

# **POSITIVELY WELLINGTON BUSINESS**

Incorporated as the Wellington Regional Economic Development Trust

*QUARTERLY REPORT JANUARY – MARCH 2006*

## POSITIVELY WELLINGTON BUSINESS:

### **Outline of programmes for economic development**

*Positively Wellington Business is the economic development agency for the Wellington region. We offer a broad range of services and programmes – from giving advice to start-up entrepreneurs, to helping established businesses succeed in the global marketplace. Positively Wellington Business has a mandate to accelerate economic growth and is funded by Hutt City, Porirua City, Kapiti Coast District, Upper Hutt City and Wellington City councils.*

PWB is driven by four core economic development activities: creating new business; growing existing business; retaining existing business; and attracting new business. We have a comprehensive 'toolbox' of programmes and initiatives to help us achieve these goals.

- Our **Business Development Team** works directly with businesses offering short courses, client clinics, research and development assistance, help in applying for grants and general advice.
- Our **Sector Programme** focuses on key, high growth industries: Creative and Film; Manufacturing; Education; Biotechnology; Professional Services; and Information Communication Technology. Within these sectors we run a **Cluster Programme** and provide general sector support.
- **Cluster Programme:** Clusters bring together businesses, educational and research institutions and government, so that common issues can be identified and addressed. Also, whilst businesses may compete against each other locally they can gain strength from working together to compete in the global economy. The business clusters also provide valuable opportunities for information sharing and networking.
- **Incubator Programme:** PWB's incubators, Creative HQ and Fashion HQ, support start-up companies with high growth potential. Business incubation is a deliberate development initiative to counteract the high rate of failure that is so common among young businesses. Resident companies receive a comprehensive support package including a subsidised workspace and access to mentoring and professional services.
- Our **Investment Programme** targets investors nationally and internationally who inject cash into our regional economy. The programme also promotes the region as an ideal place for businesses to relocate to.
- Our **Migrant Attraction Programme** matches employers with skilled migrants.
- Our **Marketing and Communications Programme** and **Strategy and Research Programme** work across the organisation to support all of PWB's activities.

# CHIEF EXECUTIVE'S REPORT

## JANUARY - MARCH 2006

I am pleased to present Positively Wellington Business' (PWB's) third Quarterly Report for the 2005-2006 financial year. I would like to point out some of the third quarter's highlights:

- *Significant progress was made during the quarter in the compilation of the business case for the Greater Wellington Industry Development Centre (IDC). PWB received the draft report from Deloitte in early April and a steering group meeting is being held in the second week of April to review the report.*
- *The 10th World Summit for Young Entrepreneurs (WSYE) – a convergence event held in Sao Paulo, Brazil in March – outsourced all of its web-based requirements to a joint venture composed of two Wellington ICT Cluster Members, Creative HQ graduate Silverstripe and Proximus Limited.*
- *This quarter, the Migrant Attraction Programme (MAP) assisted more new migrants than in any quarter since the programme's inception. Forty-five new migrants have been assisted with either jobs or settlement assistance. Previously, the average number was 25.*
- *Creative HQ resident company Optimal Usability was awarded start-up of the year for 2005 by Incubators New Zealand.*
- *PWB has continued to be heavily involved in the development of the Wellington Regional Strategy through participation in the Wellington Regional Forum, the Project Executive Group, and other workstreams. PWB has played a leading role in the development of the Unlocking Economic Potential and Internationalisation (Business aspects) Focus Areas.*
- *Suse Reynolds commenced with PWB in the position of General Manager Sector Initiatives & Investment in March 2006. Suse is now actively working on an investment promotion strategy for the Wellington region. A draft strategy and timeline have been completed. The strategy focuses on promoting investment that will create jobs and generate foreign exchange from regional businesses. It is people and deal focused.*
- *Fiona Owen commenced with PWB in the position of Manager Education and Research in January 2006. Fiona is now actively working to revitalise the Tertiary Education Cluster and strategically position the cluster to take on a newly reinvigorated focus towards its contribution to the regional economy.*
- *Kirsten Cameron joined the Business Development Team (BDT) as Business Development Manager mid January 2006.*
- *Frances Manwaring joined the Sector Growth programme as Sector Project Manager end of March 2006.*

## POSITIVELY WELLINGTON BUSINESS: FINANCIAL OVERVIEW

Please refer to the financial statements at the end of this report for a more detailed financial overview (Appendix A).

### **Financial performance**

At the end of the third quarter of the Trust's 2005-06 financial year, the Trust's financial position is ahead of budget. Income is \$44.6K greater than budget at \$3,239K and expenses are \$106.1K under budget at \$2,977.9K. This produces an overall surplus of \$261.2K, which is \$150.8K greater than the budgeted surplus for the nine months. The forecast completed this month indicates a year end surplus of \$10.5K.

### **Council Contributions**

All TLAs have been invoiced for their third quarter contributions. All contributions have been paid.

### **Income and Expenditure**

Income is \$44.6K greater than budget. This includes \$97.7K grant for the call centre in Lower Hutt. Other unbudgeted income includes \$30K for the music sound stage feasibility study and a further \$40K for the TV production research project that was deferred to this year. The Creative HQ sponsorship income is \$77.7K less than budget. (In the forecast the total income from sponsors has been reduced by \$57K). Grant income from NZTE, FRST and WINZ is \$94.9K less than budget. Most of the drop is due to delays in completing projects (phasing).

Expenditure overall is \$106.1K under budget. Despite the large unexpected cost of the restructure (\$208K to date), there have been savings against budget in salaries of \$80.8K due to delays in hiring and a consequent slow-down of individual project plans. There have been some savings by undertaking more work internally rather than using external consultants. (e.g. WRS project). Overall there has been a reduction in direct and overhead costs of \$171.9K. The cost of depreciation has reduced by \$21.5K as a result in the delay in purchasing a CRM system.

Overall the operating surplus is \$150.8K better than budget.

### **Cash Position**

The Trust's cash position is slightly better than the same period last year. The cash position is adequate as expenditure has been tracking behind budget and income is ahead of budget.

**Forecast**

It is expected that the Trust will report a surplus of \$10.5K. As explained above there have been some significant savings in salaries and in direct and overhead expenses due to delayed hiring of replacement staff.

A breakdown comparison of the budget versus the latest forecast surplus (deficit) by cost centre (attached) shows that while the cost of the restructure was significant it has almost been entirely covered by a reduction in salaries and other administrative costs. In addition, while Creative/Fashion HQ has cost us significantly more than budgeted, there have been reductions in other cost centres that have offset that over-expenditure.

The forecast surplus for the year-end is \$10.5K.

**Philip Lewin**

**Chief Executive**

**Positively Wellington Business**

## CREATIVE AND FILM SECTOR

*In a global economy dominated by brands, New Zealand's creative industries – from fashion to film, to music – all play a major part in raising New Zealand's visibility. As the Wellington region transforms from a corporate and large-manufacturing environment into a hub for education, the arts, tourism and innovative small to medium-sized enterprises, the role of the creative sector – and creative people – has become paramount. The sector already makes a significant and growing contribution to GDP and employment in the Wellington region.*

*Positively Wellington Business (PWB) contributes to the health of the sector via the following:*

- ***Creative Sector Programme and Digital Content Network***
- ***Film Wellington, an industry support programme***
- ***Creative HQ and Fashion HQ, a leading incubator programme***

## KEY ACTIVITIES AND DEVELOPMENTS JANUARY – MARCH 2006

### CREATIVE SECTOR

*The creative industries employ over 5% of the Wellington region's working population – a higher concentration than the national average. PWB targets areas within the creative industries with high growth and export potential.*

Highlights within the Creative Sector over the last quarter are as follows:

#### **China Gateway Project**

Despite the postponement of the China business mission planned for April, work continues on creating a gateway for regional businesses looking to export or work in North Asia.

- Meeting with Liz Ward on January 16 confirmed Centreport's interest in establishing a formal relationship with the Port of Xiamen, with the aim of increasing the direct shipping links between Wellington and Xiamen. This relationship, identified by PWB during an earlier business mission to China, will be actively pursued with Xiamen government officials during the International Sister Cities Conference in Wellington in May.
- Planning meeting with Whitireia Polytechnic on February 3 identified vocational training opportunities in Xiamen and Xi'an, for delivery in China and/or Porirua. These opportunities, identified during an earlier business mission to China, will be followed up on the next in-market trip.

- Planning meeting with the Wellington Xiamen Association February 11 discussed economic development opportunities arising out of the relationship with Xiamen, and in particular the planned celebration in Wellington and Xiamen of the 20th anniversary of the sister-city relationship in 2008.
- Update meeting with MFAT and MED representatives on February 15 looked at impact of the Free Trade Agreement currently under negotiation between NZ and China, and how to extract maximum benefit for Wellington-based businesses. PWB will maintain contact with MFAT and MED on this issue through the latter stages of the negotiation through to signing (2007-08).
- Planning meeting with Investment New Zealand February 20 examined export opportunities in China for digital content companies based in the Wellington region. Karactaz has previously identified possible co-production relationships in Singapore and Hong Kong, with the assistance of PWB. Discussion centered on similar opportunities in Korea and Taiwan, with the aim of creating regional partnerships to address the Chinese market.
- The launch of Habode on February 28 celebrated the establishment and commissioning of Habode's factory for the construction of pre-fabricated steel housing in Guangzhou, designed and managed out of Wellington. Habode has now developed a supportive relationship with NZTE in Guangzhou, thanks to PWB's intervention. Some outstanding issues regarding IP infringement by a former business partner in China are being followed up with PWB's assistance.
- Meeting with Business Porirua on March 30 confirmed that telecommunications company Exicom is exploring a technology exchange with a Yangzhou-based research institution. A possible Chinese partner for Exicom was identified by PWB during an earlier business mission to China.
- Meeting with Mei Wong from China Institute of Sports on February 10 identified opportunities for delivery of sports facilities and events management tools and services to Chinese organisations. At a further meeting with SPARC and NZTE representatives 16-MAR, PWB agreed to clarify the business opportunities, while SPARC and NZTE followed up possible providers. Business opportunities will be qualified by PWB on the next in-market trip.

### **Music**

- PWB supported the British Council in bringing UK-based VJ duo Hexstatic to Wellington on February 10. With PWB's assistance, Hexstatic performed to a capacity outdoor crowd at The Lagoon and conducted a master class with Pitch Black for current and aspiring VJs from the Wellington region.

- PWB in association with NZ Music Industry Commission hosted a seminar on March 7 to provide information to the local music industry on 'Outward Sounds', NZTE's new funding assistance programme for music industry exports administered by NZMIC.

### **Animation**

- Through WCC's support for the World Class New Zealanders Award, PWB was able to host Brent Hanson for a day in Wellington on March 3. Brent, an expatriate New Zealander living in London, was formerly CEO of MTV Europe, and was the inaugural award winner. Members of the animation industry in Wellington were able to meet with Brent and exchange views on what takes to be successful in the global television market.
- Scene on Screen, an exhibition of animations featuring artists from the Wellington region at the Expressions Arts and Entertainment Centre in Upper Hutt, provided the backdrop for a get-together of animation industry representatives hosted by PWB on March 13. The session was attended by Michael Hedges, a recent Oscar winner for the sound editing of King Kong.

### **FILM WELLINGTON**

*Film Wellington supports the film and television industry by working with the directors and producers on the logistics of filming in the Wellington region. Film Wellington is able to give first class support through assisting with locations, sourcing local skills and accessing postproduction facilities. PWB's current focus is to help facilitate sustainable growth in the industry, through building world-class infrastructure.*

- As 'business as usual', Film Wellington issued 52 permits to production companies, allowing shooting to go ahead in 145 locations around the region.
- Filming in Wellington continues on a high note with back-to-back shooting of Black Sheep and The Waterhorse. Black Sheep tells the story of a genetic engineering experiment that goes wrong on a sheep station, and is financed by the NZ Film Commission, NZ On Air and Korea-based Daesung Group through the company's partnership with Peter Jackson's post-production facility Park Road Post. The Waterhorse will use Wellington as a base to shoot a film about a mythical Scottish sea monster, and will utilise special effects from Weta Digital and the sound stage at Stone Street Studios. Both films make full use of Wellington-based film infrastructure, and location shooting continues to depend on PWB's facilitation of film-making in the region through Film Wellington.
- The television production sector in the Wellington region has received a boost through the (partial) return of NZ's longest running children's programme What Now,



produced by Whitebait TV. In 2003 production moved from Avalon to Christchurch, but 2006 sees fortnightly recording of programmes live around the Wellington region. PWB's Film Wellington has assisted in facilitating location shoots. PWB is also reaching the final stages in its research into the television production sector, aimed at identifying economic development opportunities. The research is being performed by NZIER in association with Dorothee Pinfold and Christina Milligan, and with financial and other support from NZTE, PWB and councils and EDAs from across the country.

- The first regional meeting of film liaison officers from PWB stakeholder councils was held in PWB 23-FEB. The aim was to share relevant information around issuing of permits, dealing with film problems and generally supporting the creation of a film-friendly Wellington region, and will be repeated on a quarterly basis.

### **CREATIVE HQ AND FASHION HQ – BUSINESS INCUBATORS**

*PWB's incubators, Creative HQ and Fashion HQ, support start-up companies with high growth potential. Business incubation is a deliberate development initiative to counteract the high rate of failure that is so common among young businesses. Resident companies receive a comprehensive support package including a subsidised workspace and access to mentoring and professional services. Entry criteria is strict – start-up companies in Creative HQ must be set to turn over \$500, 000 p.a. after their first two years in business to qualify.*

- Creative HQ is currently at 40% capacity after four high growth companies left in January (*Silver Stripe, Innaworks, Optimal Usability, and Culture Flow*).
- Fashion HQ is planning to relocate into the Marion St complex that Creative HQ is currently located in on May 11, taking over the space a sub lessee not associated with the programme will vacate.
- A new business model is being investigated to provide enhanced services to client companies and also address the long term financial sustainability issue facing the incubator.
- Three companies that have graduated from Creative HQ were announced as finalists in this year's Wellington Gold awards for business (*Innaworks, Spikefin, Optimal Usability*).
- *Optimal Usability* was awarded start-up of the year for 2005 by Incubators New Zealand.
- A successful open house evening was conducted on April 12, where entrepreneurs were invited to attend an evening to find out about the incubator.
- A show and tell event was run for key sponsors and partners on April 6, where all the resident companies were profiled.

- Creative HQ is currently recruiting new start-up companies. More than 10 initial interviews have so far been held.

## MANUFACTURING SECTOR

*The Manufacturing Sector contributes to 8% of the region's GDP and is currently our fourth largest employer. Although sometimes overlooked, manufacturing remains an important facet of the region's economy.*

*Positively Wellington Business has identified that success in the manufacturing sector is reliant on innovative and technology/design-led companies. It is via these kinds of businesses that we can best position ourselves in the global market.*

## KEY ACTIVITIES AND DEVELOPMENTS JANUARY – MARCH 2006

### **GW-IDC Business Case Nearing Completion**

- Frances Manwaring joined PWB as Sector Project Manager end of March 2006.
- Significant progress was made during the quarter in the compilation of the business case for the Greater Wellington Industry Development Centre (IDC). The goal of the centre is to support niche manufacturers in the region – especially those based in the Hutt Valley and Porirua – in commercialising intellectual property to address business opportunities in offshore markets through company and product development and assistance. Deloitte and the Vantage Group have worked with prospective users and funders to define the scope and functionality of the IDC and to identify the most appropriate mechanism for funding the IDC, including the option of a major regional initiative application. Creative Manufacturing Cluster co-chairs Peter Wilcock (Exactus) and Allan Brown (Metallion) worked with the Cluster Steering Committed to produce a “Straw Man” case to more clearly define for Deloitte how the Cluster views the role of a Greater Wellington IDC. PWB received the draft report from Deloitte in early April and a steering group meeting is being held in the second week of April to review the report.

## EDUCATION SECTOR

*The Education Sector continues to be both an enabler for business growth in the Wellington region and a significant generator of foreign exchange earnings. PWB recognises the crucial contribution that the education sector makes to the economy of the Wellington region along with its social and cultural contributions. As a consequence PWB expanded its investment in*

*the education sector and refocussed its efforts and contributions to the future development of the sector; Specifically, PWB continues to do this by:*

- *Supporting the marketing of the region as a destination for tertiary students:*
- *Facilitating greater collaboration amongst tertiary education providers through the Wellington Tertiary Education Cluster and specifically designed events.*
- *Facilitating partnerships between business and education providers through the business clusters and CHQ.*
- *Providing opportunities for graduates to participate in the Business Incubator Programme.*

*PWB continues to support the tertiary education sector to maintain and extend the synergy it is developing between the courses tertiary institutions need to provide to attract students, and the graduates that industry needs, to grow effectively.*

*International education contributed approximately \$145 million to the Wellington region in 2005 (Source: Education Wellington International Annual Report: December 2005).*

*The **Tertiary Education Cluster** is a strategic group comprising the leaders of the public tertiary education institutions of the Wellington region. The cluster members work together to find solutions to common economic development issues.*

***Education Wellington International (EWI)** is a network of education providers, with 48 institutional members who enrol around 96% of all international students in the Wellington region. EWI provides its members with professional services, including marketing and professional development. At the start of 2005 EWI became a semi-integral part of PWB.*

## KEY ACTIVITIES AND DEVELOPMENTS JANUARY-MARCH 2006

### Tertiary Education Cluster

- Fiona Owen commenced with PWB in the position of Manager Education and Research in January 2006. Fiona is now actively working to revitalise the Tertiary Education Cluster and strategically position the Cluster to take on a newly reinvigorated focus towards its contribution to the regional economy. Meetings conducted with the Cluster members and the regions TLAs has resulted in a closer alignment between the Clusters strategic direction and activities and the Wellington Regional Strategy. The immediate priority will be to ensure that the Cluster (comprising Victoria and Massey Universities, and WELTEC, Whitereia and Open Polytechnic), has a big input into the completion of the Wellington Regional Strategy and that the Cluster Business Plan and subsequent activities enhance and support the WRS Focus areas. The Cluster is particularly focussed towards working in alignment with Focus Area 3 – Unlocking Economic Potential and Focus Area Four – Internationalisation.

## **Internationalisation**

- Given the significant contribution that is made to the Wellington regional economy by foreign fee paying student, International education is of core interest to PWB. During Q3 PWB enhanced its strategic partnerships with national and regional organisations involved in international education. In addition, new collaborative partners have been identified and established with key organisations and networks such as ISANA and NZAPEP and existing relationships with partners such as NZTE and Education NZ have been built upon. These collaborative partnerships will better enable PWB to work towards building the region's capability and increase its attractiveness as a destination for students.
- PWB continues to work closely with Education Wellington International to achieve positive outcomes for international education in the Wellington region. PWB has resources and collaborated with EWI to enable the production of brilliant new marketing collateral that will be finalised and launched by June. The new materials have been translated into seven languages and will enable the highly competitive marketing of the Wellington region as a destination for undergraduate and post graduate students. This will support the efforts of international educators in Wellington, Porirua, Hutt City, Upper Hutt and Kapiti and bring economic benefit to the entire region.
- PWB has been working with the business and education sectors to identify and support businesses with education products with export potential. The Manager Education and Research has worked with a CHQ resident business and a Tertiary Education Cluster member to facilitate a product trial within the tertiary education setting. If successful, the product could be rolled out to other tertiary providers across the Wellington region and eventually international markets.

## **Research**

- PWB has completed two significant research reports in Q3 – The Wellington Regional Outlook 2006 and the Wellington Region Key Sector Report 2006. Both reports provide important information and data for TLAs on the regional economy and the health of the key sectors; ICT, Creative, Professional Engineering, Education, Manufacturing, Apparel, and Food and Beverage. PWB continues its valuable role of publishing statistical information in order to enable and increase understanding of the region's economic performance.
- In addition to these two reports PWB has collaborated with key stakeholders from the television production industry and several other EDAs to commission and provide governance to an important research project. The purpose of this project is to identify

economic opportunities within the New Zealand television production sector, with a focus on specific regions. The project aims to assist the partners and the industry to develop an in-depth understanding of the sector and to make the necessary decisions to unlock opportunities for growth' (NZIER Television Production Industry Draft Report, 2006). The report is due for release mid year and will help industry and government partners in the Wellington region identify and realise growth opportunities in the industry.

### **The Invention Factory**

- PWB initiated a meeting with WelTec and a number of interested parties including the Council of Trade Unions to discuss The Invention Factory, a concept designed and developed by Neil Scott, an ex-pat New Zealander who was recognised as one of the five top innovators in the United States in 2002. The Invention Factory aims to boost numbers of young people choosing careers in science, mathematics and engineering. Further development work is to be undertaken prior to preparation of a business plan. WelTec has expressed strong interest in the concept.

## **PROFESSIONAL SERVICES**

*The Professional Services Sector comprises a broad range of occupations, and is a vital part of the Wellington regional economy comprising, accounting for 11% of the workforce. PWB works with specific groups that are focused on the export of consultancy services. The four specialist clusters and one network in the professional services sector are:*

**Earthquake Engineering New Zealand Cluster:** *Earthquake Engineering NZ (EENZ) Cluster members offer services in building or retrofitting buildings to be earthquake resistant. New Zealand is gaining a reputation internationally for its expertise and innovative technology in this area.*

**Natural Hazards New Zealand Cluster:** *The Natural Hazards New Zealand (NHNZ) Cluster, which spun out of the EENZ Cluster, sells expert advice in the area of hazard mitigation, city disaster planning, and insurance.*

**Trade Navigators Network:** *A network that pulls together complementary skills and experience to provide client organisations with a 'one stop shop' for all aspects of international trade development.*

## **KEY ACTIVITIES AND DEVELOPMENTS JANUARY – MARCH 2006**

### **Trade Navigators Cluster**

- It was decided that Trade Navigators' reliance on volunteers for specific projects had proved difficult and an administrative support person should be appointed. Claire

Mersi has been appointed and is available on an “as required” basis. Her background has included work with the Game Industry Board, Treasury, DTI and Zest Food Tours.

- NZTE has accepted Trade Navigators’ internationalisation concept as a programme for grant purposes, but is uncertain how to promote it with their client managers and exporters. The internationalisation programme is currently being further refined and developed.
- Bill Joyce met with the Food for Britain representative when in Dubai. Whilst FFB are aiming to outsource market representation, New Zealand is a low priority for them. However there could be a possibility of Trade Navigators preparing a country report for them to on-sell.
- Trade Navigators’ application for the registration of their trade mark has been accepted and will be advertised in the next journal on April 28.

#### **Natural Hazards New Zealand and Earthquake Engineering New Zealand**

- Senior members of both the Natural Hazards New Zealand and Earthquake Engineering New Zealand clusters met with PWB CEO Philip Lewin to discuss current issues the clusters are facing and what PWB can do to assist. The key issue is around consistently losing international tenders in the final stages of the tender process, in spite of very high technical scores on their tender proposals. The cost of tied aid is still very high and makes it difficult for New Zealand companies to compete.
- NZAID currently sends bulk funding directly to the United Nations and other international agencies, however greater technical input into NZAID funded projects would enable NZAID to more easily tender project work via New Zealand companies.
- NZAID Approved Contractors Scheme has re-opened for applications. NHNZ and EENZ cluster members are currently registering with NZAID for this scheme.
- It was agreed that the clusters would present to the PWB Board in June 2006 about current projects and key opportunities, to both inform the Board and to corral their support.
- PWB have agreed to investigate the idea of compiling and circulating a monthly newsletter to both clusters. The newsletter would detail members’ movements, particularly overseas, and any current bids that members are actively perusing. This information is intended to enable the cluster members to maximise the use of their members’ overseas movements and enable closer collaboration between members.
- Philip Lewin and various cluster members are speaking at the 100th Anniversary Earthquake Conference Commemorating the 1906 San Francisco Earthquake. Several members of our Earthquake Engineering New Zealand cluster will be

attending and speaking under the New Zealand session titled, "New Zealand: Earthquake Engineering Highlights From Middle Earth".

- PWB are applying to NZTE for funding on behalf of NHNZ/EENZ clusters to bring a group of 10 Turkish key decision making and opinion leading officials from the Turkish Govt/Municipality in Istanbul to New Zealand. This trip is anticipated to happen in mid/late June 2006.

## INFORMATION COMMUNICATION TECHNOLOGY SECTOR

*Wellington is a vibrant and innovative region and the Information Communication Technology (ICT) industry reflects these attributes. ICT is a key growth sector for Wellington and the region accounts for a quarter of the total ICT employment in New Zealand.*

*A primary focus in the ICT sector for PWB is to help grow existing businesses. Our main medium of working with them is through the ICT Wellington Cluster. Specific assistance is given through administrative support to the cluster, business development and sales support. ICT is our largest cluster, and currently has around 450 members.*

## KEY ACTIVITIES AND DEVELOPMENTS JANUARY – MARCH 2006

### **World Summit for Young Entrepreneurs Outsources its Web Based Platform to two Wellington ICT Cluster Members**

- The 10th World Summit for Young Entrepreneurs (WSYE) – a convergence event held in Sao Paulo, Brazil in March – outsourced all of its web-based requirements to a joint venture composed of two Wellington ICT Cluster Members, Creative HQ graduate *Silverstripe* and *Proximus Limited*.

The WSYE is a prestigious event supported by the UN Development Programme, the State Government of Sao Paulo and the International Business Leaders Forum, amongst others. In conjunction with the event, a web-based platform was required to progress the summit's main objective of enhancing the mobility of trade amongst young entrepreneurs internationally.

The organising body, the World Trade University Global Secretariat (WTU), decided to use the technologies and project management capabilities of the two Wellington businesses to develop a Virtual Trade Show (VTS). Using the latest in web technology, the VTS offers young entrepreneurs a series of multi-faceted tools, giving them the opportunity to acquire and share knowledge, facilitate communications, establish joint ventures and advertise their companies. The project is a good platform

to showcase the technological capabilities of both businesses, and also those of the Wellington and New Zealand ICT sector in general.

### **ICANN Conference**

- PWB supported the successful bid for the ICANN (Internet Corporation for Assigned Names and Numbers) Conference, which was sponsored locally by InternetNZ – the non-profit organisation that oversees the Internet in New Zealand – in Wellington from March 27-31. Over 650 delegates attended from 72 countries, and helped create an international profile for Wellington as well as stimulate significant local economic benefit.

## **BUSINESS DEVELOPMENT TEAM**

*The Business Development Team is the principal route by which the business community will link up with Positively Wellington Business (PWB). It is PWB's 'Service Centre' or a 'one stop shop' of business services to our regional businesses from start-up to maturity. Services include short courses, research and development assistance, help in applying for grants and general advice.*

### **KEY ACTIVITIES AND DEVELOPMENTS JANUARY – MARCH 2006**

- Kirsten Cameron joined the Business Development Team (BDT) as Business Development Manager mid January 2006.
- The Business Development Team (BDT) has actively assisted a large number of businesses with general business advice, government funding, business training courses and accessing networks. The team has made a number of referrals to Creative HQ and other incubators in the Wellington Innovation Network. The BDT has also facilitated PWB's membership of the Wellington Innovation Network and taken on the management of the HTS Consortium Inter-regional Capability Building application. An extension for the project has been granted by NZTE and work is underway with IRL (Industrial Research Ltd) and NZTE to further the project beyond the initial NZTE grant. The BDT will also be facilitating work on the NZTE project around the JAIN SLEE technology platform (involving middleware production).
- The BDT continues to work with the PWB Project Manager on the implementation of a Customer Relationship Management system within PWB.
- The BDT participated in a TechNZ information evening hosted by Business Hutt Valley.
- The BDT assisted in the facilitation of Scene on Screen, an animation exhibition hosted by Expressions Arts and Entertainment Centre in Upper Hutt.



## INVESTMENT PROGRAMME

*In spite of times of extreme difficulty in world markets and having fewer tools than many of its competitors, Wellington has seen a regular flow of inbound investment.*

*Positively Wellington Business' (PWB's) investment arm helps local companies source investment capital.*

### KEY ACTIVITIES AND DEVELOPMENTS JANUARY – MARCH 2006

- Work on an investment promotion strategy for the Wellington region is well in hand. A draft strategy and timeline have been completed. The strategy focuses on promoting investment that will create jobs and generate foreign exchange from regional businesses. It is people and deal focused.
- In establishing the context for regional investment promotion, all the stakeholder Council Mayors and CEOs have been separately consulted and all PWB Board members individually met with. Work is ongoing to establish a good understanding of the region's investment environment. To this end meetings have been held and continue to be sought with representatives from the region's investment banks, venture capital funds, commercial property companies, Crown Research Institutes, Chambers of Commerce, accounting and legal firms, community and land trusts, relevant Government departments, other regional Economic Development Agencies and high net worth individuals.

## MIGRANT AND EXPATRIATE ATTRACTION PROGRAMME

*The purpose of the Migrant Attraction Programme is to boost regional growth by addressing skill shortages through immigration. The primary focus of the programme is to grow existing business and the project works closely with the investment attraction programme.*

### KEY ACTIVITIES AND DEVELOPMENTS JANUARY – MARCH 2006

- This quarter, the Migrant Attraction Programme (MAP) assisted more new migrants than in any quarter since the programme's inception. Forty-five new migrants have been assisted with either jobs or settlement assistance. Previously, the average number was 25.
- 1955 potential migrants and expatriates are now registered on the database. 244 overseas enquiries were answered this quarter, 31 potential migrants came on interviewing trips and 44 new migrants now have jobs in the region. A number of the new arrivals have partners in areas of skill shortages, and we are now assisting them.

- Efforts have begun to secure partners for this year' s migrant Expo in October. We have a firm commitment from ICON Recruitment for \$10,000. Capital and Coast District Health Board and Momentum Recruitment have tentatively agreed and are awaiting final approval from their boards. They will be contributing \$10,000 each.

Other key MAP activities this quarter included:

- Participation in two workshops for the Wellington Regional Labour Market Strategy, that will be part of the Wellington Regional Strategy.
- Participation in a workshop with Wellington City Council (WCC) for the Wellington Regional Marketing Strategy.
- Participation in the Local Settlement Support Group in Wellington.
- Participation in the Interim Advisory Settlement Support Group in Porirua.
- Assisting WCC on content development for the Move To Wellington Website.
- Development of a brochure on MAP for employers and recruitment agents.
- Visited 24 employers/recruitment agents.
- Presentations on the Migrant Attraction Programme and immigration policy to:
  - TRS
  - Swim HR
  - Biz Centre
  - Parker Bridge
  - Department of Housing and Building
  - Momentum
  - Kinectics
  - Max Recruitment
  - Quin Workforce

*Strategy and Research underpin all the activities of Positively Wellington Business (PWB). The Strategy and Research programme is also responsible for monitoring and reporting on the Wellington regional economy, and monitoring and reporting on PWB to the Board and Stakeholders. Currently, our major focus is to work alongside councils on the Wellington Regional Growth Strategy.*

### KEY ACTIVITIES AND DEVELOPMENTS JANUARY – MARCH 2006

- PWB has continued to be heavily involved in the development of the Wellington Regional Strategy through participation in the Wellington Regional Forum, the Project Executive Group, and other workstreams. PWB has played a leading role in the development of the Unlocking Economic Potential and Internationalisation (Business aspects) Focus Areas.
- Analysis of the PWB Cluster and Network Survey was completed. The findings show:
  - Overall there has been good revenue and staff growth amongst the businesses in the sectors targeted by PWB, with the exception of businesses in the ICT sector, many of which have experienced nil growth over the past 12 months.
  - The businesses involved in PWB's clusters and networks demonstrated a high degree of internationalisation with 75% either exporting or aspiring to export.
  - Overall there was a positive attitude towards continued involvement in clusters and networks. Businesses gave helpful feedback that will assist PWB to further improve this programme.
- On February 3, the Wellington Regional Strategy Forum held a workshop at the Overseas Terminal, Wellington. The workshop updated the region's leaders on strategy progress and canvassed their views on the region's potential. The Strategy as it stands was felt to be broadly in line with the views of the region's leaders. There was wide agreement on the core areas on which the region should focus – in other words those things we're good at, that also have international potential.
- The WRS Forum met on March 30 and looked at specific strategy concepts. In terms of economic development, broadband and a long haul transport strategy were suggested as priorities for the region, and that a regional approach was necessary in order to access central government funding.

## MARKETING AND COMMUNICATIONS

*Positioning and telling an effective story are key aspects of economic development. Business and consumer confidence can significantly affect the bottom line for businesses and the views of potential investors. Potential immigrants and expatriates want to know about the destination where they might one day come to live and work. Stakeholders want to know that their grants are being well spent and that they are recognised for their investment. Positively Wellington Business' (PWB's) marketing and communication efforts play a vital role both in positioning the organisation and Wellington, and in communicating the region's business success stories.*

### KEY ACTIVITIES AND DEVELOPMENTS JANUARY – MARCH 2006

- PWB's marketing and communications team has been appointed, and will start work next quarter. Marketing and Communications Manager Lesley Meadows comes to PWB with wide-ranging experience in media, communications, marketing and business, and Marketing and Communications Adviser Tobin Druce has a background in journalism, communications and the wider media environment.



# APPENDIX A

