilisation rate Venues | Annual Target | 56% | Utilisation rate is a stretch target, expect to get closer to the target by year end |
| | Actual | 51% | |
| Maintain convention market share | Annual Target | 16% | |
| | Actual | 18% | |
| Australian arrivals | Annual Target | 2% | The Q1 actual results reflects the new Jetstar services which were not in existence in Q1 2014/15 |
| | Actual | 20% | |
| Increase in commercial guest nights | Annual Target | 4% | |
| | Actual | (4%) | |
| Increase spend overseas visitors | Annual Target | 4% | The Q1 actual results reflects in part the new Jetstar services |
| | Actual | 20% | |
| Number of visitors to website | Annual Target | 10% | |
| | Actual | 1% | |
| Attract screen production to Wellington (economic value to the Wellington Region) | Annual Target | \$20m | |
| | Actual | \$73m | |
| Assist in raising of capital | Annual Target | \$0.75m | |
| | Actual | \$1.8m | |
| Increase in value of new businesses setting up in Wellington | Annual Target | \$45m over 3 years | |
| | Actual | \$1.3m | |

KPI COMMENTARY

WREDA has met or exceeded the majority of its KPIs for Q1. 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
- Delivery of PWV budget
- Begin search process for the Chief Executive role at PWV.

The decision making process and significance

No decision is being sought.

Engagement

As no decision is being sought, engagement on the matter is unnecessary.

Recommendations

That the Committee:

1. ***Receives and notes the contents of this report.***

Report prepared by:

Barry Turfrey
Wellington City Council

Attachment 1: WREDA quarterly report