

GROW WELLINGTON REPORT

NB: The following report is for WRS Committee information only. The purpose for this report is an update on existing activities and programmes.
 In many cases information is limited by commercial sensitivity.
 It is not meant as an introduction to the programmes, it assumes that the introduction has already been received by WRS members.

1. DEVELOPING CENTRES OF EXCELLENCE

Introduction

Centres of Excellence programmes are based on the combination of world class technology, targeted education, commercialisation and a globally relevant business supported by smaller businesses. The programmes are long term (20 years) with a vision of establishing sustainable world class industries in the region.

The three Centres of Excellence identified for support are

1. Health
2. Clean Tech
3. Digital

Each programme has projects that are being implemented to enhance the Centre of Excellence development and growth.

1.1 HEALTH

Introduction

The Health Centre of Excellence is based on the high quality education and research that exists in the region. The HERC Centre is now housing both research and education institutes. The next step is to introduce businesses and commercialisation expertise plus global connections. The HERC Centre has been established at the Wellington CCDHB site, it is planned to connect to other expertise such as Gillies McIndoe.

Activities

HERC Centre

Government Investment – The Government response to our investment proposal is on hold due to a decision by Ministers to focus on other sectors

Governance Model – Due to the changes in management the project has been delayed. A meeting will be held in late November with the new senior management to discuss the next steps.

Residents - Most research organisations and businesses have been identified. The research players are now housed at the HERC Centre, with the businesses awaiting the final allocation of space.

Gillies McIndoe Institute

IP - No further progress, a meeting is to be planned with the Gillies McIndoe personnel following their strategy session.

1.2 CLEAN TECH

Introduction

The Clean Tech Centre of Excellence is based on the opportunity to leverage existing science and technology to create Clean Tech products and businesses.

The first phase is the establishment of a Clean Tech centre in Kapiti which will house start ups and then expand into a full technology park.

Also specific projects are being supported on the basis that they can demonstrate the capability in the region and lead to Wellington being seen as the "Clean Tech development region"

Activities

Clean Tech Centre

Lease/Fitout - Base level completed.

Residents - To date 6 organisations that have signed leases.

Beyond these, leases have been offered to 11 other organisations. To date no group has refused.

Transport Project

Stage 3 clean transport product assessment is ready to go.

India/Somes Island Project

IRL have been (re)briefed on the project following the change in their internal personnel

1.3 DIGITAL

Introduction

The Digital Centre of Excellence is based on the opportunity to establish a major industry based on the existing single major business in the region. The need is to develop research and education plus help establish more mid size businesses so that the industry is sustainable.

The projects that are being developed are

- a. International Connectivity, to ensure the smaller businesses are connected to the major international players
- b. Scoring Stage, to enhance infrastructure in the region
- c. HackerSpace, to provide an environment for small companies to learn and develop
- d. Digital Education, to provide a flow of high quality local talent that can support an expanding industry
- e. Investment, which is currently a commercially sensitive project

Activities

Effort has been directed mainly at the *Hackerspace* and *International Connectivity* projects; first, to accelerate delivery of a notable win for the CoE Screen and Digital programme and secondly to try and extract a greater return from our investment into supporting the AnimFX conference. Both are now ahead of schedule and performing well. This focus has meant the other projects have been allowed to slip slightly behind schedule in their early stages.

a INTERNATIONAL CONNECTIVITY

AnimFX

- Objectives drafted and confirmed. Weekly meetings held with NZGAV Trust (organisers) to ensure Grow Wellington objectives are incorporated into the operations of the event.
- Bus Development Advisory Workshop - planned with Sean Kauppinen to lead the session. Sean Kauppinen is the founder and CEO of the International Digital Entertainment Agency. He has more than 15 years of strategic communications and business development expertise in the digital entertainment industry.
Event marketed to AnimFX registrants successfully and received a very favourable response.
- Monitoring to begin in November 2011 after the event. Survey of registered attendees to be undertaken to ascertain performance of AnimFX and associated events.

b SCORING STAGE

- *Hackerspace* and *Scoring Stage* projects have been separated out from Grow Wellington's previous *Digital Innovation Hub* proposal. This distinction has been communicated to key stakeholders in meetings and they have confirmed this is a better solution.

- Discussions underway with key stakeholders and scheduled to continue into December. Grow Wellington's role being defined.

c HACKERSPACE

- List of existing facilities in Wellington scoped, and analysis of their market offering, cost, etc, has been prepared. Conclusion is that there is room and a demand for this facility in Wellington, therefore fuller consideration is proceeding.
- Stakeholder Engagement - Initial discussions and site visits underway. Identification of key champions is ongoing.
- 2-page outline document drafted for testing with potential user community, and as an initial marketing tool to gauge interest.
- Stop/Go Decision– scheduled for Dec 2010.

d DIGITAL EDUCATION

- Initial meeting held between stakeholders. Group was in uniform agreement about the desire to move forward with the planning process.

2 BUSINESS GROWTH

Introduction

Business Growth is focussed on providing support for businesses directly. The support is not generally from Grow Wellington personnel, our role is to connect businesses with the most appropriate support from the region.

Business Growth is delivered at a local level with new Business Growth managers in Wellington City, Hutt Valley, Porirua, Kapiti and Wairarapa.

Business Growth support is given at different levels depending on the life stage of the business

1. Activate is a 4- 6 week intensive course for early stage businesses
2. Innovate is support for R & D development for established businesses. Financial support is given to businesses by central govt. 50% from govt/ 50% from the business
3. Bright Ideas is a 'competition' that has been introduced in 2010 to assist innovative new ideas become a business reality
4. Summer of Tech is a programme to place students in businesses to provide learning for the students and enable the business to carry out innovative projects
5. Business Support is direct connections with business to support them to develop their export capabilities and fill any gaps
6. Incubation is intense support over a 2 -3 year period to take early stage businesses through to being established export businesses. Creative HQ is the regions business incubator, it is 100% owned by Grow Wellington

2.1 Activate

The Bright Ideas Challenge has continued to provide a great platform for the Business Growth team as a whole to profile the Activate programme with September enquiries for Activate coming through on a daily basis. Enquiries from www.growwellington.co.nz have been noticeably higher during September. It is expected that at least eight Bright Ideas will be invited to participate in the Activate programme with full Grow Wellington support, and approximately 16 will be invited to attend Activate with 50% support from Grow Wellington.

The course starting in Wellington on Monday 4 October is full, and four companies have signed up to the course starting Tuesday 9 November (also Wellington).

A review of Activate's role in the marketplace was undertaken to ascertain Grow Wellington's offering going forward in keeping with market need.

2.2 Innovate

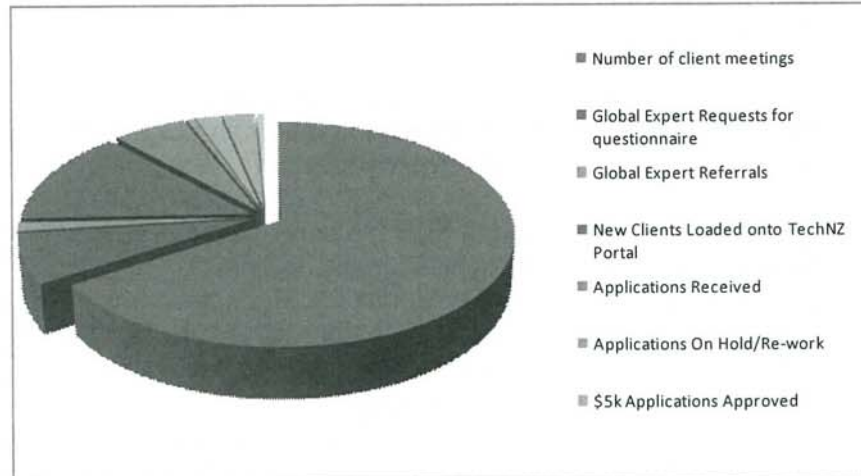
Tech NZ

Business Growth and TechNZ continue to work with new clients in relation to funding opportunities. Nine applications for funding were received this month. Of these, seven were approved in September with two being carried over into October. A total of \$57,878 was approved for funding.

This month 101 meetings were held with companies and start-ups - 14 of these meetings were held with Bright Ideas Challenge entrants. A total of 30 meetings/reviews were held with Summer of Tech Internship applicants.

Two peer reviews were done this month, one for Venture Southland and the other for Venture Hawke's Bay. Both projects were approved for funding.

Number of client meetings	101
Global Expert Requests for questionnaire	11
Global Expert Referrals	2
New Clients Loaded onto TechNZ Portal	21
Applications Received	9
Applications On Hold/Re-work	1
\$5k Applications Approved	3
\$30k Applications Approved	4
Applications >\$60 000 Referred to TechNZ	1



2.3 Bright Ideas Challenge

151 Business plans were received. Over 50 of these plans are of a very high quality with global potential. Work is now focused on supporting these plans. In addition a number of Bright Ideas sector events have been held during the month.

2.4 Internships – Summer of Tech

The Summer of Tech 2010 interviewing and matching process took place in September. Speed interviews took place in the second week of the month. Five hundred interviews were scheduled, involving 36 companies and 130 students. The ten minute interviews were completed in two days. At the conclusion, 61 students were matched to projects.

2.5 Business Support

Focus has been on recruitment and then on training of new team and introduction to key clients

2.6 Incubate (Creative HQ)

MyInfoSafe has joined Creative HQ bringing the total ventures to 20. MyInfoSafe has developed an innovative product for the protection of personal data in an online environment.

Creative HQ has been heavily involved in capital raising for our ventures. 3 businesses are in the critical stages of finalising their investment memorandum for first round investment. One is preparing for second round investment and another is preparing to secure expansion capital. One business is in negotiations with a major international partner.

3 INVESTMENT

Introduction

Investment is a key factor in supporting high growth export oriented businesses. Grow Wellington supports and connects the investment community at two levels, both focussed on early stage support.

1. Angel HQ is a club of early stage investors that invest in local high growth potential businesses.
2. Escalator is a central govt programme that enables businesses to understand what is required to raise money and also to provide support for businesses that require capital

Activities

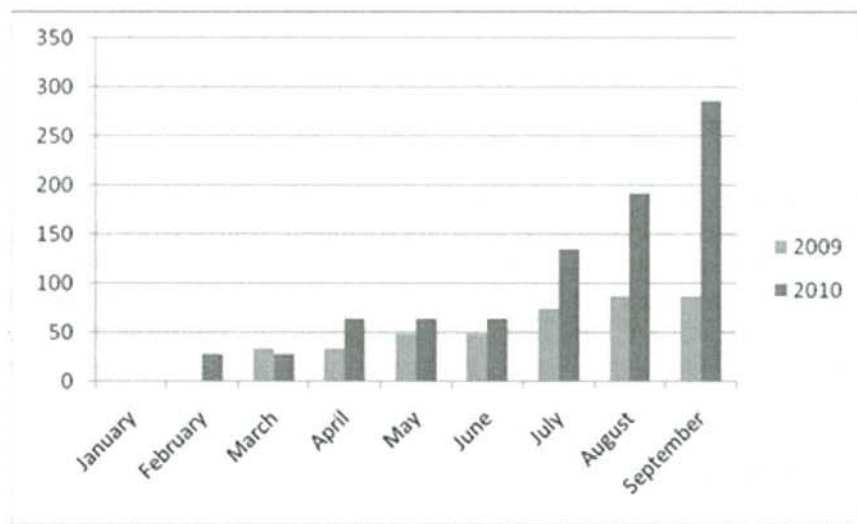
3.1 Angel HQ

The Angel HQ Board is now searching for a new Chairman. The Board representatives will meet with Grow Wellington in December to discuss their new business model/plan.

3.2 Escalator

The year on year cumulative results for attendance at Escalator workshops from people in the Wellington region are shown below. The workshops are to help businesses prepare their "story" for capital raising.

These statistics prove the value of Grow Wellington actively promoting the escalator programme. It also emphasises the demand from businesses for support in raising capital.



4. SUPPORTING PRIORITY SECTORS

Definition

“Priority sectors” are those which have critical mass, both current and potential, and can be built on to achieve export growth. Grow Wellington has identified sectors based on our ability to address the gaps preventing them from achieving greater export success. These are the film, food and beverage, primary, manufacturing and education sectors.

4.1 Film Wellington

Introduction

Film Wellington provides sector support in two ways

1. Allocating film permits and providing support in order to make the region “film friendly”
2. Engaging with international producers to promote Wellington as Film destination

Activities

Film Permits: 19
 Location Permits: 28
 Enquiries: 56
 Database: 6 businesses added.

Examples of Film Wellington assistance:

Feature Films

- a potential project planned for Wellington in early 2011

Television Programmes

- a German/NZ coproduction for two tele-features filming in October/November and December

Success Story

Wellington was well represented in the finalists at the 2010 Qantas Film and Television awards – Wellington winners included: KHF Media Ltd - Reservoir Hill for Best Children’s/Youth Programme; Costa Botes, (Lone Pine Film) Lost In Wonderland for Best Popular Documentary OR Documentary Series; Rhian Sheehan, THE CULT for Best Original Music in General Television; and Tim Prebble was nominated as part of all three finalist teams for Best Sound in a Feature Film

4.2 Food & Beverage

Introduction

The Food Strategy is focussed on developing the region as a food exporter. The strategy will be implemented in stages over the next 3 – 5 years

1. Develop Wellington on A Plate as a tool for suppliers to prove their capability. This is also a tourism opportunity so is being implemented in partnership with PWT
2. Enhance the image of Wellington through the Le Cordon Bleu project
3. Support Develop the Food manufacturing capability in the region
4. Active promotion of suppliers internationally

Activities

Wellington On a Plate 2010

A thorough review of the festival is currently being conducted, including an industry forum, an economic assessment report by BERL, and a consumer review. This information will be used to further develop Visa Wellington on a Plate 2011 into a world class food event.

Le Cordon Bleu

On 14 September Grow Wellington co-ordinated the public announcement of the partnership between Le Cordon Bleu, Weltec and UCOL and their intention to build a Le Cordon Bleu New Zealand Culinary Institute here in Wellington.

Grow Wellington also soft launched the document 'Developing a Taste for the Region'. This document is a more palatable version of the F&B five year strategy document and is designed to give anyone who has interest in the F&B sector in the Greater Wellington region an idea of the direction the sector is heading.

4.3 Education Wellington

Introduction

The Education Sector is supported through two programmes

1. Promoting the region as a destination for international students - primary, secondary and tertiary
2. Supporting the development of Education products that will be able to be exported

Activities

Education Students

Time was spent meeting with representatives from a range of institutions and organisations in order to determine the direction for activities in target markets for 2011. In particular this relates to Vietnam and China.

Vietnam

In 2011 Education Wellington will continue to leverage off Education New Zealand events in Hanoi and Ho Chi Minh. Top performing agents will be used to help us break into regions outside of the two main centres. In-market activities are planned to take place in March.

In addition, agents will be brought into the Wellington region throughout the year, and Education Wellington will provide logistical support for agent training workshops in October.

China

A handful of high quality agents from a second or third tier city in China will be identified and Education Wellington will work to support these agents through in-market visits and activities.

The focus will be on building relationships with agents and institutions in the selected city, promoting opportunities for agent-driven and partner-mediated student recruitment.

In-market activity will be supported by inbound agent visits and onshore events, including an increased online focus.

Wellington cities links with both Xiamen and Beijing have not proved fruitful in terms of recruiting fee paying international students for a number of reasons, and further work will go into the identification of potential alternative cities and timing of activities.

Education Products

Commercially sensitive

d Primary & Manufacturing

Introduction

The Primary Sector activities are focussed on supporting the development of the irrigation project in Wairarapa and supporting the Forestry industry to identify the best opportunities to maximise value from the impending “wall of wood”

The Manufacturing sector programme is labelled Optimised manufacturing. The intent is to help businesses become more innovative by introducing graduate trainees into their businesses. Grow Wellington employs the graduates and is responsible for developing them and connecting them. The businesses cover the costs.

Primary

Irrigation

MAF have been tasked by Cabinet to develop a way for Central Government to support the development of regional rural water infrastructure projects. This is a challenge for Government in an economic recession but they are starting to see any contribution as an investment, not a cost. Senior officials were provided with an overview of the Irrigation project. It appears that any new policy/initiatives will happen early in the New Year for action on the next budget.

Fonterra management organised a full briefing session in Wellington and invited irrigation schemes from around the country to present to them. Fonterra stated that in their opinion the only two regional projects worth pursuing are Wairarapa and Canterbury.

The Wairarapa Regional Irrigation Trust has commissioned Terry Heiler, the former CEO of Irrigation NZ and a member of Treasury’s Infrastructure Advisory Board, to undertake a strategic review of the project direction. Terry will produce a short report on his thinking which will be available to us shortly.

Manufacturing

There are now signed “Letters of Intent” from 3 additional businesses to participate in the Optimising Manufacturing Scheme.

Total of participating businesses now 10.

4. COMMUNICATIONS

Introduction

The Grow Wellington communications programme ensures that the business community is aware of the support and opportunities that are available in the region.

Activities

Newsletters - 5 weekly newsletters emailed to 955 subscribers. Inspire quarterly newsletter emailed to 446 subscribers.

Website

The website is being reviewed to make it more relevant, up- to-date and reflective of the work Grow Wellington does.

Visitors are primarily coming from New Zealand but there are also high rates from Australia, the US and UK. The bulk of referrals this month are from the wellingtonnz.com website. Recent content searches are: annual report, activate and cleantech.

8. OTHER

a **Structure**

Additional Business Growth advisors have been recruited for Wairarapa, Hutt Valley, Porirua, Kapiti Coast and Wellington, this is part of the Regional Partner programme with investment support from central government.