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Committee Wellington Regional Strategy Committee  
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## Grow Wellington Half Yearly Report (July - December 2012)

### 1. Purpose

The purpose of this report is to present to the Committee the Half Yearly Report of Grow Wellington (July-December 2012).

### 2. The decision-making process and significance

The matter requiring decision in this report has been considered by officers against the requirements of Part 6 of the Local Government Act 2002 (the Act).

Officers have considered the significance of the matter, taking the Council's significance policy and decision-making guidelines into account. Officers recommend that the matter be considered to have low significance.

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

### 3. Background

Grow Wellington was established in 2007 to deliver economic growth initiatives under the Wellington Regional Strategy (WRS). The company is required to report to the Committee on its activities at the end of each six monthly period. The report in **Attachment 1** is Grow Wellington's half yearly report for the first half of the financial year 2012/13.

### 4. Comment

The performance standards in the 2012/13 Statement of Intent (SOI) are of a more general nature than previous SOI's and the 2013/2014 SOI, which is the subject of a separate report to the Committee.

The report acknowledges that there was a period of transition following the refresh of the WRS and the recent appointment of senior management positions.

Grow Wellington has refocused its activities over the last year to align with the refreshed Strategy. Grow Wellington has shown flexibility by successfully adapting to the strategic change in focus of the WRS.

Grow Wellington's Half Yearly Report includes commentary on the various areas of activity over the period July to December 2012. A summary table provides half year progress measured against the SOI key performance indicators (KPI). Activities are on track, although in some cases the KPIs will be reported in Grow Wellington's Annual Report following business surveys and analysis of Grow Wellington's impacts.

No concerns are raised in the financial position and expenditure to date which is tracking in line with the budget forecast.

An analysis of Grow Wellington's work in the area of business attraction and Grow Wellington's priority sectors for 2012/2013 is provided below.

### **Business Attraction**

*Connecting with Business* - The Business Growth team has refocused its efforts, working with fewer, higher growth potential businesses in a more focused and defined way to better understand their needs. Grow Wellington approved funding to over 100 businesses under the New Zealand Trade and Enterprise (NZTE) capability building scheme, which represented 113% of its YTD funding budget.

*Investment* - Grow Wellington has been successful in the area of investment, with Grow Wellington having approved, facilitated and managed the application of, or referral of applications for funding to the Ministry of Business Innovation and Employment (MBIE) to the value of nearly two million dollars of successful research and development (R&D) funding.

*Workforce Development* - Grow Wellington placed 98 interns in the six months to December 2012. In addition, interns from all of the tertiary institutions have been placed in regional businesses around the region.

*Business Attraction and Migrant Settlement* – Funded by Wellington City Council, Grow Wellington is working with Positively Wellington Tourism (PWT) to develop a programme of work and detailed implementation plan, and to secure funding in order to work together to attract businesses, investment, talent, and students to Wellington.

## **Priority sectors**

### *Science and Technology:*

There are currently 17 members of the Clean Tech Centre, most of whom are developing technologies in areas including renewable energy and low emission technologies, electric power solutions and waste management. The project graduated one business from the Centre in the six months to December 2012 so is on track to meet its KPI.

A priority was a regional partnership with TechNZ, to connect businesses to R&D funding and suppliers. Grow Wellington is on track to facilitate and manage the application of two million dollars of R&D funding by the end of the financial year.

### *Creative and Digital Services:*

Grow Wellington has increased resources to this sector and applied more focus to offshore business and investment attraction. Programmes were also extended into other high value and high growth industries, such as education technologies, traditional software development, web development and ICT.

A business attraction pipeline for the sector has been formed with one successful conversion from the Australian market in the six months to December. Grow Wellington also supported a range of Wellington businesses to secure offshore deals in the entertainment sector.

Pukeko Intellectual Property Initiative (PIPI) programme was developed with Universities and Wellington creative sector businesses and is running successfully. Its success has prompted an ongoing commitment and an expansion of business participants.

*Film* - In the six months to December, Film Wellington facilitated 67 film permits. The Client Survey is to be undertaken in the second half of the financial year.

*Education* – With an annual KPI to attract 200 additional students in the region from China and Vietnam, final numbers will not be available until the end of the year. However, indications show that numbers will increase in the 2013 calendar year.

Activities have included two in-bound visits by major Chinese education consultancies which established new relationships and built on existing ties. Grow Wellington also led an education delegation to China in October 2012 to promote Wellington education opportunities.

An area where Grow Wellington has not met its KPI is the Pounamu Investment Fund which ceased after it failed to be fully subscribed.

*Innovation:*

*Wairarapa Water Use Project* – Grow Wellington commissioned a financial model that will assist in decisions around which scheme options to pursue.

*Food and Beverage* – Visa Wellington On a Plate generated \$1.41 million in direct spending over a quiet period for the region. Grow Wellington's Statement of Intent 2012/13 identified the need to build on the event to assist food export companies with \$3 million export growth from businesses to be supported. An Economic Impact Assessment is to be completed in August 2013.

### **Innovation and start-up support**

*Creative HQ* - In the six months to December Creative HQ has already nearly met their KPIs for the 2012/13 financial year with 22 ventures supported, 5 ventures graduated and 68 alumni ventures.

New Zealand's first digital accelerator programme, Lightning Lab, was launched.

## **5. Communication**

The Half Yearly Report will be publicly available on Grow Wellington's website. Any other communications will be the responsibility of Grow Wellington.

## **6. Recommendations**

*That the Committee:*

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Accepts the Grow Wellington Half Yearly Report (July-December 2012).*

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**Attachment 1:** Grow Wellington Half Yearly Report (July-December 2012)