

# GROW

## WELLINGTON



HALF YEARLY REPORT

July – December 2011

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## Introduction

July to December 2011 saw some positive results for Grow Wellington. Improving measurement has been a key focus, with means now in place to better measure the activities of the Business Growth team and the growth of the businesses we support. Our data shows the companies that Grow Wellington works with have a significant economic impact on the region<sup>1</sup>. Importantly, these companies project growth during the next 12 months of 9%<sup>2</sup> compared with regional GDP growth over the last year of 0.8%<sup>3</sup>.

These results are a real indicator of the growing success Grow Wellington has with businesses around the region. Our Business Growth team works with businesses at all stages of growth, from pre start-ups through to large established businesses. They are targeted in their approach, focusing on companies with the desire to innovate and grow, and to become globally competitive.

The third year of Visa Wellington On a Plate saw a significant increase in industry participation and a huge level of media exposure, firmly cementing Wellington as the cuisine capital of New Zealand. An economic report commissioned by BERL found the festival contributed \$439,000 to regional GDP, an increase of 40% on 2010. The festival fulfilled Grow Wellington's objective of providing producers with a platform from which to develop their export potential. Over 22% of participating restaurants took on new suppliers from the region as a direct result of Visa Wellington On a Plate.

The Biomedical Centre of Excellence made significant progress with industry during the July to December period, by gaining buy-in and support for the Innovating for Health Challenge. The Challenge is about identifying research based and clinical innovations that have commercial potential in the healthcare market. It is an integral part of Grow Wellington's strategy to increase growth in the biomedical, science and technology sectors.

The July to December 2011 period saw a new Chair and new Directors appointed to the Grow Wellington Board. Over the six months the Board has been focused on reviewing Grow Wellington's strategy and implementation. The Directors are committed to working with the Wellington Regional Strategy Committee and Stakeholders to continually improve and refine the focus and effectiveness of the Wellington Regional Strategy and its implementation.

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<sup>1</sup> The estimated economic impact of agencies such as Grow Wellington is notoriously difficult to measure meaningfully. In the past, New Zealand Trade and Enterprise has applied a formula to gauge the economic impact of companies being incubated which, if applied to companies Grow Wellington assists, implies an impact of over \$9 billion. Grow Wellington continues to search for a better basis for measuring its impact.

<sup>2</sup> The growth projections are based on information supplied by individual businesses.

<sup>3</sup> GDP growth of 0.8% as stated in the Wellington Annual Economic Profile Report, prepared by Infometrics for Grow Wellington.

## BUSINESS GROWTH

The Business Growth team works with businesses on an individual basis to help them innovate and grow. The team connects businesses with the resources and programmes that exist in the region, i.e. connect the regional innovation eco system and the world. The approach is to 'Connect, Inspire and Facilitate' the growth of the region's businesses.

The need for business **innovation** underpins all of our activities – it is the means by which we help to create a vibrant economy and make the region attractive to world markets. Business Growth works directly with innovative companies, and helps to create an innovation culture and an environment where innovation can flourish.

The last six months have been about delivering value to the region's businesses and measuring Grow Wellington's impact. For the first time we are able to quantify our work using our database FRANK.

### The results

The Business Growth team is connected to 3,000 businesses across the region. In July – December 2011 Business Growth:

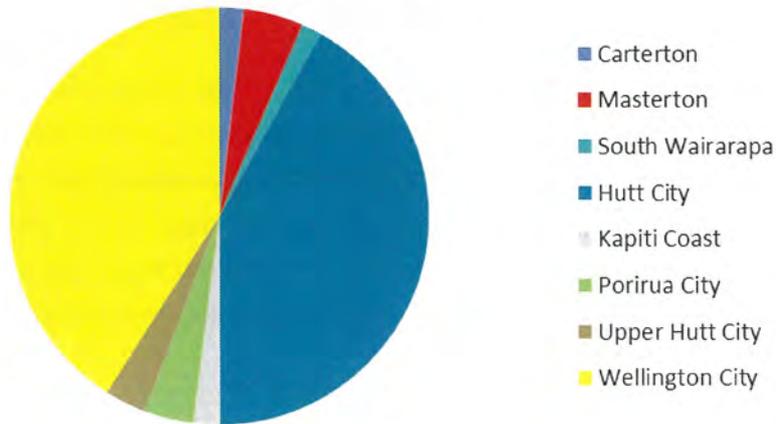
- Completed assessments and action plans for 579 businesses. Combined, these businesses:
  - Earn \$4 billion in revenue p.a.
  - Employ over 13,000 people
  - Project growth during the next 12 months of 9% compared with regional GDP growth over the last year of 0.8% (refer to footnote two and three on page one).

### Impact and activity across the Wellington Region

#### Economic impact

As already noted, economic impact is difficult to measure meaningfully and we need to look at better ways of quantifying outcomes. Applying the New Zealand Trade and Enterprise (NZTE) incubator formula of (total revenue + salaries + investment) x 2 (economic multiplier) the spread of economic impact across the region is demonstrated by the graph on the next page.

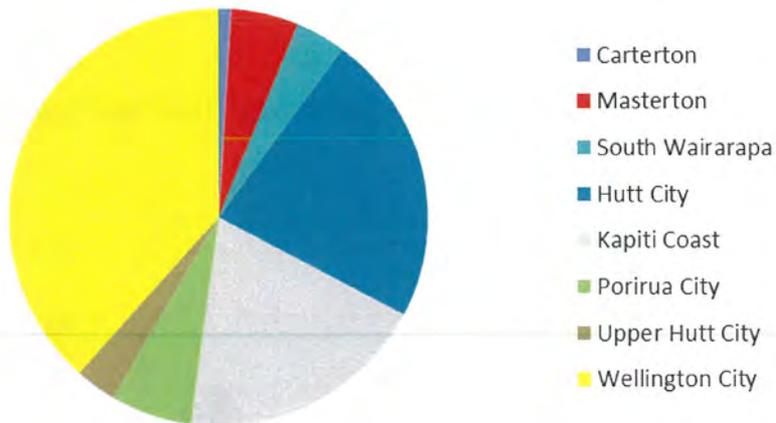
## Economic Impact



## Activity

We use the number of action plans completed as a measure of activity across the region. Please see the spread of regional activity below.

## Action Plans



## Investment

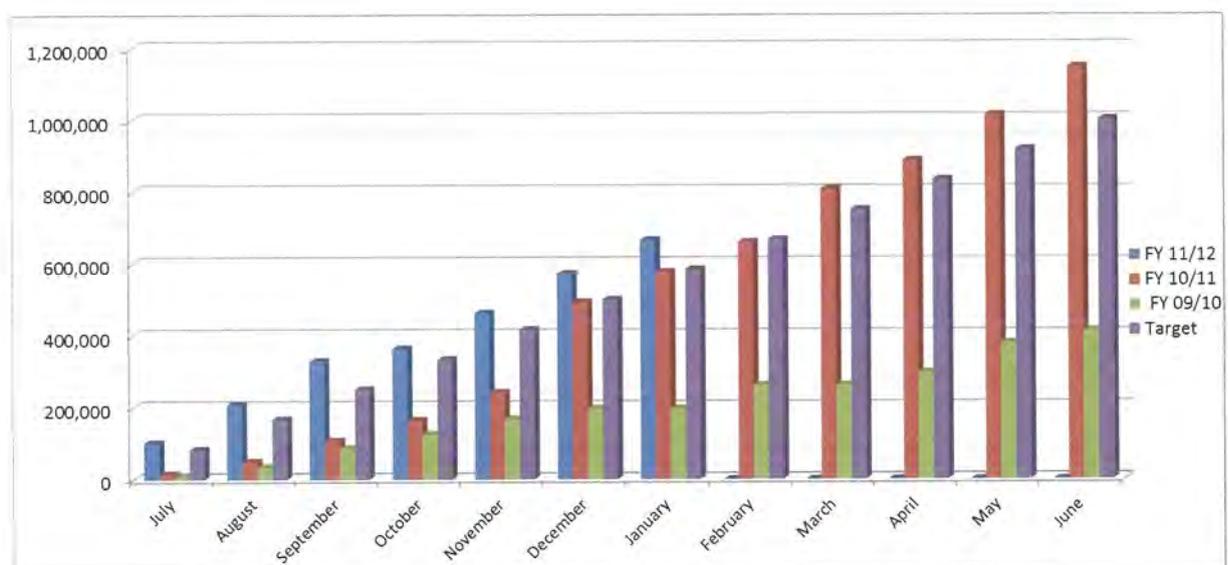
The key to helping innovative companies to get ahead is facilitating access to investment capital.

The first step in this process is often becoming “investment ready”. The national Escalator programme finished at the end of June 2011, leaving a gap in the market for this service. In response to this, Grow Wellington worked with New Zealand Trade and Enterprise to encourage them to broaden the management capability voucher scheme to include investment. We then worked with a number of investment readiness experts such as Deloitte, PwC, Ernst & Young, KPMG and Armillary Private Capital to become registered training providers. From the first day that the companies became registered, we were issuing vouchers.

The second step is to help companies attract investment capital. To this end we have continued our support of Angel HQ, the local angel investment fund, as part of creating good investment flows in the region. We have also set up a support process for companies actively seeking investment that sits outside of the angel space.

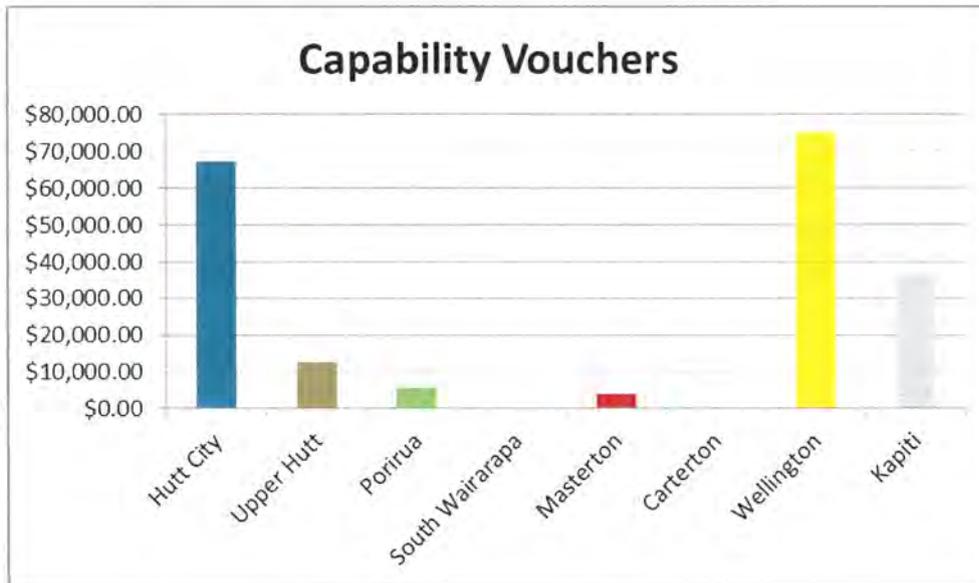
As the regional partner for the Ministry of Science and Innovation (MSI) we facilitate MSI investment, support and advice into companies. This includes connection to global experts, research partners and companies with complementary skills and advice in commercialisation and intellectual property. We specifically assist with investments of under \$30,000 and actively search out and refer investments of over \$30,000 to MSI for action. Cumulative success is highlighted in the under \$30,000 category below. The value of the larger referrals is around \$700,000 per month.

### Cumulative value of <\$30,000 MSI investments facilitated by Grow Wellington



## Capability building

A key focus of our work is capability building. This includes completing a capability assessment with businesses and then agreeing on and delivering action plans. We offer a range of support to help businesses improve capability such as issuing management capability vouchers on behalf of NZTE. We are one of the leading regions in the NZTE partnership in terms of numbers of vouchers issued and dollar value of vouchers issued.



**Note:** Vouchers have been offered to many Wairarapa companies; however the uptake has been low because there are no registered training providers in the Wairarapa and businesses are reluctant to travel to Wellington. We are working to encourage more locally based providers.

We also work to grow capability in our entrepreneurial community through running the entrepreneur development programme Activate. This successful programme has run for some years now, with around 60 people per annum graduating. Many of these people such as Nathan Li from Educa and Kate Hinton from That Horse have gone on to participate in the incubation programme run by our subsidiary, Creative HQ, or to set up their own businesses. This year we allowed a smaller number of people to enter Activate, ensuring a more focussed programme.

## Internships

Bringing together businesses with the best talent from universities and tertiary institutions has been a key focus for us this year. One of the ways we are achieving this is through internships.

**We have placed almost 100 interns in the last six months, up over 100% on a year ago.**

We have been working with businesses across a wide range of sectors from start-ups through to long established businesses to understand their needs and opportunities. We have then worked with Victoria University of Wellington, Massey University, WelTec, Whitireia and other institutions, both in New Zealand and abroad, to find undergraduates, masters and PhD students to work with companies. The results have been outstanding with participating companies such as Im-Able and Taylor Preston reporting business growth and innovation as a direct result of the engagement.

Through this work, we have engaged with tertiary institutions in a much more meaningful way and this has created further opportunities for co-operation.

### **Innovative and entrepreneurial culture**

One of the ways we work to enhance the innovative and entrepreneurial culture in the region is through the Bright Ideas Challenge. In our second year, we improved our focus on quality ideas which resulted in a reduced number of entrants but an increase in the ratio and quality of business plans developed.

Ideas:

- 1,233 in 2010
- 925 in 2011

Business Plans:

- 168 in 2010
- 136 in 2011

Grow Wellington continues to support a number of these ideas to become international success stories.

To promote innovation and entrepreneurship in the region, we also support a number of other initiatives including Unlimited Potential, the Digital Innovation Forum, Summer of Tech, the BIG innovation showcase, Massey University's Openlab, Biz Dojo and various start-up related initiatives.

### **Rugby World Cup 2011**

**98 events registered.**

Our role in the Rugby World Cup was to work alongside the NZ2011 office to create and enhance business ties between our regional businesses and the international business people coming into the region for rugby games. We did this by working with businesses from around the region, to encourage them to host international guests through a range of different events.

We also organised a “Legends Lunch” with Francois Pienaar and John Kirwan that 130 people attended. The lunch was a great success, with many relationships formed. To date these relationships have generated business discussions but have not yet led to concrete business deals as far as we are aware.

### **Business attraction and migrant settlement**

We continued to play a facilitating role in business attraction and migrant settlement, providing support, introductions and smoothing the way for incoming people and businesses. This includes the maintenance of the Live and Work websites.

### **Connect, inspire and facilitate**

We connect people to whatever support they need to innovate and grow, whether that is in; international markets, new opportunities, technical know-how, investment, internships and tertiary education, government funding or mentors and advisors.

Within this, we have been developing a “toolbox”. This “toolbox” ensures we make the highest quality referrals possible, containing referral information for acknowledged experts in each business field. At the end of December, the “toolbox” had over 130 experts listed. We are constantly looking for and meeting new people to add to the “toolbox”. Experts can be based anywhere in the world. We coordinate with the MSI Global Expert programme to ensure we don’t overlap in our efforts.

## CENTRES OF EXCELLENCE

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### BIOMEDICAL

During the six months to December 2011, the three major partners in the health hub (HERCC) at Wellington Regional Hospital continued to build on their education and research capabilities. Opportunities for commercialisation through the HERCC were not realised and, as a consequence, Grow Wellington has moved on to readjust its approach to the development of the region as a Biomedical Centre of Excellence.

In July 2011, following consultation with the sector's network of stakeholders, Grow Wellington began planning 'Innovating for Health' a challenge designed to encourage researchers, clinicians and others to submit innovative science and technology ideas that have commercial potential. As with the Bright Ideas Challenge, this Challenge will connect innovators with entrepreneurs and capital. It is also connecting with Focus on Health, New Zealand Trade and Enterprise's national challenge for existing businesses in the sector.

Our strategic review of opportunities to assist growth in this sector will conclude in June 2012 and its outcomes will allow Grow Wellington to validate the potential of the sector and its market. Assuming the outcome is positive, Grow Wellington will, in conjunction with its stakeholders, draw up a long term strategic plan for the growth of innovation in, and commercialisation of, biomedical sciences and technologies across the region.

Grow Wellington has also worked to promote the Wellington Region as a future arm of the National Health Innovation Hub. The region's keen interest in this was noted in the cabinet paper that formed the basis for Government approval of the Hub.

### CLEAN TECHNOLOGY

Clean technologies are technologies or services which reduce environmental impact and increase resource performance, efficiency or effectiveness.

The Clean Technology Centre continues to develop, grow and attract tenants, with twelve businesses signing leases in 2011.

WelTec has increased its onsite research activity by launching a sustainable carpentry course at the Centre. This course aims to build low cost sustainable housing, incorporating building products that are being trialled through the Centre.

The Centre has attracted its first international company- Alternative Petroleum Technologies (APT). APT is a North American diesel emulsion company that is establishing a southern hemisphere testing facility at the Clean Technology Centre. APT believes New Zealand is a good place to showcase the proven aspects of the technology because of its clean image and the Clean Technology Centre is an ideal facility to base the company.

Another Clean Technology Centre company, Greenkeeper Systems Ltd, won the Clean Technology category as well as the overall award at this year's Bright Ideas Challenge. Greenkeeper Systems has created a software programme that creates energy and cost savings for IT users.

ESG Energy, another Clean Technology Centre company, has developed a Green Energy Pod which uses technology from IRL to generate and store renewable energy. The Pod was showcased on the Wellington waterfront during the Rugby World Cup, attracting significant media and customer attention.

A national marine testing centre proposal has been developed and presented to Central Government for funding. The funding round is expected to continue for 24 months, and has strong initial stakeholder support.

## SCREEN AND DIGITAL TECHNOLOGIES

Wellington's screen and digital sector continues to receive global recognition for its world-class creative and technical expertise. Overall sector revenues and employment are consistently reaching the peaks set during the period in which Lord of the Rings was in full swing. The sector is, however, still relatively reliant on a small handful of key companies for much of its activity and employment. Grow Wellington's activities, therefore, are focussed primarily on supporting the emergence of new businesses and helping grow existing businesses so that the sources of economic opportunity are broadened.

During the six months to December 2011, Grow Wellington's work in the sector continued through key strategic projects.

### Infrastructure and innovation

In 2010, Grow Wellington committed to establish a co-working space for emerging screen and digital businesses and independent knowledge workers by June 2012. This was achieved a year early and considerably under budget by partnering with an established private sector co-working operator, BizDojo. The space was approaching capacity by December, ahead of forecasts. Plans have begun for a major expansion which will see five times the current available space provided for innovative companies and individuals operating in the creative sector.

## **Capital raising**

Grow Wellington has continued to support Pounamu Productions in its international capital raising process. After assisting Pounamu with structuring and establishing the proposition in the first half of 2011, the Pounamu team moved into a capital raising phase, culminating in investor presentations in China. These and other activities have generated investment interest and commitment which are currently in negotiation in China and the USA.

## **International connectivity**

Grow Wellington created and now supports the AnimfxNZ event which continued to be a success in its sixth year. With hundreds of attendees spread over three days of events, the conference continues to build momentum. Out of the 80 survey responses, feedback reported that: 99% felt they received value for money from the event, 100% would recommend it to a colleague, 91% felt it would help enable them to achieve their business objectives, and 70% think AnimfxNZ will lead to real deal/career opportunities for them in the next 12 months.

## **Education**

Support was provided to Victoria University to launch the Programme of Computer Graphics. The University is now preparing for student intake in 2012.

## PRIORITY SECTORS

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### FILM

The Film Wellington team promotes Wellington as a screen production destination, provides facilitation between the screen sector, the regional community and stakeholders, and supports business development in the screen sector.

Between 1 July and 31 December 2011, Film Wellington facilitated 71 film permits encompassing 156 location permits and handled 357 enquiries.

In the six months to December 2011, Film Wellington facilitated projects for a number of production companies including, Gibson Group, Krafthaus Films, Three Foot Seven, Lippy Pictures, Whitebait TV, TVNZ and The Sweet Shop. Assistance included providing location suggestions and permissions, contacts for facilities and talent, liaison with property caretakers and affected parties, and information on local industry, funding, consents and processes.

Film Wellington also assisted Film New Zealand to source locations for the feature film "*Emperor*" from director Peter Webber (*Girl with a Pearl Earring*) which is subsequently shooting in Wellington and Auckland in early 2012.

Several key events were organised alongside articles and case studies highlighting screen production businesses developing IP and creating alternative revenue streams to ensure their business is sustainable long term. These appeared as editorial in targeted trade magazines *Onfilm* and the *NZ Technicians Guild Magazine*.

### EDUCATION

Grow Wellington continued to focus on attracting students from China and Vietnam during the latter part of 2011. Marketing efforts focused on Vietnam have yielded significant increases in student numbers, from 218 students in 2007 to 381 students in 2010. Grow Wellington aims to replicate this success in China and has begun planning regional cluster activities in China in March 2012 to coincide with Education New Zealand Promotional Activity Calendar for Education (PACE) activities. Grow Wellington will support up to 12 education providers representing all sectors on this mission. Marketing collateral and a web presence tailored specifically to a Chinese audience is currently being developed. A Wellington inbound tour of Chinese education agents will follow later in 2012.

Grow Wellington continues to develop the online English Language lesson programme in partnership with an education services provider in Wellington. In November and December trial lessons with a Korean

elementary school were undertaken using a new online delivery platform. Feedback at the conclusion of the trial was positive and Grow Wellington is now engaging with prospective distribution partners in Korea to help establish partnerships with schools throughout the country.

## PRIMARY

### **Wairarapa Water Use Project**

Grow Wellington has continued to be an integral part of the Wairarapa Water Use Project in conjunction with Greater Wellington Regional Council and the Wairarapa Regional Irrigation Trust. The Wairarapa Water Use Project is about making more water available to the Wairarapa valley in times of need, and the sustainable use of that water for a variety of purposes. The project has the potential to be one of the largest economic development projects in the Greater Wellington Region as the flow on benefits include an increase in jobs, better farming outputs and returns, and improved environmental outcomes.

As the project has gained renewed momentum as a result of the significant provision of funding from the Regional Council, Grow Wellington has been able to focus more on the commercial and structural issues related to the project.

In related activity, Grow Wellington and the Wairarapa Regional Irrigation Trust have worked together on facilitating the formation of a Wairarapa Water Users Group. This body will act on behalf of the current water consent holders in the Wairarapa as they strive to improve their efficiencies of water use and address the changes that are likely under the new Regional Plan. Grow Wellington will continue to provide support to this group as it develops.

## MANUFACTURING

### **Optimising Manufacturing**

The Optimising Manufacturing Programme, which involves Grow Wellington employing technically skilled university graduates and placing them into manufacturing companies, has continued to be well received by the sector. The benefits to the graduates include gaining invaluable industry experience, while the company gains a fresh set of eyes, an increase in innovative thinking and ultimately an increase in productivity and profitability.

The withdrawal of Central Government financial support for the programme in mid-2011 has meant that the programme is undergoing a re-consideration of its method of delivery before a new intake of graduates and companies in early 2012.

The companies that have been involved in the programme in the six months to 31 December 2011 have been Taylor Preston, Acma Industries, Dulux, Hansells, Whittakers, Racetech and Photo Higher. All have reported gains in efficiency leading to lowered costs and improved capability. The employment outcomes of the graduates have also been positive with the majority gaining employment in the sector either at the end of their time in the programme or in some cases before they have completed the programme.

## FOOD AND BEVERAGE

### **Visa Wellington On a Plate**

Visa Wellington On a Plate enjoyed a third year of success in August 2011 with increased numbers of participating restaurants and festival events and a huge level of media exposure throughout New Zealand and overseas. Visa Wellington On a Plate is now the biggest food festival in the country, with the calibre of produce, events and restaurants on show cementing Wellington as the cuisine capital of New Zealand.

An economic report commissioned by BERL measuring the impact of Visa Wellington On a Plate found that the festival contributed \$439,000 to regional GDP, an increase of 40% from the 2010 festival. Grow Wellington's objective for Visa Wellington On a Plate is to provide Wellington Region producers with a platform from which to develop their export potential. The 2011 festival helped to realise this objective further with over 22% of the 66 DINE Wellington restaurants surveyed (i.e. cafés and restaurants offering a set menu during the two weeks) having taken on new suppliers from the region, as a result of participating in the festival. Furthermore 55% of restaurants expressed a strengthened relationship with local suppliers due to Visa Wellington On a Plate.

### **Food and Beverage Database**

In the latter part of 2011, in line with Grow Wellington's objective to increase local food producer exports, the Wellington Food and Beverage Database was given an overhaul to increase usability and exposure for export capable businesses. The Database is now an extremely comprehensive presentation of the region's suppliers and producers, and a highly effective tool for wholesale and industry buyers to easily find and source high-quality products from around the region. Communication of this resource will continue to be expanded during 2012.

### **Food and beverage manufacturers**

A group of the largest food and beverage manufacturers in the region has been formed to discuss common issues for this sector. Discussions are moving forward with an initial focus on improving efficiencies in agreed areas.

## CREATIVE HQ

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Grow Wellington's subsidiary, Creative HQ, is the region's specialist incubation company dedicated to supporting high growth innovative and transformational early stage technology businesses.

Creative HQ has supported over 30 ventures over the past six months including 24 in incubation and six in pre-incubation. It has also successfully exited seven ventures.

Interaction with the science and research system has burgeoned, with encouraging prospects in the commercialisation pipeline from some top New Zealand minds and institutions. Businesses were brought together with gaming students in a commercialisation boot camp running over the summer. Creative HQ helped bring about Wellington's inaugural Start-up Weekend, and hosted a number of international experts to the Wellington scene including Dr Rob Adams and David Smith (Silicon Valley Business School).

Creative HQ's focus on capital raising has seen it support ventures to secure \$2m in private and public investment year to date. The quality of the ventures expressing interest in Creative HQ and subsequently being accepted has increased significantly. Alongside this it is now incubating three science/R&D sourced ventures.

Creative HQ is working on bringing the internationally successful Tech Stars model of acceleration to Wellington to rapidly grow our region's promising digital talent and entrepreneurs.

Creative HQ won the Supporting Gold category at the Wellington Gold Awards in 2011.

## COMMUNICATIONS AND MARKETING

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To achieve Grow Wellington's goal of contributing to the growth of the regional economy, it is vital that the organisation is known as THE place to go for business support. In December 2011 we launched a Business Growth campaign through collateral, PR, online videos and social media to increase awareness and understanding of the support Grow Wellington provides to help innovative businesses grow.

In November 2011, Grow Wellington undertook a re-branding exercise for the Clean Technology Centre. The new brand positions the Clean Technology Centre as a leader of emerging clean technologies in New Zealand. The brand is reflected in the Clean Technology Centre's website, which showcases the business members of the Centre, and through new collateral which is targeted at clean technology businesses looking to be part of the Centre.

In the latter half of 2011, Grow Wellington began engaging with leaders in the business community to develop a clear positioning for the Wellington Region to attract businesses, investors and skilled talent. We are currently working with an agency on the development of a campaign.

Grow Wellington has also identified from stakeholder feedback that there is a need to improve communication. This is being addressed in the second half of the year.

## STATEMENT OF INTENT MEASURES AS AT 31 DECEMBER 2011

### Legend

Poor: The measures have not been achieved = 

Adequate: Some of the measures have been achieved = 

Positive: The measures have been achieved = 

CENTRES OF EXCELLENCE	Agreed Activities	Agreed Measures	By When	Measures Status as at YTD 31 December 2011
Biomedical HERCC Centre	Secure commercialisation space for the Health Education and Research Collaborative Centre (HERCC)	Commercialisation space is secured		 HERCC related activities effectively ceased in February 2010 when the Business Case made to Ministry of Economic Development [MED] was not successful
	Employ HERCC Centre Manager	Centre Manager is employed		 This activity effectively ceased in February 2010 when the Business Case made to MED was not successful
	Recruit businesses to the HERCC	Five businesses are located at the HERCC		 This activity effectively ceased in February 2010 when the Business Case made to MED was not successful
Clean Technology	Establish Clean Technology Fund to encourage investment in the region's clean technology sector	Clean Tech Angel Group established to provide the Clean Tech Fund		 Investor group approached and expressed interest but products not yet sufficiently developed – connections being made on case by case basis by business growth team.
	Attract further businesses to the Clean Technology Centre	Three business opportunities are presented for investment 14 businesses/research institutions are located at the Centre		 Two investment ready companies introduced to investors   Seven businesses/research institutions are located at the Centre with three companies signed up as active members of the clean tech centre community
Marine Energy	Develop fundable business case for Marine Energy Testing Centre	A business case has been developed and presented to potential funders		 Business case delivered to Central Government

CENTRES OF EXCELLENCE CONTINUED	Agreed Activities	Agreed Measures	By When	Measures Status as at YTD 31 December 2011
Screen & Digital Technologies	<p>Establish a co-working space for emerging screen and digital businesses and independent workers</p> <p>Continue to deliver the AnimfxNZ event to facilitate learnings about trends in the rapidly changing digital media industry, and connect local businesses with leading national and international industry executives</p>	<p>The co-working space has 15 members</p> <p>65% of AnimfxNZ attendee respondents feel AnimfxNZ is an event likely to result in mid-term business outcomes for them</p>		<p>The co-working space has 25 members as at 31 December 2011</p> <p>70% of AnimfxNZ attendee survey respondents felt it is an event likely to result in real deal/career opportunities within 12 months; 100% would recommend it to a colleague; 99% felt it was value for money; 91% felt it enabled them to achieve their personal or business objectives</p>
School of Computer Graphics	<p>Assist with the development of a funding proposal for a School of Computer Graphics at Victoria University</p>	<p>The funding proposal for the School of Computer Graphics has been agreed</p>		<p>The funding proposal for the School of Computer Graphics was agreed and provided. The school is launched</p>
Screen	<p>Develop a strategy for the retention/increase of international television activity in the region</p>	<p>A strategy has been developed</p>		<p>A strategy has been developed, and projects to implement its objectives are underway</p>

BUSINESS GROWTH	Agreed Activities	Agreed Measures	By When	Measures Status as at YTD 31 December 2011
Business Growth	Deliver business support through Business Assessments and Action Plans	800 Business Assessments and Action Plans have been completed		555 assessments completed 579 action plans completed
	Assist businesses to connect with the region's support services to facilitate their growth	In the annual client survey, 80% of respondents are satisfied with the business growth support they have received from Grow Wellington		2011/2012 survey to be carried out later in the year
Innovation	Continue annual Bright Ideas regional innovation initiative	Grow Wellington has received 800 Bright Ideas leading to 100 business plans		925 Bright Ideas received 136 Business Plans prepared
	Build the database of resources available to support the region's innovation community	The database has 100 "support" businesses which will provide the required resource		As at 31 December we have 139 subject matter experts on the database available to support the region's innovation community
Capability (Internships)	Develop capability through placing interns with business	40 interns placed with companies		97 interns have been placed with companies
	Deliver "Activate Plus" training and mentoring programme to committed start up businesses	In the annual client survey, 80% of business respondents are satisfied with the capability building support they have received from Grow Wellington through its intern programme	Jun 12	2011/2012 survey to be carried out later in the year
Training & Mentoring	Deliver "Activate Plus" training and mentoring programme to committed start up businesses	Three Activate Plus courses held with eight participants per course		Two courses underway in September 2011 and November 2011. One course scheduled March 2012
	Deliver "Inspire" seminars to inspire individuals and give them the tools to establish and grow a business	Two Inspire series held, five seminars per series, average 150 attendees per seminar		One Inspire series held August-September 2011 for Bright Ideas Challenge 2011
Tech NZ	Assist businesses to access TechNZ investment funding for research and development	Access \$1 million in TechNZ investments		\$571,788 accessed year to date
	Assist businesses to access NZTE training vouchers	Access \$500,000 of training vouchers		\$201,009.97 issued YTD to 31 November 2011



BUSINESS GROWTH CONT.	Agreed Activities	Agreed Measures	By When	Measures Status as at YTD 31 December 2011
Investment	Facilitate business investment through referrals to the Escalator and Angel investment services	25 assessments have been completed, 12 deals have been presented and four deals have been closed		30 assessments have been completed year to date. Seven deals and three updates have been presented. Three deals have been closed. <input type="checkbox"/>
Rugby World Cup 2011	Deliver an appropriate event (subject to having a clear list of individuals with specific business interests)	Event has been hosted and follow up contact has been undertaken with attendees once they have returned home		A Grow Wellington hosted event involving Francois Plenaar and John Kirwan was held in October 2011. 120 guests attended (the target was 100), made up of international guests and iconic Wellington businesses. All attendees received a personal follow-up email from the CEO. The feedback on the event was overwhelmingly positive and a number of business connections have been made. <input checked="" type="checkbox"/>

CREATIVE HQ	Agreed Activities	Agreed Measures	By When	Measures Status as at YTD 31 December 2011
	Develop the region's premium, proven vehicle for accelerated venture success	85% client satisfaction (Good or Very Good) as measured in annual survey		93% client satisfaction as measured in the July 2011 Survey <input checked="" type="checkbox"/>
	Develop residents and alumni who help develop a new high-value economy for the Wellington Region	Top three capability nationally (as benchmarked by NZTE) 25 ventures supported 8 ventures graduated from the incubator 59 alumni ventures Total economic value generated by alumni businesses totals \$89m and cumulative lifetime totals \$245m		Results received June 2012 <input type="checkbox"/>
				Supporting total of 30 Ventures (24 in incubation, six in pre-incubation) <input checked="" type="checkbox"/>
				Seven ventures exited from Creative HQ <input type="checkbox"/>
				55 alumni ventures <input type="checkbox"/>
				Report generated May 2012 <input type="checkbox"/>

SECTORS – FILM WELLINGTON	Agreed Activities	Agreed Measures	By When	Measures Status as at YTD 31 December 2011
	Review new film and location permit system for further improvements in order to achieve a fully integrated online application system. Implement improved system	The review has been completed and improvements have been implemented which deliver a fully integrated online application system		New website, database and permit system implemented and working well <input checked="" type="checkbox"/>
		The annual client survey shows 85% satisfaction with assistance received from Film Wellington		2011/2012 survey to be carried out later in the year <input type="checkbox"/>
		600 film industry enquiries have been responded to/managed	Jun 12	357 enquiries managed year to date <input checked="" type="checkbox"/>
	Ongoing review of effectiveness of Film Wellington's awareness campaign marketing activities – website, networking, hosting visitors, trade show attendance	The awareness campaign has been reviewed and findings have been implemented		Review underway <input checked="" type="checkbox"/>

SECTORS CONT – FOOD & BEVERAGE	Agreed Activities	Agreed Measures	By When	Measures Status as at YTD 31 December 2011
	Implement Wellington Food and Beverage (F&B) sector development projects	80% of participants in annual client survey are satisfied with Wellington F&B sector development projects		Performance to be measured at year-end in client survey <input type="checkbox"/> YTD Projects: Re-development of the Wellington Food & Beverage Database; Supplier Showcase day; establishment & development of F&B manufacturing group; measurement of Top-50 F&B companies; discussions to establish a Wellington F&B export vehicle <input checked="" type="checkbox"/>
Visa Wellington on a Plate	Further develop the Visa Wellington On a Plate (VWOAP) offering and target international attendees	Initiatives have been developed for targeting VWOAP international attendees	Aug 2012	VWOAP 2012 planning is underway. Visitors from the Australian market will be targeted with a mix of: electronic direct mail in conjunction with 'sister' Festival in Melbourne and Wellington Tourism's own databases, joint marketing initiatives with festival sponsors (e.g. Air New Zealand, Fisher & Paykel) and targeted PR activities with Australian media <input checked="" type="checkbox"/>

SECTORS CONT - EDUCATION	Agreed Activities	Agreed Measures	By When	Measures Status as at YTD 31 December 2011
International Students	Consolidating international student marketing plan in China and Vietnam  Scoping other potential markets for international students	Annual client survey shows that Grow Wellington's activities have supported increased student numbers from these countries  One new market has been scoped		Plans for China/Vietnam under development for March 2012. Marketing collateral being developed to support activities in China  Investigation into Indonesia as potential source market commenced with Education Wellington Board
Education Wellington International (EWI)	Support the Education Sector through the EWI (Education Wellington International) Advisory Board	85% of EWI members are satisfied in annual client survey with Grow Wellington's services to support international education  Retain 95% of existing EWI membership base		Four schools' memberships suspended. One will rejoin 2012. Three new schools approached concerning 2012 membership - one confirmed  To be measured at year end
Online Cultural Exchange & English Language Lessons	Further develop Online Cultural Exchange and English lessons	20 schools matched and participating in Online Cultural Exchange and English lessons		Focus shifted to delivery of English lessons into after school and regular school programmes. Cultural exchange to be offered as an add-on service. Distribution partners in Korea currently being sought

SECTORS CONT. PRIMARY & MANUFACTURING	Agreed Activities	Agreed Measures	By When	Measures Status as at YTD 31 December 2011
Irrigation	Assist development of irrigation project. Support Wairarapa Regional Irrigation Trust (WRIT) and connection with Greater Wellington Regional Council (GWRC)	Investment and implementation plans have been prepared	Jun 12	Investigation funding secured from GWRC and application to Central Government to be made in early 2012. Investigations of best practice in Australia undertaken. Investment structures investigation to occur in first half of 2012 <input checked="" type="checkbox"/>
Wood	Identify projects that are made feasible with the introduction of irrigated production  Deliver an investment memorandum for new investment into the processing sector to potential investors	An investment memorandum has been delivered to potential investors	Jun 12	Discussions started with primary sector processors to determine their need and criteria for investment <input checked="" type="checkbox"/>  No action undertaken due to the depressed state of the processing sector nationally which is due to low demand for timber products and high prices for export logs <input checked="" type="checkbox"/>
Optimising Manufacturing	Ensure the successful completion of Optimising Manufacturing (OM) programme with full complement of companies	16 companies in the OM programme	Jun 12	As at 31 December there were eight companies contracted in the OM programme. The loss of the financial support from MSI has necessitated a re-structure of the programme and the development of the new version is underway. Further intakes of both companies and graduates will occur when this new version is in place. Positive employment outcomes have been achieved for all graduates leaving the programme <input checked="" type="checkbox"/>
		In the annual client survey, the OM programme participants give an 85% rating of support for initiatives and confirm these initiatives have contributed to increased profitability.		2011/2012 survey to be carried out later in the year <input type="checkbox"/>

MARKETING & COMMS	Agreed Activities	Agreed Measures	By When	Measures Status as at 30.09.11
	<p>Produce appropriate communication collateral and disseminate using all relevant communication tools/channels</p> <p>Get buy in from key stakeholders to use "The Wellington Story" in their international marketing</p>	<p>In Grow Wellington's annual survey of clients and stakeholders in the Wellington Region, 80% of respondents agree that Grow Wellington is <u>the</u> place to go for business support</p> <p>2,000 site visits per month 1,500 e-newsletter subscribers</p> <p>20 partners are using "The Wellington Story" to promote their business</p>	<p>Aug 11</p>	<p>2011/2012 survey to be carried out later in the year <input type="checkbox"/></p> <p>On average there were 3,635 visits per month to the Grow Wellington website. On average there were 1,302 subscribers to the fortnightly e-newsletter. <input checked="" type="checkbox"/></p> <p>The development of the "Wellington Story" and subsequent campaign is still a work in progress but is a top priority for early 2012 <input type="checkbox"/></p>

## STATEMENT OF FINANCIAL PERFORMANCE

**Grow Wellington Limited**  
**Statement of Financial Position**  
**GROUP**  
For The Period July-December 2011

	Current Period \$	Same Period Prior Year \$
<b>INCOME</b>		
GWRC Contribution	2,268,620	1,953,184
Grant Income	500,426	292,532
Sponsorship	25,625	10,000
Other Income	682,749	364,877
Interest Income	4,431	6,336
<b>Total Operating Revenue</b>	<b><u>3,481,851</u></b>	<b><u>2,652,189</u></b>
<b>LESS COSTS OF SERVICES</b>		
Personnel	1,986,361	1,587,603
Direct Costs	1,098,489	688,719
Overheads	367,643	351,934
<b>Total Expenditure before Depreciation</b>	<b><u>3,452,493</u></b>	<b><u>2,628,256</u></b>
Depreciation & Amortisation Expense	29,358	23,933
<b>Total Expenses</b>	<b><u>3,481,851</u></b>	<b><u>2,652,189</u></b>
<b>Net Surplus ( Deficit )</b>	<b><u>0</u></b>	<b><u>0</u></b>

**Grow Wellington Limited**  
**Statement of Financial Position**

For The Period July-December 2011

	<b>Current Period \$</b>	<b>Same Period Prior Year \$</b>
<b>ASSETS</b>		
Cash and Bank Balances	716,560	612,373
Total Accounts Receivable	115,730	187,455
Prepayments	1,167	188
Taxation Refunds Due / RWT		0
Future Tax Benefit		0
Fixed Assets (net of accumulated depreciation)	116,195	147,313
<b>Total Assets</b>	<b>949,652</b>	<b>947,329</b>
<b>LIABILITIES</b>		
Payables		
Accounts Payable	99,792	209,278
GST Payable (Refund)	141,493	56,768
PAYE / Emp'ee Kiwisaver Payable	46,051	66,012
FBT Payable	0	0
Total Payables	287,336	332,058
Other Liabilities		
GWRC Contribution Advance (Income to be Claimed)	105,919	84,577
Income in Advance	303,000	310,000
Creative HQ Bonds	11,167	9,333
EWI (Inc) Trust Funds	76,136	74,292
Holiday Pay Liability	109,117	80,091
Income Tax Payable	0	0
Deferred Tax	0	0
Loan- GWRC	0	0
Intercompany Loan Creative HQ Limited	0	0
Accounts Receivable Prepayments	0	0
<b>Total Liabilities</b>	<b>892,675</b>	<b>890,351</b>
<b>EQUITY</b>		
Capital	0	0
Total Accumulated Funds and Retained Earnings	56,977	56,977
Profit (Loss) For the Period		0
<b>Total Equity</b>	<b>56,977</b>	<b>56,977</b>
<b>Liability and Equity</b>	<b>949,652</b>	<b>947,329</b>

**Grow Wellington Limited**  
**Statement of Cashflows**  
**For the period July-December 2011**

<b>Cashflows from Operating Activities</b>	<b>31/12/2011</b>
Cash Provided From	
Receipts from GWRC	2,928,602
Receipts from Grants	500,427
Receipts from Other Income	682,749
Receipts from Sponsorship	25,625
Interest Received	4,431
	<u>4,141,834</u>
Cash was Applied to	
Payments to Suppliers/Employees	3,727,806
GST Paid	(68,679)
Taxation	0
CHQ Bond	1,189
Interest Paid	0
	<u>3,660,316</u>
	<u>481,518</u>
<b>Cashflows from Investing Activities</b>	
Cash Was Provided From	
Sale of Fixed Assets	<u>0</u>
Cash was Applied to	
Purchase of Fixed Assets	<u>6,081</u>
	<u>(6,081)</u>
<b>Cashflows from Financing Activities</b>	
Cash was provided from	<u>0</u>
Cash Was Applied to	<u>0</u>
	<u>0</u>
Net Increase in Cash Held	475,437
Opening Balance Brought Forward	241,123
Ending Cash Carried Forward	<u><u>716,560</u></u>
Represented by:	
Cash & Bank Balances	<u>716,560</u>
	<u><u>716,560</u></u>

**Grow Wellington Limited**  
**Statement of Cashflows**  
**For the period July-December 2011**

<b>Reconciliation to Operating Profit</b>	<b>31/12/2011</b>
<u>NET PROFIT</u>	0
Add (Less) Non Cash items:	
Depreciation	23,950
Amortisation	<u>5,408</u>
	29,358
Add (Less) movements in Working Capital items	
(Increase) Decrease Accounts Receivable	257,600
(Increase) Decrease Prepaid Expenses	2,845
Increase (Decrease) in Sundry Creditors	(279,847)
(Increase) Decrease in Taxation Payable	-
Increase (Decrease) in Income in Advance	402,383
Increase (Decrease) in Creative HQ Bonds	500
Increase (Decrease) in GST Payable	<u>68,678</u>
	452,159
Net Cash Inflow from Operating Activities	<u><u>481,517</u></u>

**Grow Wellington Limited**  
**Income and Expenditure by Activity for July-December 2011**

	<b>Actual</b>	<b>Budget</b>
<b>Income</b>		
GWRC rates	2,268,620	2,120,417
Other	<u>1,213,231</u>	<u>1,246,351</u>
	3,481,851	3,366,768
<b>Expenditure</b>		
Developing Centres of Excellence	682,680	685,825
Supporting Priority Sectors	847,896	807,770
Grow and Retain Existing Businesses	1,930,407	1,853,171
Other Projects	<u>20868</u>	<u>20,003</u>
	3,481,851	3,366,768



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