



CITY ECONOMY

A strong economy is vital to the city's future. The Council recognises the close relationship between Wellington's economic growth, employment opportunities and the achievement of many of our social and environmental objectives.

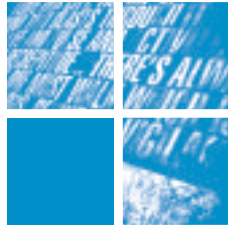
We contribute by funding initiatives to support business development, promote vibrant retail areas and attract investment, tourists, students and skilled migrants to the city. We also work on developing and maintaining relationships with the city's business sector and developing a city culture that supports enterprise.

Our *Creative Wellington – Innovation Capital* vision recognises that Wellington's future prosperity depends on promoting the city as a centre of creativity and innovation.

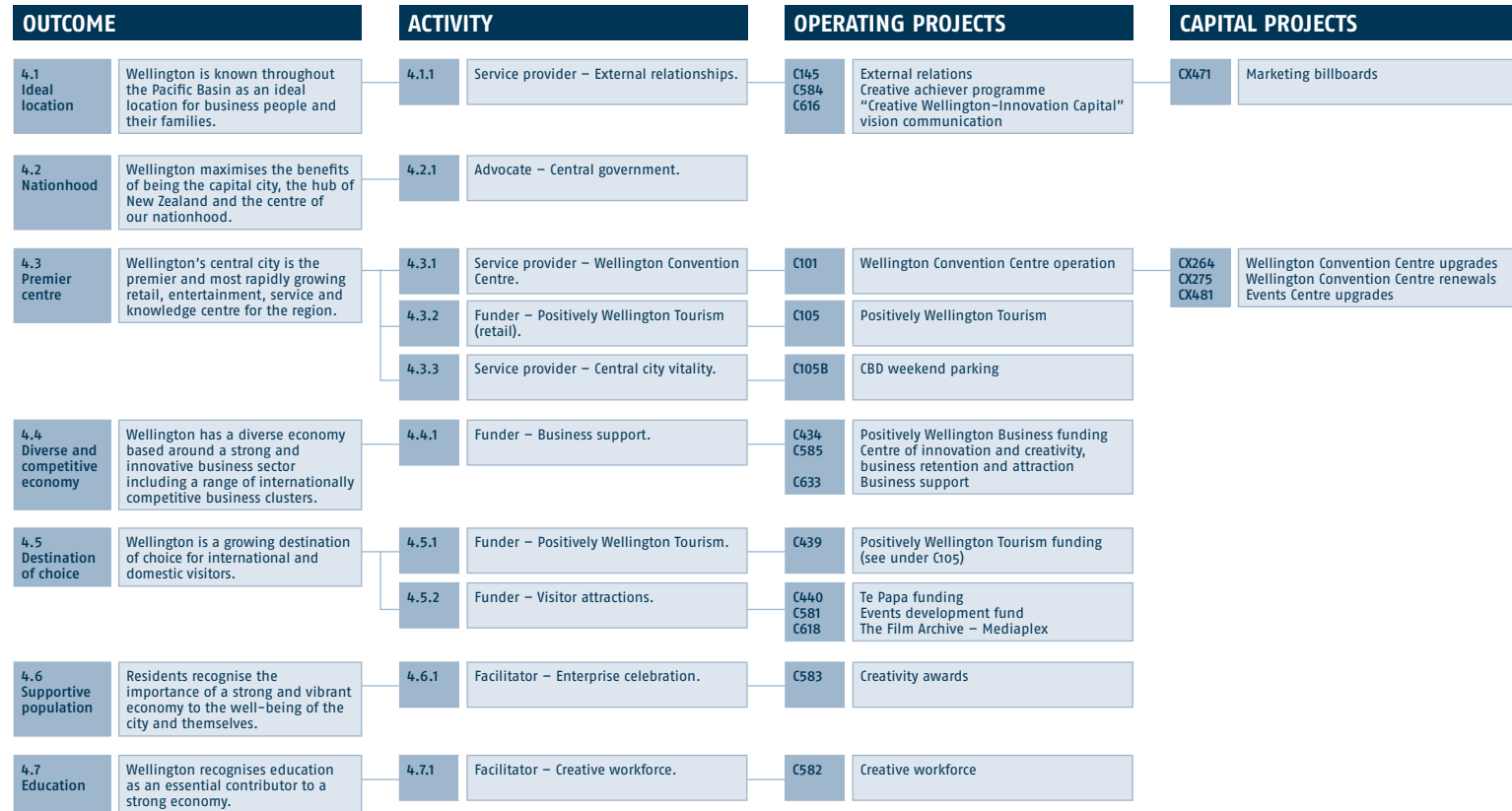
Working together

Our Economic Development Strategy focuses on attracting and retaining talented people and fostering employment in "smart" businesses to drive growth. It also recognises the importance of the rest of the economy – from small and medium-sized businesses to large employers

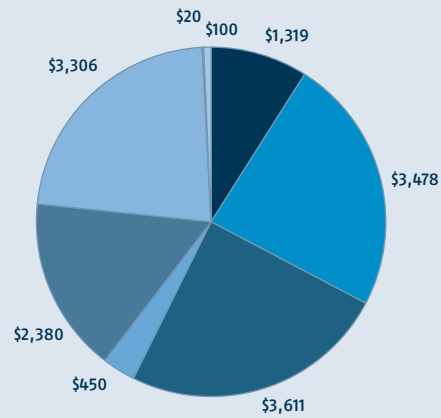
like the public service, universities and research institutes. We want to continue to strengthen our relationship with these groups in the coming year. To capitalise on our reputation as a world centre of film and television production, we will be working with Massey University on the establishment of a film school at their Wellington campus which aims to become one of the top three film schools in the southern hemisphere. In addition, we'll also continue our partnerships with both Positively Wellington Tourism and with Positively Wellington Business.



STRATEGY TREE – CITY ECONOMY

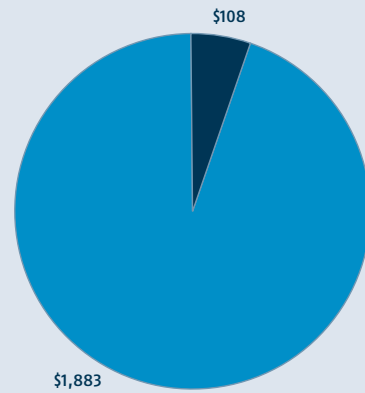


**CITY ECONOMY:
NET OPERATIONAL SPENDING (\$000)**



- Service provider - External relationships
- Service provider - Wellington Convention Centre
- Funder - Positively Wellington Tourism (retail)
- Service provider - Central city vitality
- Funder - Business support
- Funder - Visitor attractions
- Facilitator - Enterprise celebration
- Facilitator - Creative workforce

**CITY ECONOMY:
CAPITAL SPENDING (\$000)**



- Service provider - External relationships
- Service provider - Wellington Convention Centre

What it costs

The adjacent graphs outline what it costs to provide the activities in this key achievement area. The cost of providing each of the programmes in this area is outlined at the end of this chapter.



4.1 OUTCOME: IDEAL LOCATION

We want Wellington to be known throughout the Pacific Basin as an ideal location for businesspeople and their families.

City outcome indicator

Wellington's unemployment rate compared to that of New Zealand as a whole.

The number of top 200 companies as listed by *Management* magazine that are based in Wellington.

4.1.1 ACTIVITY: EXTERNAL RELATIONSHIPS

The Council works to make Wellington more internationally-competitive by promoting the city's interests to central government, local authorities, national organisations and the business community.

As part of this, we help to co-ordinate activities in key industry sectors. We also host overseas business and trade delegations, market education services to foreign students, and develop relationships with overseas cities. These efforts help Wellington businesses develop offshore contacts and networks, and also promote Wellington as an attractive place to live, invest and do business.

In the coming year, we will boost awareness of our *Creative Wellington – Innovation Capital* vision.

Activity performance measure

The number of overseas civic, political and business delegations hosted over last 12 months.

Target 2004/05: To increase the number of delegations hosted.

4.2 OUTCOME: NATIONHOOD

We want Wellington to maximise the benefits of being the capital city, the hub of New Zealand and the centre of the nation.

City outcome indicator

The number of people working in the public sector in Wellington.

4.2.1 ACTIVITY: ADVOCACY – CENTRAL GOVERNMENT

The Council is a key advocate for Wellington. We maintain working relationships with the government sector and make submissions on bills before Parliament on behalf of Wellingtonians.

Activity performance measure

There is no Annual Plan performance measure associated with this activity.

4.3 OUTCOME: PREMIER CITY

We want Wellington's central city to be the premier, and most rapidly-growing, retail, entertainment, service and knowledge centre in the region.

City outcome indicator

The number of people and business locations in Wellington engaged in specific industries – compared to national figures. These industries are: retail trade; communication services; accommodation; cafes and restaurants; cultural and recreational services; education.

The number of new "Iconic" and "A level" events held in the city, and their estimated economic contribution. ("Iconic" events will be measured over the three-year period and "A level" events will be measured annually – event classifications are defined in the Council's Events Strategy).

4.3.1 ACTIVITY: WELLINGTON CONVENTION CENTRE

The Wellington Convention Centre – consisting of the Michael Fowler Centre and Wellington Town Hall – provides Wellington with a wide range of venues of international quality. It is used by businesses for conventions, trade shows, general meetings and dinners, by community groups to stage events of all types and by the arts and culture sector to present a wide range of cultural, arts and musical events.

To ensure the Wellington Convention Centre remains attractive to its users, it is important that all its venues are maintained to a high standard.

Activity performance measure

The number of concerts and number of events/functions held in the Wellington Convention Centre.

Target 2004/05: 110 concerts and 860 events/functions.

4.3.2 ACTIVITY: POSITIVELY WELLINGTON TOURISM (RETAIL)

Positively Wellington Tourism is the city's official tourism marketing organisation. It works in partnership with the accommodation and retail sectors to market Wellington as a visitor destination.

This marketing includes tourism and retail promotion, such as the 'Send Yourself to Wellington' and 'Visiting Friends and Relatives' campaigns, the Wellington Visitor Information Centre, the WellingtonNZ.com website and membership of the international marketing collective Centre Stage of New Zealand.

Activity performance measure

Growth in retail sales in the downtown area.

2004/05 Target: at least 5% growth.



4.3.3 ACTIVITY: CENTRAL CITY VITALITY

This activity provides funding to continue free on-street weekend parking in the city's retail area. This initiative aims to help attract weekend custom to the city.

Activity performance measure

The percentage of residents who are more likely to come to central Wellington for reasons other than work, as a direct result of Wellington City Council's free weekend parking.

Target 2004/05: 57%.

4.4 OUTCOME: DIVERSE AND COMPETITIVE ECONOMY

Our aim is for Wellington to have a diverse economy based on a strong and innovative business sector that includes a range of internationally-competitive business clusters.

City outcome indicator

Wellington's growth in regional economic activity, as calculated by the National Bank – compared to the national level.

GDP growth in the city and region.

4.4.1 ACTIVITY: BUSINESS SUPPORT

Positively Wellington Business was established in October 2001. It represents a co-ordinated, regional approach to economic development. It is proportionately funded by Wellington, Hutt, Upper Hutt and Porirua City Councils, and has a vision of economic strength for Wellington through unity.

As a regional agency, Positively Wellington Business can also access central government funding for economic development projects in the region.

Positively Wellington Business undertakes a range of projects designed to build a thriving and growing business sector, create jobs and attract investment. It works to develop local companies and to attract and retain business and skilled workers. A key focus is the "business cluster" programme, which supports the collaborative efforts of eight industry groups to win offshore contracts for Wellington businesses. These clusters include creative content, education, earthquake engineering, and information and communication technology (ICT).

In the coming year, we will increase funding to Positively Wellington Business to enable it to expand its successful programme of attracting migrants to work in industries short of skilled workers.

Activity performance measures

1. The number of businesses by targeted sector. Sectors include: Education; ICT; Professional; Creative & Film; Manufacturing & Biotechnology.
Target 2004/05: Positive growth
2. The number of jobs by targeted sector. Sectors include: Education; ICT; Professional; Creative & Film; Manufacturing & Biotechnology.
Target 2004/05: Positive growth
3. Location quotients by targeted sector. Sectors include: Education; ICT; Professional; Creative & Film; Manufacturing & Biotechnology.
Target 2004/05: Above national average.

4.5 OUTCOME: DESTINATION OF CHOICE

The Council's aim is for Wellington to be the destination of choice for international and domestic visitors. The work of Positively Wellington Tourism, the city's official tourism marketing organisation, makes a vital contribution to the city achieving these outcomes as do our relationships with other important attraction operators and tourism providers, such as Te Papa and Wellington International Airport Limited (which we part-own).

City outcome indicator

Occupancy rates achieved by Wellington hotel accommodation providers.

Regional economic growth for tourism sector.

4.5.1 ACTIVITY: POSITIVELY WELLINGTON TOURISM (TOURISM)

Positively Wellington Tourism works in partnership with the retail and accommodation sector to market Wellington as a preferred visitor destination. See 4.3.2 *Activity: Positively Wellington Tourism (retail)*.

Activity performance measure

The number of visitor nights – domestic and international.

Target 2004/05: Domestic 1,548,000 (NB: this target is based on 2002 results) and International 4,000,000.



4.5.2 ACTIVITY: VISITOR ATTRACTIONS

Major attractions and events raise Wellington's profile, attract valuable tourism dollars and bring the city's people together.

Te Papa welcomes more than one million visitors per year. The Council has been a major financial supporter of Te Papa since before the museum's opening in 1998. Our investment helps sustain Te Papa's high-quality visitor experience and deliver a diverse exhibition programme that encourages new and repeat visitors from New Zealand as well as overseas.

The New Zealand Film Archive attracts significant numbers of visitors to Wellington and makes an important contribution to the city's cultural life. In the coming year, we will provide funding to help the archive complete a new mediaplex consisting of a theatre, library and exhibition space.

Activity performance measure

The total number of visitors to Te Papa, including all adult visitors from overseas and all domestic visitors from outside the Wellington region.

Target 2004/05: Total visitors numbers are maintained at a minimum of 1,000,000 visitors; a minimum of 25% of adult visits are from international visitors; and a minimum of 35% of adult domestic visitors are from outside the Wellington region.

OUTCOME 4.6: SUPPORTIVE POPULATION

The Council's aim is for residents to relate the importance of a strong and vibrant economy to their personal well-being and the well-being of the city as a whole.

City outcome indicator

The percentage of residents who say that either Wellington's economy or job market is the main reason they live here.

Residents' perception of their quality of life.

4.6.1 ACTIVITY: ENTERPRISE CELEBRATION

The Council has established the Absolutely Creatively Wellington Awards to recognise and celebrate the city's most creative, innovative people, organisations and businesses, helping to boost Wellington's status as a creative, innovative centre and/or bring economic benefits to the city.

This is a key initiative to support and profile the Council's *Creative Wellington – Innovation Capital* vision.

Activity performance measure

There is no Annual Plan performance measure associated with this activity.

OUTCOME 4.7: EDUCATION

The Council's aim is for education to be recognised as an essential contributor to a strong economy. Wellington is home to three major tertiary institutions – Massey and Victoria universities and the Wellington Institute of Technology. The city also boasts an extremely well-educated population. The Council is keen to build on this base to attract more students to the city.

City outcome indicator

The percentage of New Zealand's tertiary students who are enrolled in the Wellington region.

Adult participation in community education.

4.7.1 FACILITATOR – CREATIVE WORKFORCE

We'll be adding to our suite of programmes to attract and retain highly creative people and build the overall skills and capabilities of the Wellington workforce. Our approaches include: carefully targeted promotion of Wellington as an employment destination and developing our relationships with tertiary institutions. We'll also be strengthening or research functions to gather important information about the state of the city to assist in decision making and planning.

Activity performance measures

There is no Annual Plan performance measure associated with this activity.

2004/05 OPERATIONAL SPENDING, FUNDING SOURCES AND TARGETS FOR CITY ECONOMY



Council Plan 2003/04	Project description	Expenditure 2004/05	User charges and other revenue	Net expenditure/ rates funding requirement	Rates as a % of total funding	Rates funding target
Net (\$000)		(\$000)	(\$000)	(\$000)	(%)	(%)
474 C145	External relations	267	-	267		
200 C584	Creative achiever programme	200	-	200		
- C616	"Creative Wellington - Innovation Capital" vision communication	852	-	852		
674	4.1.1 Service provider - External relationships	1,319	-	1,319	100%	100%
2,650 C101	Wellington Convention Centre operation	7,793	(4,315)	3,478		
2,650	4.3.1 Service provider - Wellington Convention Centre	7,793	(4,315)	3,478	45%	45%
3,461 C105	Positively Wellington Tourism	3,611	-	3,611		
3,461	4.3.2 Funder - Positively Wellington Tourism (retail)	3,611	-	3,611	100%	100% DL
450 C105B	CBD weekend parking	450	-	450		
450	4.3.3 Service provider - Central city vitality	450	-	450	100%	100% DL
1,865 C434	Positively Wellington Business funding	1,980	-	1,980		
50 C585	Centre of innovation and creativity, business retention and attraction	50	-	50		
- C633	Business support	200	-	200		
- C636	Massey film school	150	-	150		
1,915	4.4.1 Funder - Business support	2,380	-	2,380	100%	100%
2,000 C440	Te Papa funding	2,006	-	2,006		
1,300 C581	Events development fund	1,150	-	1,150		
1,800 C591	Lord of the Rings world premiere	-	-	-		
- C618	The Film Archive - Mediaplex	150	-	150		
5,100	4.5.2 Funder - Visitor attractions	3,306	-	3,306	100%	100%
20 C583	Creativity awards	20	-	20		
20	4.6.1 Facilitator - Enterprise celebration	20	-	20	100%	100%
100 C582	Creative workforce	100	-	100		
100	4.7.1 Facilitator - Creative workforce	100	-	100	100%	100%
14,370	Total for 2004/05	18,979	(4,315)	14,664		

DL = Downtown levy

2004/05 CAPITAL SPENDING FOR CITY ECONOMY

<i>Council Plan 2003/04</i>	<i>Project description</i>	<i>Expenditure 2004/05</i>
<i>(\$000)</i>		<i>(\$000)</i>
- CX471	Marketing billboards	108
-	4.1.1 Service provider – External relationships	108
100 CX264	Wellington Convention Centre upgrades	100
400 CX275	Wellington Convention Centre renewals	1,083
- CX481	Events Centre upgrades	700
500	4.3.1 Service provider – Wellington Convention Centre	1,883
95 CX462	Wireless Wellington	-
95	4.4.1 Funder – Business support	-
595	Total for 2004/05	1,991