



Report 08.356
Date 23 May 2008
File WRS/09/01/01

Committee Wellington Regional Strategy
Author Jane Davis, Divisional Manager

Grow Wellington Quarterly Activity Update January – March 2008

1. Purpose

To present to the Committee the Grow Wellington quarterly activity update for the period January-March 2008.

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

Under the Funding Deed between Greater Wellington and Grow Wellington the company is required to provide quarterly information to Greater Wellington. This is in addition to the more formal six-monthly and annual reporting obligations.

4. Comment

The quarterly report outlines the company's activities for the third quarter of the 2007/08 year. The work undertaken is consistent with its Statement of Intent 2007/08.

5. Communication

Grow Wellington is responsible for its own communications and no further communications are required in relation to this report.

6. Recommendations

That the Committee:

- 1. Receives the report.*



2. *Notes the content of the report.*

Report prepared by:

Report approved by:

Jane Davis
Divisional Manager

David Benham
Chief Executive

Attachment 1: Grow Wellington Quarterly Report January – March 2008

Grow Wellington Ltd

Quarterly Activity Update

For the Period January-March 2008



Grow Wellington Ltd

Quarterly Activity Update for the period January to March 2008

Organisation

Grow Wellington substantially completed the backbone of its organisational planning – the Statement of Intent – during the period to March 2008, and also finalised many of its preparations for the May shift to the new premises where it will be co-located at last with its business incubation programme, Creative HQ.

Operations

Developing Centres of Excellence

During this quarter, we refined our focus on four areas that will be initial priorities for developing into centres of excellence: screen and digital technologies; sustainable and renewable energy; biotechnology and life sciences; and natural hazards. Terms of reference for advisory panels for each of the four centres of excellence were agreed, and panel members confirmed.

Collaborative projects are being developed to draw the active participants in the centres of excellence together. One example of this is work on attracting Mayo Clinic to establish their first non-USA international outreach centre in Wellington. Discussions between Mayo, CCDHB and Malaghan, resulted in the announcement in early April that Mayo would run a major combined oncology and haematology conference in Wellington next March.

Another area of focus in the sustainable energy sector has brought an early focus on two substantial longer term developments in the region. These include commencing a feasibility study for a global marine energy testing centre, and the associated early feasibility assessments of the value of the very substantial methane hydrate resources off the Wairarapa Coast.

Supporting Sectors

A separate update is being provided on the Wairarapa Wine and Food Major Regional Initiative.

In addition to the MRI, we undertook the initial work on a new project – developing the Wellington Food Story. This involves identification, coordination and growth of the region's capability and international reputation as a premium food and beverage producer. We have engaged with a small advisory group of 'regional food champions' – premium food and beverage producers from the Wairarapa, Kapiti, and Wellington.

In the primary sector, continued support was given for the work of the Wairarapa Regional Irrigation Trust.

We began a review of the Industry Development Centre, with key stakeholders EMA, Weltec, FRST and NZTE, as a prelude to planning our process for engagement with the manufacturing sector. It has been identified that the IDC model needs to evolve to support capability development in the manufacturing sector. A proposed concept is being discussed with the manufacturing businesses.

Film facilitation activity saw our Film Wellington team working on *Avatar* and *The Lovely Bones*, in addition to a feature film by Gaylene Preston productions, and helping a production team in

the region on a visit for two feature film projects. We recruited two new staff for Film Wellington; met with a representative of the Korean Film Producers Association; and continued to assist with the planning and preparation for the AFCI Cineposium 2008 to be held in Wellington in November.

Education sector work in this period mainly comprised preparations for three large activities in the final quarter of the year – the annual Education Wellington International function with the diplomatic community, the ANZA international marketing showcase in Sydney in May, and professional development workshops for the industry.

For the past year Education Wellington International has been assisting a network of institutions with a particular interest in marketing in Korea. The network has lacked a Korean-speaking coordinator with good connections in the market and as a result it has been close to stalling. In February, Education Wellington International helped find someone to fill this position, and was able to hand over coordination services. The future is looking bright and already three Korean education agents are planning to visit Wellington in May.

In July we will initiate a programme of working with companies in the education field to assist them with product development for commercialisation and export. As a preliminary, we are researching this territory and have held discussions with a company from the Wairarapa, and one from Porirua.

Growing Business

Our organisation structure has been reviewed to ensure our support for businesses at all stages of development – from idea to an established business - is seamless and consistent. These will all be grouped under the leadership of the General Manager, Business Incubation.

During the first quarter we delivered our main programmes to individual businesses – the pilot of *Activate*, and *Incubate* – while working on planning the formal rollout of the Activate programme throughout the region. Activate is an intensive 14-week programme designed to help people turn their business ideas into a reality. Companies accepted into the pilot programme have come from Wellington City and Hutt City. It is expected that more companies from around the region will participate as the programme is rolled out for regional delivery from May through September, with Hutt City and Porirua being first off the rank.

We have been growing our knowledge of the business drivers of the region's economy by identifying companies that: have export potential and the potential to contribute positively to the economy; that we could potentially help through our services and programmes; and that are willing to engage with us.

We are developing a business knowledge base for use by business around the region. The toolkit will be an information source delivered so that local business people can tap into to get the tools and know-how they need to succeed, quickly and without fuss. It's intended to be the "go to" place for people with a business problem or a black hole in their corporate knowledge that is preventing them from achieving their full potential. The project to date has amplified how complex it is for business managers to easily access valuable information.

Angel HQ, the Wellington region's first angel investment club, started by Grow Wellington, can well and truly be said to have lifted off. We continue to field a steady stream of inquiries about membership and from companies around the region who see themselves as prospective deals. The BNZ was our first sponsor, with a package that involves cash and an undertaking to engage potential angels from their private banking client list. We have also agreed a sponsorship deals with Deloitte, PWC and Gibson Sheat Law Firm.

Over 40 people from all around the region attended the first Angel HQ investment evening, with more than half being either members or prospective members. Three potential deals were presented; two software companies and one biotechnology company. Two proceeded to due

diligence. We were complimented on the professionalism of the presentations and the quality of the investment evening.

By March our Skills Team had assisted 113 skilled migrants with settlement and/or employment in the Wellington region. Around half of the migrants who settled in the region in the last quarter were ICT professionals. There were also two teachers, five trades people, a building physicist and an electrical design engineer. These people found jobs in Wellington city, Porirua, Upper Hutt and Hutt City and many of those working in Wellington city live in other parts of the region.

Broadband

Regional broadband audits are underway in the Wairarapa and Kapiti Coast, to complete the stock take of broadband information in the region.

Findings and recommendations from the broadband audit report for the Tararua-Wairarapa region were presented to a meeting of the Wairarapa combined councils on 20 March 2008. Councils in the Wairarapa are now considering the options available to them in facilitating broadband rollout to unserved or underserved businesses and households.

Analysis has begun on the economic impact (both positive and negative) of broadband provision on specific industries identified as critical to the growth of the region, in served and unserved areas. The results of this work will feed into the preparation of business cases for improved or extended broadband provision where appropriate.

Connectivity

Activity for international air connectivity has been minimal as the project is dependent on availability of suitable aircraft. The delay in aircraft production has meant there is limited value in putting resource behind this in the immediate term.

Discussions have started with Centreport on projects that can enhance our sea connectivity. The primary focus will be on developing the primary sector opportunities.

Carbon Neutral

The project is under way, following discussions with Councils to clarify the approach and coordinate with the work of ICLEI. The project involves finalising a complete understanding of the regional greenhouse gas inventory; and then identifying specific technologies and tools that can be proven in the region. This will help achieve local reduction targets and also create export opportunities.

There have been a number of potential projects identified and these concepts are being developed in parallel, so that they can be implemented effectively once the inventory work is finished in August.

23 May 2008

Murray McCaw
Chairman

Nigel Kirkpatrick
Chief Executive