



Report 10.481
Date 25 August 2010
File WRS/09/01/01

Committee Wellington Regional Strategy Committee
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Report on Grow Wellington Annual Report

1. Purpose

The purpose of this report is to provide the Committee with an assessment of the Grow Wellington Annual Report.

2. Significance of the decision

The matters for decision in this report **do not** trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

3. Background

Previously the Committee has requested an assessment of the Grow Wellington Annual Report (**Attachment 1**) by the WRS Office.

The Annual Report shows that Grow Wellington is working hard to deliver a range of programmes aimed at delivering economic growth in the region. There has been strong delivery in a lot of areas identified in the 'Investment in growing our economy' area of the Wellington Regional Strategy.

As acknowledged in their Statement of Intent, economic growth in the region is only partially influenced by the work of Grow Wellington. For this reason, overall economic growth is not reported on in the Annual Report as part of the performance management framework.

4. Comments on report

4.1 Centres of Excellence

In delivering Centres of Excellence (COE), Grow Wellington will be contributing to a range of outcomes identified in the Wellington Regional Strategy – grow and retain existing businesses, attract high value individuals, attract export businesses, provide market access support, tell the Wellington region's story internationally, attract investment, education, attract and retain talented people and grow the region's skill base.

The long-term outcome is: by 2030 to create an additional \$1 billion of wealth for the region from the Centre of Excellence programme.

While none of the targets for the Digital COE were achieved, the report explains the measure is no longer applicable because Grow Wellington is currently reviewing the Digital COE stakeholders and their needs.

The target for the Clean Technology COE has been met, and targets for the Health Education and Research Centre have been partially met.

4.2 Priority Sectors

Grow Wellington has identified six sectors, based on their ability to address the gaps preventing them from achieving greater export success. These are the film, food and beverage, primary, manufacturing and education sectors.

Primary sector

The targets in this area have been partially met.

For the last financial year Greater Wellington Regional Council has been leading the irrigation project in Wairarapa, supported by Grow Wellington. In particular, Grow Wellington commissioned a report on the economic benefits of such a scheme to the region. We note that the stated performance achieved differs slightly from the client sector survey target.

Manufacturing

The targets in this area have been partially met. There are several initiatives underway aimed at increasing productivity in the manufacturing sector, and these are doing well.

Further explanation about some of the projects in this area would be useful. For example, a new project to develop an inward trade mission was scoped, but funding was not applied for. There is no explanation about why this project has not progressed past the scoping stage.

Education

The programmes around international students are progressing well, with all targets met.

In the development of exportable education products, the target of four education businesses involved in market development programmes has not been met. This is because the programme has now changed and involves developing sister schools relationships at a primary school level.

Film sector

The targets for this area have all been met.

Food and beverage sectors

There are several initiatives underway in the food and beverage sectors, and all the targets have been met.

Although the targets in this area have been met, further explanation about some of the projects in this area would be useful. For example, the Major Regional Initiative economic impact report was completed, but there are no details about the positive economic impact for the region. In addition, there is a performance target of “sector survey outcome showing satisfaction and export results”. However, the performance achieved only details the survey of Wellington on a Plate, and concludes that export results are not yet applicable to this event.

4.3 Support and growth of individual businesses

Skills

Two of the three targets in this area have been met. The target around access to the skilled migrant database is no longer relevant as the website has been discontinued.

Investment - Angel HQ

Most of the performance targets in this area were achieved. As planned, Angel HQ will become independent on 30 November of this year.

Activate, Incubate (Creative HQ), Accelerate and Innovate

The Activate and Incubate programmes continue to be well supported and the targets for these areas of work have largely been met. However, the Accelerate and Innovate programmes have been replaced by the Bright Ideas Challenge, and the performance targets set are therefore no longer relevant. The body of the report discusses the Bright Ideas Challenge, which has been very popular to date.

4.4 Improving broadband use

Neither of the two projects identified for action in the 2009/10 year started. The report states that businesses demand for the projects was sufficiently unclear to justify proceeding. As a result, none of the targets in this area have been met.

4.5 Building an excellent economic development organisation

Grow Wellington has a set of ‘internal’ measures around being a good employer, social and environmental responsibility, sound business practice and communication. Several measures for this aspect of the report have not been met.

5. Financials

The financial statements comply with the relevant accounting standards, but there are some variances that could be further explained. For example:

- The decrease in “other revenue” from \$386,223 to \$152,924.
- The reduction in contractors and consultants from \$452,915 to \$303,482 (probably a result of more work being carried out internally or a reduction in projects?)

- The reason for the increase in grant revenue from Trade and Enterprise for the Clean Technology Centre.
- The sponsorship of \$36,000.
- The rise in fee income from \$118,167 to \$150,771.

6. Communication

Grow Wellington's annual report will be publicly available on their website. Any other communications will be the responsibility of Grow Wellington.

7. Recommendations

That the Committee:

1. *Receives the report.*
2. *Notes the content of the report.*

Report prepared by:

Report approved by:

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Attachment 1: Grow Wellington Annual Report 2009/10