

Quarterly Review – Positively Wellington Business

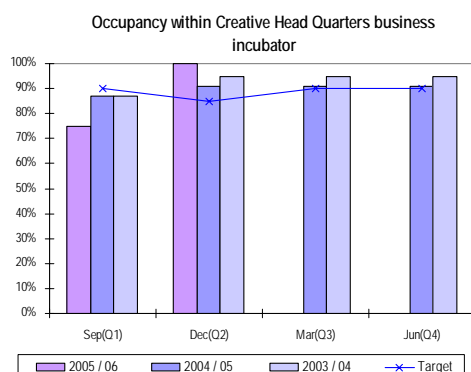
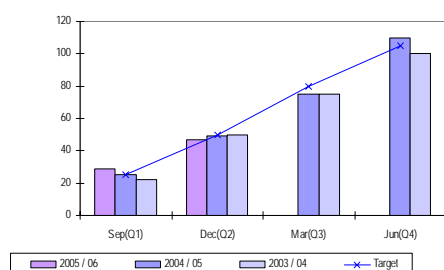
Positively Wellington Business has presented its report for the quarter ended 31 December 2005 for review. A summary of key findings is presented below and the full report is attached.

Highlights: achievements

- PWB's Business Development Team accessed \$461k in Government grant funding for regional businesses, conducted 59 advisory sessions and helped create 18 new start ups.
- Prime Minister Helen Clark launched the new high capability Natural Hazards New Zealand website as the Cluster celebrated its fifth birthday
- The placement of skilled migrants into industries in need was successful during the second quarter with the placement of 26 migrants. The Wellington Region was again showcased by PWB at the annual New Zealand Migrant Opportunities Expos in London and Manchester.

Performance

The number of new business start ups facilitated by Positively Wellington Business (cumulative)



Macro Key Performance Indicators

The following KPI's have been reported by the company

Measure	Annual Target	Quarter Target	Quarter Actual
New Business Start ups facilitated by PWB	105	25	18
Occupancy within Creative HQ Business Incubator	85%	85%	100%
Growth in GDP by targeted sector	> Nat Ave	N/A	N/A
Number of Businesses by targeted sector	+ Growth	N/A	N/A
Number of Jobs by targeted sector	+ Growth	N/A	N/A
Location Quotients by targeted sector	> Nat Ave	N/A	N/A

Until the results for the above are available proxy measures will be used to assess the performance of PWB (please see graphs above.)

PWB is now producing the six monthly "Regional Outlook" report for the Wellington Region. This analyses the state of the region's economy.

Contact officer: Lisa Clarke-Watson

Activities during the quarter

- PWB have started work on the development of a business case for the Greater Wellington Industry Development Centre (a 'one stop shop' for the development of new ideas) as the result of \$100,000 capability development grant from NZTE's Regional Partnerships Programme which was received in the first quarter.
- PWB has continued to be involved in the development of the Wellington Regional Strategy through participation in the Wellington Regional Growth Forum, the Project Executive Group and other workstreams.
- NZTE has confirmed a reduced level of Government funding for CHQ and FHQ for 2006.

Financial Commentary

- Year to date, there was a surplus of \$177k which is \$60k ahead of budget. The year to date surplus is largely as a result of a favourable variance of \$183k for 'sector based external income'. The reasons for this variance are not clearly addressed in the report.
- Income is up by \$170k. This includes a \$100k grant for the Orica call centre in Lower Hutt, \$30k for the scoring stage feasibility study and \$40k for the TV production research project which net off with increased expenses for those items.
- PWB are forecasting a \$186k deficit at year end due to restructuring and 2005 CHQ costs. They are looking at ways to address this deficit.

Statement of Financial Performance

For the quarter ended 31 December 2005

\$'000	Q2 Actual	Q2 Budget	YTD Actual	YTD Budget	FY Budget
Income	1,224	1,010	2,340	2,170	4,231
Expenditure	1,159	1,054	2,163	2,053	4,227
Operating surplus	65	(44)	177	117	4
Operating margin	5%	-4%	8%	5%	

Statement of Financial Position

As at 31 December 2005

\$'000	YTD Actual	2004/05 Actual	FY Budget
Current assets	755	669	
Non-current assets	189	211	
Current liabilities	337	446	
Non-current liabilities	210	210	
Equity	397	223	
Current ratio	2.2 : 1	1.5 : 1	
Equity ratio	42%	25%	

Statement of Cash Flows

For the quarter ended 31 December 2005

\$'000	YTD Actual	2004/05 Actual	FY Budget
Operating	(773)	408	
Investing	(23)	(133)	
Financing	-	(1)	
Net	(796)	274	
Closing balance	343	830	

Note: FY Budgets are as approved in the Business Plan.

Profile – Positively Wellington Business

Recognising that there is greater economic strength through unity, the city councils of Hutt, Porirua, Wellington, Upper Hutt and Kapiti Coast are the major funders of Positively Wellington Business.



The role of Positively Wellington Business varies from giving advice to start up entrepreneurs to helping established businesses carve inroads into offshore markets. Its activities are driven by four key economic development principals: Creating new business; growing existing business; retaining existing business and attracting new business.

The Trust's economic development programmes include business clusters, which foster collaboration and emphasise the facilitation role of local government in economic development, and incubators which nurture start-up businesses with high growth and exporting potential. Positively Wellington Business works to attract investment into the region and helps to address skill shortages through a targeted migrant attraction programme. The Trust also provides many services to businesses 'on the ground' such as short courses to develop business skills, free general advice, and help in accessing central government funding grants.

While primarily funded by local government, Positively Wellington Business is a separate entity that receives funding support and contracts from central government and private sector partners for specific projects. Led by an influential board of trustees, the Trust develops and implements a regional strategy to ensure that economic development resources support the comparative and competitive strengths of the region without duplication between agencies or cities.

Positively Wellington Business is a catalyst for economic development through collaboration between the private and public sectors, and a focussed approach to business and skill growth.

Entity Data	
Established	2001
Board	Ken Douglas (Chair) Emily Loughnan Murray Bain Bill Osborne Kim Wicksteed Cllr John Morrison Vaughan Renner Charles Gilmore
	<i>Term expires:</i> Porirua C.C. 31 Dec 06 31 Dec 06 31 Dec 07 (Resigned 31 December 05) Oct 07 Upper Hutt C.C. Hutt CC
CEO	Philip Lewin
Balance date	30 June
Number of FTE staff	17.50
Website	www.positivelywellingtonbusiness.co.nz
Type of entity	Council-settled Trust
LGA designation	CCO
By reason of	Board control: six trustees appointed by Council
Council interest	\$2.043m
Type of interest	Operating Grant