

GROW

WELLINGTON

HALF YEARLY REPORT

FOR THE FIRST HALF OF THE 13/14
FINANCIAL YEAR
ENDED DECEMBER 2013





CONTENTS

Introduction	... 3
Economic Overview	... 4
Business Attraction and Retention	... 5
Building Business Capability	... 8
Building Sector Scale and Connectedness	... 10
Innovation	... 13
Workforce	... 15
Creative HQ	... 17
Angel HQ	... 17
Telling Our Story	... 18
Statement of Financial Performance	... 19

INTRODUCTION

Grow Wellington's business attraction campaigns in the first half of this financial year have put the Wellington proposition in front of thousands of businesses across Australia, Asia and Europe. An estimated 412 jobs are forecast to be created by the end of this financial year.

In the last six months we have concentrated on positioning the region to attract and retain talent. We have created a talent value proposition which quickly communicates the rewards and benefits of working in Wellington to potential inbound candidates.

We have continued to enhance the effectiveness of the region's innovation ecosystem, working with several partners such as Callaghan Innovation and city councils, to produce an interactive innovation profile and drafting a proposal to develop innovation precincts at several points across the region. We aim to have confirmed partnerships and project plans in place by year end so those projects can be rolled out over 2014 to 2016.

Through our partnership with Callaghan Innovation, Grow Wellington has connected regional businesses with a total of \$2 million worth of grant funding so far this financial year.

We also had a pivotal role in helping the Enspiral Developers Academy launch its initiative to meet the workforce shortfalls of the region's information and communication technologies (ICT) sector – a great example of public and private sector collaboration and co-investment.

An important part of invigorating our economy and increasing the confidence of residents and investors in the region's future is to tell its story to a wide audience. We have increased the region's profile markedly this year, and will continue to keep pushing Wellington to the front of people's minds – for all the right reasons.

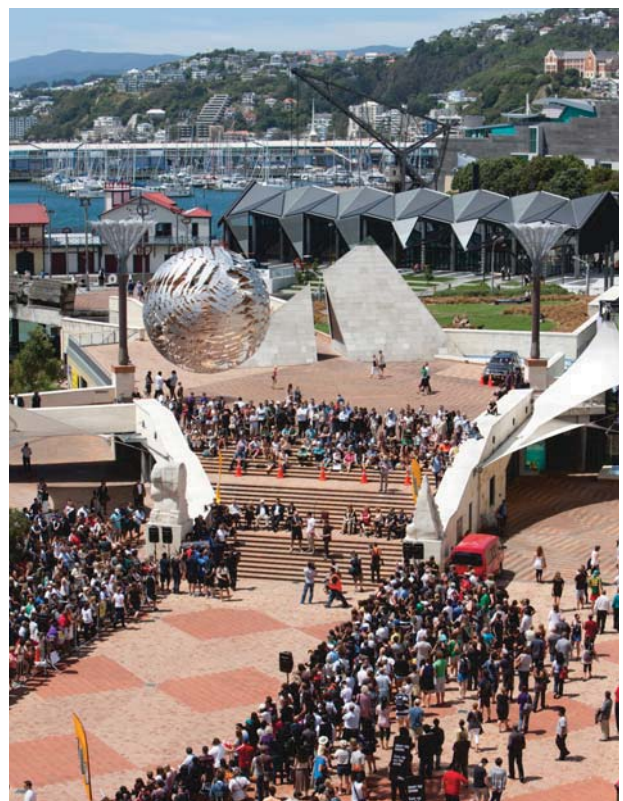
We are confident that as an organisation we have made significant progress in the first half of this financial year, both in our organisational capability and in the achievement of our objectives set out in our Statement of Intent.

Our new three team structure (Business Growth, Business Attraction and Innovation and Workforce) is providing a streamlined focus for our organisation. We have recruited a number of well-qualified and experienced staff into key positions, and acquired the services of contractors where this best suits the expertise and outcomes we need. We have maintained our focus

on the primary, high value manufacturing (including food and beverage and clean technology), ICT and screen and digital sectors. We have consulted with numerous businesses across the region to gather insights and information and to test ideas for future growth. As a result our sector strategies will always be underpinned by an industry led approach.

The refinements we have made to our business engagement processes have been well received by businesses and agency partners. In the last six months we have launched several new initiatives designed to provide additional value to business, including the formation or delivery of a number of formal and informal business networking groups and programmes. We also continued to fund and support the highly successful Visa Wellington On a Plate festival.

Grow Wellington is guided by a number of principles when deciding to undertake a programme of activity. We must be able to identify areas of market failure, leverage existing resources and complement (not compete) with the private sector. We must also have a time-bound strategy and our activity should act as the tipping point to making things happen.



ECONOMIC OVERVIEW

Wellington's economic performance has been relatively flat in recent years compared with New Zealand as a whole (which has largely been influenced by the performance of Auckland and Christchurch). However, all indications are for an improved outlook as recently released data for the region points to a lift in economic activity.

2013 was characterised by Government retrenchment, concerns around seismic issues and constrained property market activity, all of which contributed to depressed business investment and consumer spending. But a recent lift in both consumer and business confidence augurs well for job growth, retail activity and building work, as well as increased investment generally.

Over the coming period, the region is poised to participate in the strong growth expected for the New Zealand economy. Near record export prices, the Canterbury recovery and strong net inward migration flows are the main drivers. The local economy has also started to gain from the significant roading infrastructure investment which has recently commenced. It will also undoubtedly benefit from the recent decision to produce the next three Avatar films here.



Upper Hutt business Bees Blessing was the winner of the 2013 MiNDFOOD Producer of the Year Award which runs alongside the VWOAP Supplier Showcase and the VWOAP Festival (organised by Grow Wellington and Positively Wellington Tourism).

BUSINESS ATTRACTION AND RETENTION

Grow Wellington's planning and execution of activities aimed at attracting business, talent, investment and students to the region has been significantly increased with the Destination Wellington contract enabling us to add scale and resources. A General Manager of Business Attraction was appointed in August and a Business and Investment Manager focused on information and communication technologies (ICT) attraction joined the team in November.

We have delivered a number of outcomes under the Destination Wellington contract including; a comprehensive information toolkit to assist entities or individuals making a decision about whether to locate in Wellington; an education strategy to attract and retain international students and develop the education offered in the city; a business engagement plan with a focus on retention of key companies; a competitor city audit and a Wellington influencers list. In addition, a large amount of resource has been allocated to developing content and design for the new online portal, a project being led by Positively Wellington Tourism (PWT).

We are focused on business retention by engaging with high value businesses to identify issues impacting on their ability to remain operating within the region. Our strategy is then to connect businesses with councils and agencies who may be able to act on these issues in order to reduce the risk of these businesses leaving the region.

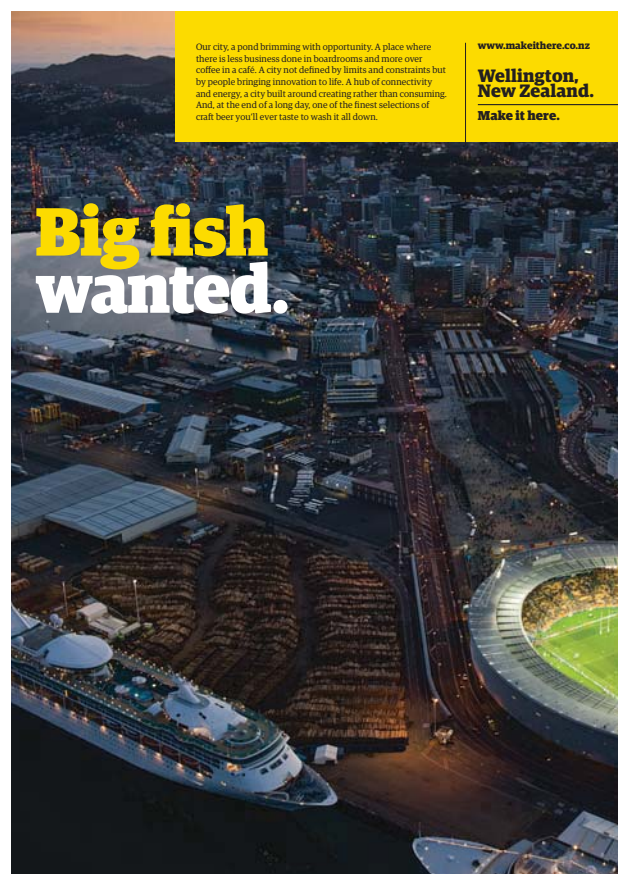
Business Attraction

Since partnering with Wellington City Council and PWT on the Destination Wellington programme, we have been involved in 51 business and investment attraction opportunities. From these, eight businesses have moved to Wellington. Grow Wellington had an active or pivotal role in six of these cases, and a monitoring role in the remaining two. An estimated 412 jobs are forecast to be created by the end of this financial year.

We participated in two Australian business process outsourcing (BPO) and in-house customer services industry events in partnership with New Zealand Trade and Enterprise (NZTE), an e-commerce and technology event in the UK, and a superannuation event in Singapore. Each of these events was supplemented by meetings with local business contacts and officials such as the Ministry of Foreign Affairs and Trade (MFAT), area Chambers of Commerce and NZTE. This activity has assisted in the refinement and targeting of the attraction strategy and generated several promising leads.

In October, Grow Wellington attended a creative sector event in Melbourne targeting the relocation and expansion of game development studios from Australia. This led to our hosting several businesses in November who are considering relocating to the region. We have also carried out targeted events led by Film Wellington and engaged with industry stakeholders in the screen sector (including the areas of television commercials, long form television series and feature films).

Business attraction campaigns and sector-specific attraction activities in the first half of this financial year have put the Wellington proposition in front of thousands of businesses across Australia, Asia and the UK.



Talent Attraction

In the last six months we have concentrated on positioning the region for talent attraction and retention. A talent attraction specialist was contracted to review the region's current talent attraction positioning and develop a strategy for the region. As a part of that process, we met with 40 of the region's employers and recruiters and associated parties in order to best understand where the demand for talent is.

A talent value proposition has now been created as a means of quickly communicating the rewards and benefits of working in Wellington for potential inbound candidates. This will enable us to support the region's employers in pitching the Wellington talent story as part of their overall approach to attracting candidates for work. We are using the value proposition to both raise the awareness of Wellington, as well as enabling recruiters and employers to add weight to their employer brands.

We are currently focusing on the ICT sector where there is significant need within the region and are developing strong partnerships with large employers and recruiters. Ongoing development around the design and running of a quarterly workforce needs analysis is now underway in consultation with a core group from the ICT sector. This will enable us to identify talent needs and direct resources towards areas that will bring the largest economic benefit to the region.

Investment Attraction

Grow Wellington continues to engage with the investment community and host delegations of international investors. In October we produced an investment attraction video to support a joint NZ Venture Investment Fund and Creative HQ event connecting Taiwanese high net worth individuals with high-growth businesses. The event resulted in two direct investment approaches from members of the delegation to Wellington companies.

During recent months we have worked with NZTE to develop Wellington's investment profile as part of a consistent NZ Inc approach, which will improve our market reach in the medium to long term.

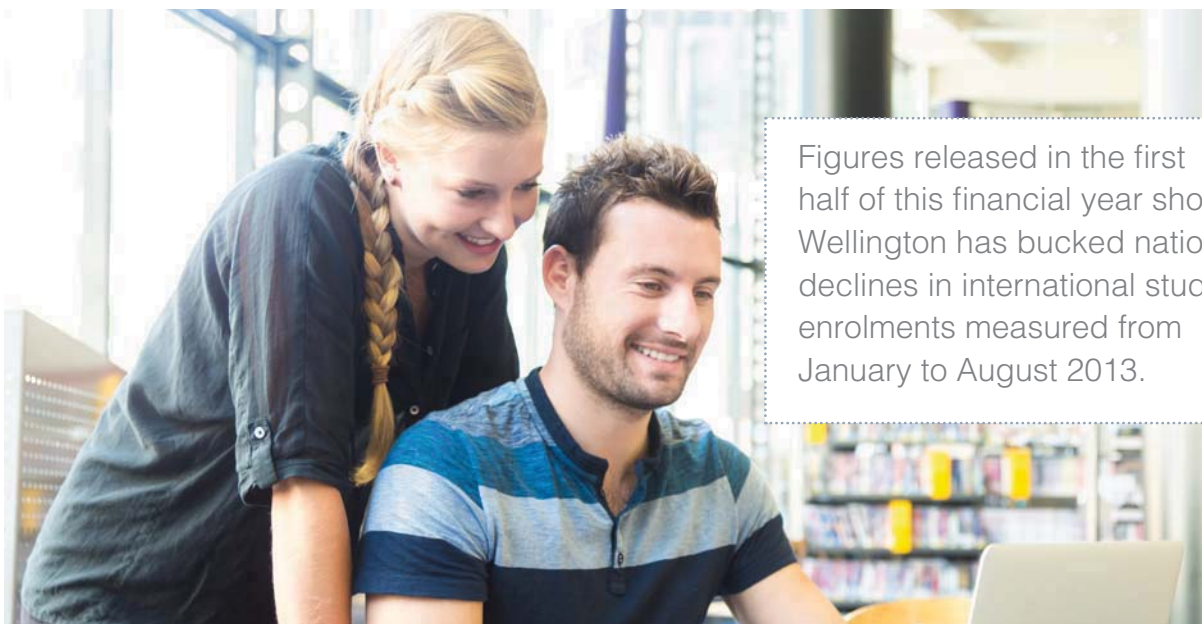
Education

In line with the Education Wellington strategy, we have been active in Southeast Asia and China, promoting Wellington education opportunities at student fairs, international schools and further developing relationships with key education agents and institutions. We led a delegation of tertiary education providers to Vietnam in September and travelled to Indonesia in August and September.

We carried out social media campaigns prior to and during these visits, which significantly increased interactions and interest in education in Wellington. In addition, we released an online lead generation tool which encourages students to register for a free 'English Language Proficiency Test'. It also refers students to appropriate providers in the region. We have had around 200 sign-ups to use this tool to date.

Education Wellington International membership increased with four new providers joining in this half year or indicating intent to join in 2014. We are also working with Education New Zealand (ENZ) and other government agencies to improve New Zealand's visa policy and further increase student applications from Vietnam in particular.

Figures released in the first half of this financial year show Wellington has bucked national declines in international student enrolments measured from January to August 2013. Wellington recorded enrolment gains of 2% versus an overall national decline of -3%. Particularly well performing was the institute of technology/polytechnic (ITP) sector (up 29%) and school sector (up 12%).



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Film

A key function of Film Wellington is the issuing of filming permits on behalf of the eight councils in the Wellington region.

Between 1 July and 31 December 2013, Film Wellington handled 376 enquiries and facilitated 100 film permits requiring the issuing of 159 location permits. Permits have increased by 57% compared to the previous financial period.

In the six months to December 2013, Film Wellington facilitated, permitted and assisted a television drama series, *War News*; a WWI series filmed entirely in the Wellington region. We also won bids for two large international commercial shoots.

Another television commercial was also filmed in the Wairarapa region with Film Wellington providing location suggestions and permissions, contacts for facilities and talent, liaison with property caretakers and affected parties, and information on local industry

and the funding and consents process. We also assisted with the local feature premiere of *Shopping* with award-winning directors Mark Albiston and Louis Sutherland.

We held a cornerstone dinner event in Los Angeles, hosting a group of distinguished industry writers and show runners as a prelude to bringing them to Wellington in 2014.

Grow Wellington and Film Wellington travelled to Los Angeles in December to hold a cornerstone dinner event during the week of the Los Angeles premiere of *The*

Hobbit: The Desolation of Smaug. Guests were strategically selected to include those interested in bringing production to Wellington or writing here, as well as being able to support our writers through the production process, or in the development of our talent. This was part of the screen attraction activities under the Destination Wellington programme. Reaction was positive with discussions around bringing at least one industry leading screenwriter to Wellington as early as February 2014.

While in Los Angeles we also attended several meetings with industry decision makers and influencers. We supported national agencies such as Film NZ, the Ministry of Foreign Affairs and Trade (MFAT) and the Miramar group of companies. Outcomes are aimed at assisting the screen sector to develop and retain talent and intellectual property to ensure growth and longevity for Wellington's screen industry.



The Hobbit: An Unexpected Journey photo courtesy of Warner Bros/New Line Cinema/MGM.

BUILDING BUSINESS CAPABILITY

As the Regional Business Partner for New Zealand Trade and Enterprise (NZTE), we allocate funds to boost business capability across the Wellington region. Year to date, Grow Wellington has engaged with over 195 businesses across numerous industry clusters in the region, offering our support and connecting them with the right expertise to help them innovate, grow and export.

As part of our revised business engagement process we have engaged with our businesses in terms of the sectors that they operate in, rather than where they are located. Our team has been able to improve their ability to apply specialist industry knowledge and identify opportunities and challenges for businesses. Feedback received from businesses we have worked with around this change has been positive.

In the last six months we have launched several new initiatives designed to provide additional value to business through an improved networking programme. One such initiative is our business clinics, which provide an opportunity for private business service providers to give an introduction into an area of capability for businesses such as governance, market validation, sales and change management. These have been a precursor for businesses looking to invest in developing their capability, and supporting growth using NZTE capability funding.

Five clinics have been held across the region in this half of the financial year. Clinics are scheduled to run throughout the region for the remainder of the year and

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will cover additional areas such as recognising value in intellectual property, developing export orientation, demystifying advisory boards, cashflow management and business process improvement – value stream mapping.

An important focus for the Business Growth team is to enhance investment connections between businesses in the region and the capability of businesses to pitch for and attract investment. In October, November and December we held our first round of the Investment Breakfast Series. Through our interactions with businesses, we have identified that many could fund their growth themselves if they better managed business fundamentals such as cashflow, structure and strategy. Feedback to date has been positive from business and investment advisors.



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After taking part in Grow Wellington's Investment Breakfast Series our company has now re-prioritised aspects of the business especially around cashflow forecasting and sales strategy.

Stephen Sexton, Anzacare

Strategy-wise I have learned about the things I should be aware of. I am now more focused on planning and have a greater ability to strategise in a specific direction with a clear focus rather than strategising in every direction, which I now realise I was doing previously.

Ty Kahu, Pentech Communications

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We will continue to concentrate further on developing investment potential for Wellington regional businesses including building awareness and capability around capital raising activities and strengthening relationships with capital provider experts.

This initiative has also led to the development of the informal Capital Providers Group. Whilst not a legal entity, this group of service providers are able to deliver services or seminars at various times to assist businesses in capital raising activities using any potential stream of financing to fund growth ('capital' covers debt, equity or use of overdraft facilities).

We are also engaged with a number of business networking groups around the region including the Wellington Food and Beverage Association, an informal CEO to CEO Tech Cluster and the MedTech Cluster. We have identified several additional opportunities for other networking groups across industry including a Digital Manufacturing Cluster and additional CEO to CEO industry networking groups.



BUILDING SECTOR SCALE AND CONNECTEDNESS

We have continued with current sector projects while at the same time reviewing all sector strategies, which are scheduled to be completed later in 2014. Our approach to developing future sector strategy is underpinned by engagement with industry. We have consulted with numerous businesses across industries and across the region to gather insights and information and to test ideas for future growth.

Current projects underway include:

Kapiti Rural Land Use

Kapiti Coast District Council (KCDC) is focused on adding value into their local economy through a number of initiatives. One such initiative is to realise economic value from highly productive land in the district.

KCDC is defining a food and beverage strategy, including the development of a local food brand, and has been working with Grow Wellington to leverage knowledge from our previous involvement in similar projects. Grow Wellington will continue to work with KCDC to connect primary producers with market channels to encourage increased production and processing capability within the district.

Aviation Hub (Wairarapa)

The Aviation Hub project group is considering the development of a set of facilities at Hood Aerodrome, Masterton to act as an aviation servicing and manufacturing hub, film location, education centre and archive and visitor attraction centre.

The parties involved in this initiative have agreed on a concept paper that outlines what the centre might be and also outlines some initial competitive analysis. Further discussions have been held with the owners of a potential site at Hood Aerodrome. The next step is to develop the detailed scope for the coming phase of work, which is being supported financially by Grow Wellington and the private sector.

Red Meat Value Chain

This project is focused on participants in the lamb value chain from farm gate to processor across the lower North Island. The goal is to achieve greater productivity, increased profits for businesses and to be better able to service both existing and new markets. This was due to start in the first half of this financial year, however, challenges in gaining commitment from the industry due to seasonal demands meant that it has been deferred. Workshops are currently being planned and are scheduled to start in April 2014.



Visa Wellington on a Plate (VWOAP)

The fifth annual VWOAP festival was held in August and had the highest level of participation by industry to date, according to results released from Business and Economic Research Ltd (BERL). Over 220 eateries and events were involved with a 25 percent increase in attendance numbers from last year's festival. 108 restaurants, eateries, regional food producers, suppliers and diners brought in an additional \$4.1 million in GDP value to the Wellington regional economy or the equivalent of full-time jobs for 55 people.

Close to a third of VWOAP DINE Wellington participants surveyed reported new business established with local suppliers as a result of the festival. Over half of the restaurants taking part also reported improved relationships with suppliers of unique food and beverage products in the Wellington region.

Participants rated the festival as a success, with DINE Wellington partners averaging a 28 percent increase in turnover, and the 113 festival events netting over \$1.1 million in ticket sales. 3,540 visitors from outside the region stayed an average of three days, each spending \$443 per day.

It has been jointly decided between Grow Wellington and Positively Wellington Tourism that the VWOAP festival is ready to be picked up by industry. From 2014 it will be managed by the Wellington Culinary Events Trust. This is being set up under a charitable trust status to oversee this event and to deliver on an annual programme of culinary activity. The Trust will then be better placed to attract sponsorship from a wider market and realise the goal of being one of the top three culinary events in Australasia. Grow Wellington will remain a significant sponsor for 2014 and be involved through the transition phase as well as continuing to deliver the Economic Impact Report and support local producers along a path to market that the festival provides.

Work organising and promoting the 2014 VWOAP Supplier Showcase has been carried out to maximise the event's trade potential. Grow Wellington will be hosting a small delegation of out of region buyers. We are also investigating market entry and export growth opportunities in Australia alongside New Zealand Trade and Enterprise (NZTE).



Clean Technology

Grow Wellington continues to operate and manage the Clean Technology Centre to help support early stage businesses.

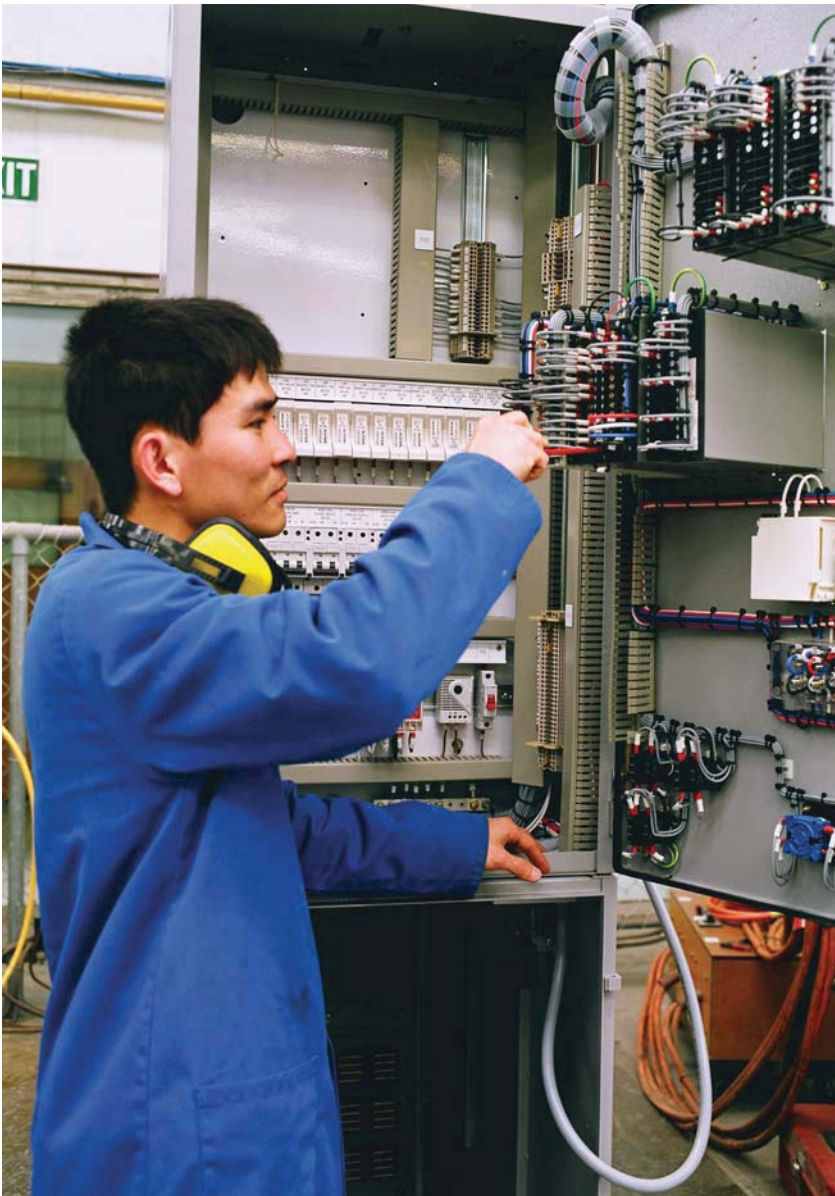
In the past six months, Grow Wellington has provided input in to a single, integrated plan for the broader Clean Technology initiative along with KCDC and the Clean Tech Trust. Currently, Grow Wellington is continuing to work through the development of this plan with KCDC as they are a primary funding partner along with Grow Wellington.

EdTech for Export Conference

Planning has commenced for the 2014 conference with strategic partner Education New Zealand. The third strategic partner for the 2013 conference, Learning Media, has been disestablished by the government and a replacement foundation sponsor or strategic partner is currently being considered.

Craft Beer Cluster

In mid 2013 we formed the Craft Beer cluster in order to increase growth through collaboration. 'Sessions' with brewers and other industry participants were held late in 2013 to facilitate cluster connections, promote discussion on collaboration opportunities and build capability and knowledge within the group. A number of initiatives have been proposed and the sessions will continue to progress export growth initiatives through 2014.



High Performance Work Initiative – Increasing Productivity for Small to Medium Enterprise (SME)

We helped create an Expression of Interest on behalf of the consortium for an initiative which will deliver a programme of work aimed at increasing productivity for SMEs.

This was submitted to the Ministry of Business Innovation and Employment (MBIE) in November as a joint partnership initiative between service providers, Grow Wellington and the Wellington, Porirua, Hutt and Kapiti Chambers.

We are awaiting a decision on Government support, which has been delayed while The High Performance Work Initiative is being transitioned from MBIE to Callaghan Innovation.

INNOVATION

Wellington Innovation Profile

The first Innovation Profile for the region is nearing completion. This is a tool to stimulate greater innovation, research and development in businesses. It will raise awareness of the extent, diversity and economic value of innovation across the information and communication technologies (ICT) and manufacturing sectors.

Two summer schools from Victoria University have identified and mapped over 300 businesses in these two sectors. The profile will be made widely available on release in mid-2014. We are investigating a number of new graphic and ICT-based technologies to use in publishing the profile. Our intention is to publish an updated version at least every two years.

The Region's Innovation Ecosystem

Working closely with Maven Consulting we have confirmed that there is a strong appetite across the region's high-tech innovation ecosystem to enhance its effectiveness and impact. The region's high-tech innovation ecosystem is made up of tertiaries, research institutes, Crown Research Institutes, agencies, health boards, industry sectors and business, investors, entrepreneurs, the regional incubator and digital accelerator.

We have drafted a proposal to develop or enhance innovation precincts at several points across the region, working with several partners such as Callaghan Innovation and local councils. We aim to have confirmed partnerships and project plans in place by year end so those projects can be rolled out over 2014 to 2016.



Research and Development (R&D) Investment

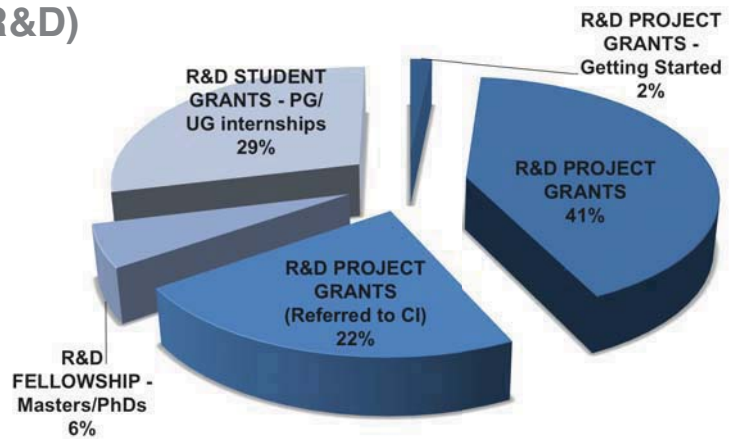
Through our regional partnership with Callaghan Innovation Grow Wellington has connected regional businesses with a total of \$2 million worth of grant funding (in the six months to 31 December 2013). This number reflects the sustained performance of Grow Wellington as the Regional Business Partner for the recently established Crown Entity, Callaghan Innovation, and the efficient delivery of the updated R&D Grants schemes.

The total investment amount is made up of nearly \$600,000 toward supporting undergraduate and postgraduate student internships in industry, and \$1.4 million toward business-led R&D projects at a co-funding rate of between 30% and 50%.

The above numbers are in line with half-yearly results over the past two years. August and September were significantly above the projected monthly average of \$200,000, which was the result of one-off programmes delivered in these month's (post-graduate and under-graduate internship grants) and to a significant project being approved in August.

Key measures:

- Total SOI target: \$2.4 million
- Actual half-yearly amount: \$2 million



GRANT SCHEME	TOTAL FUNDED
R&D PROJECT GRANTS - Getting Started	\$33,102
R&D PROJECT GRANTS	\$839,831
R&D PROJECT GRANTS (Referred to Callaghan Innovation)	\$453,414
R&D GROWTH GRANTS (Referred to Callaghan Innovation)	-
R&D FELLOWSHIP - Masters/PhDs	\$116,466
R&D STUDENT GRANTS - Post Graduate/Under Graduate internships	\$586,040
GRAND TOTAL (incl GST)	\$2,028,852

Through our regional partnership with Callaghan Innovation Grow Wellington has connected regional businesses with a total of \$2 million worth of grant funding (in the six months to 31 December 2013).



WORKFORCE

Internships

We commissioned and have received two key reports on international models of internship and graduate retention. We also collaborated with the Wellington Regional Strategy Office on a review of internship opportunities across the region. This work will be used as the foundation for our regional workforce and skills strategy.

In the first half of the year Grow Wellington has facilitated and/or actively supported 200 internships, including:

Callaghan Innovation Postgraduate Internship Funding

18 Wellington businesses had their applications approved, equating to 25% of the total internships offered nationally. We can attribute a good proportion of this success to the workshops we provided for businesses to advise them on how to complete their applications.

In the first half of the financial year, Grow Wellington has facilitated and/or actively supported 200 internships.

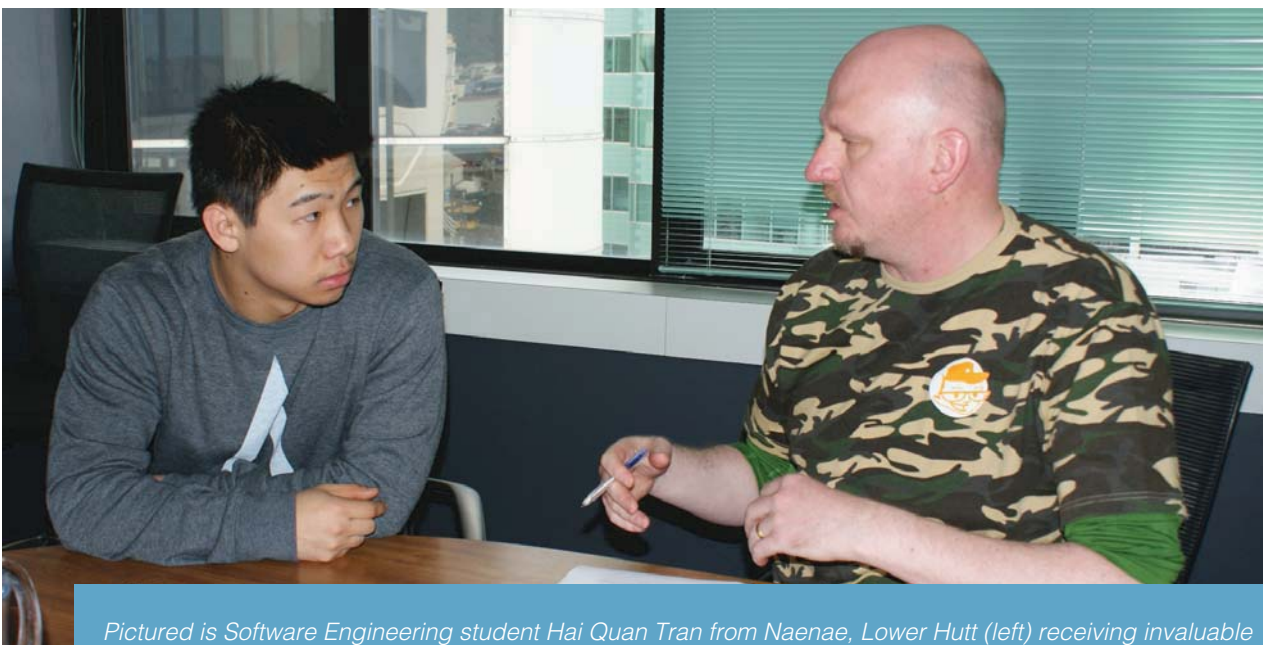
Callaghan Innovation Undergraduate funding

26 undergraduate internships were approved for Wellington region businesses, seven of which were sourced through the Summer of Tech programme.

Summer of Tech

Grow Wellington continued to support Summer of Tech, a non-profit programme which matches technology students with innovative employers. Since its inception it has created over 400 ICT jobs in Wellington. In the first half of the financial year, figures have shown the best outcome since the programme was established in 2006. A total of 71 internships were secured in the Wellington region, with over half of these being software development roles. A total of 32 businesses participated with almost a third of that number participating for the first time, and over 600 students registered.

We hosted two seminars aimed at helping first time participating employers with 15 companies represented. We also hosted two CV clinics at our offices with 60 students involved in 15 minute interviews with an employer, and assisted with two days of speed interviewing involving 37 companies.



Pictured is Software Engineering student Hai Quan Tran from Naenae, Lower Hutt (left) receiving invaluable job-seeker tips from Xero's John Clegg at a Summer of Tech CV Clinic held at Grow Wellington's offices.



Enspiral Dev Academy

Grow Wellington provided seed funding to Enspiral Dev Academy's workforce initiative of a boot-camp training programme. The Academy will make a significant contribution towards addressing the Information and Communication Technologies (ICT) industry's high demand for developers and other specialists in the Wellington region.

After completing nine weeks of intensive web developer training successful graduates will be available for employment in the region's ICT sector.

We supported Enspiral in its discussions with a wide range of ICT businesses and start-ups as it developed the programme, which

is based on a successful model that has been running in San Francisco and Chicago. Our seed funding enabled Enspiral to set up the Academy's website which went live in December. Registrations from New Zealand and offshore are filling quickly. The first programme is due to start in April 2014.

Other Internships

We have worked on internship projects with several tertiary providers. For Victoria University of Wellington results have been positive across several of its schools; one project resulted in offers of part-time or full-time roles to all ten of the students involved; another project saw 69 international business and marketing students work on projects submitted by 30 Wellington businesses. We also facilitated a close collaboration between a Hutt Valley engineering company and students of Victoria's Industrial Design School where the students worked on real-time engineering solutions while also gaining academic credits for their contributions.

Working with Massey University's College of Business on its final year internship paper, 15 students have been placed in a range of businesses and organisations and we have introduced new businesses to the programme.

'Earn & Learn' programme

'Earn & Learn' are programmes whereby students can be in paid employment that also contributes to or complements their academic accreditation. We commissioned a report on options for implementing 'Earn & Learn' based on international good practice. We will be following this up in the second half of the year with a range of organisations to see whether any of the options could be implemented for the benefit of students, regional businesses and regional training providers.

Victoria University School of Business

As a member of the project's reference group we collaborated with the school in its research into the future workforce needs of regional knowledge intensive businesses. Early findings have been released and these, along with further analysis being undertaken on behalf of Wellington City Council, will be used in the development of our regional workforce strategy.

PIPI

The PIPI Trust deed, signed in December, is a collaboration between Grow Wellington, Massey University, Victoria University, Pukeko Pictures, Gamefroot.com and Chapman Tripp. The PIPI Trust has been set up to teach writers, in collaboration with visual designers, how to commercialise their creative content and take it to international markets. This will help to enable future sustainability for Wellington's screen industry.



CREATIVE HQ

Creative HQ is a wholly owned subsidiary company of Grow Wellington.

Incubation

Over the past six months the incubator has worked with 16 start-up business ventures. Over this period four businesses have exited the programme to join the Alumni, and one start-up has been accepted into the programme. At the end of this period, Creative HQ has 12 start-up businesses in the incubation programme and continues to operate with the 89 members in its Alumni.

The incubator has supported the businesses through strategic advice, a variety of workshop programmes, international key note speakers and networking opportunities. Some key highlights were collaborative work with companies to host international speakers to run workshops on topics such as innovation and start-up capital.

Creative HQ's Alumni also achieved some of the following results; Sam Minnée from Silverstripe was a finalist for the 2013 Ernest & Young Entrepreneur of the Year Awards; Gen-i chose Silverstripe as the source for their web platform for launch of their new website. Another achievement was Footfalls and Heartbeats being announced as a finalist for the Innovators New Zealand awards in two categories 'Emerging New Zealand Innovator' and 'Innovation in Health and Science'.

Science Commercialisation

In the six months to 31 December 2013, Creative HQ continued to build relationships with regional research institutes and assisted them in determining the commercial potential of their research. Under the Return on Science programme, Creative HQ evaluated 17 research projects to determine their commercial potential. Five of these were presented to specialist Return on Science investment committees for expert advice and feedback to help guide the project. Under the MacDiarmid programme 16 research projects were identified as having commercial potential with four being actively pursued and industry interest investigated.

Research projects evaluated are relevant to a number of key sectors including the energy sector, oil and gas exploration, engineering and the health sector.

Acceleration

In the wake of a successful first year, Lightning Lab is currently preparing for its second programme, to take place from March to May 2014, again in Wellington. The top 16 national and international applicants from this round are currently preparing to present to the 2014 Investor Selection Panel that will take place in January 2014.

Digital Futures and Product Futures

This is the third year Creative HQ and VicLink have collaborated on a student graduate entrepreneurship initiative. This programme has been funded by VicLink and supports graduating students to create market focused start-up ventures with the support of Creative HQ and industry partners.

In this financial period Creative HQ applied learning from previous years and began two improved and larger entrepreneurship programmes, Digital Futures and Product Futures. 35 Victoria University students are being run through the entrepreneurship programmes this summer.

ANGEL HQ

Angel HQ is the Wellington region's angel investment network, with a membership base of around forty members looking to invest in early stage companies with the potential for rapid global expansion. Grow Wellington has contracted Angel HQ to promote and increase the amount of angel investment within the region.



TELLING OUR STORY

An important part of invigorating our economy and increasing the confidence of residents and investors in the region's future is to tell its story to a wide audience.

We have reworked our key organisational messaging and reviewed our stakeholder communications to strengthen Grow Wellington's positioning as the lead agency to drive economic development for the region. We have been focused on informing our audience of activity in key areas aligned with the Wellington Regional Strategy, in a clear and understandable way.

The marketing and communications function has delivered regular updates through online and social media channels, stakeholder updates and corporate reporting.

Facebook promotions resulted in a 130% increase in followers.

The Communications and Marketing team has supported numerous programmes and events across the organisation, including the Business Growth Business Clinics and Investment Breakfast Series and worked alongside the Visa Wellington On a Plate festival by generating media coverage, to lift the profile of suppliers and producers involved in the festival.

Our media profile across the board has increased markedly over the past six months with a total of 23 releases generated, resulting in significant pick-up in radio, print and online.

An increase in targeted social media activity has seen very positive results and generated good feedback. We gained an average of 100 new Twitter followers each month and received at least one new member request daily for Grow Wellington's LinkedIn group. Six paid Facebook promotions targeting Indonesian and Vietnamese students, in conjunction with education fairs in market, resulted in a 130% increase in followers (growing from just over 600 to 1,200 followers in less than a month).

We are continually looking for opportunities to encourage businesses to innovate and grow; subsequently we sponsored the 'Best Emerging Business Award' at the Hutt Valley Chamber Business Excellence Awards and the 'Innovation Award' at the Porirua Business Excellence Chamber Awards.

With Grow Wellington's renewed focus on attracting offshore business, talent and investment to the region, a value proposition 'Wellington, New Zealand - Make it here' and creative platform has been developed.

Campaign activity and collateral has been in play in US, Melbourne and UK in conjunction with trade fairs. The Communications and Marketing team are generating a greater number of website case studies around successful businesses that Grow Wellington has had contact with (see Kainic Medical Communications below). These add weight to the Wellington business story and the Grow Wellington website has been developed to reflect our value proposition and further profile Wellington as a great place to live, work, study and do business.



Grow Wellington featured Blair Hesp from Kainic Medical Communications as a case study recently. Blair (left) is pictured with Mike Hutchinson, Executive Director, Tangible Media Ltd, receiving his award for 2013 NZ Innovators of the year award for Innovation in Marketing and Communications.

STATEMENT OF FINANCIAL PERFORMANCE

Grow Wellington Limited

GROUP SUMMARY OF PERFORMANCE FOR THE SIX MONTHS ENDED 31 DECEMBER 2013

	Actual YTD 6 months to 31-Dec-13	Budget YTD	Variance Actual vs. Budget	Full Year SOI Budget	Same Period Prior Year
	\$	\$	\$	\$	\$
Total Income	4,081,689	3,788,500	293,189	7,577,000	3,155,490
Total Personnel Costs	1,891,907	2,276,889	384,982	4,553,777	1,891,431
Total Operating Costs	1,524,811	1,482,129	42,682	2,964,258	1,143,254
Total Depreciation	19,413	29,483	10,070	58,965	22,968
OPERATING SURPLUS	645,558	-	645,558	-	97,837

Personnel costs are behind budget due to delays in hiring appropriately skilled staff, reflecting the tightening of the talent pool around the country. Operating costs are in line with budget. Additional projects to be undertaken in the second half of the financial year will result in an increase in expenditure, in line with the additional income received.

The Balance is now required to include an increased investment portfolio valuation of Creative HQ (our subsidiary technology incubator and accelerator company) shareholdings in incubated companies.

The increase in valuation reflects that more incubated companies have received external validation through raising investment.

STATEMENT OF FINANCIAL PERFORMANCE

Grow Wellington Limited

GROUP STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	31-Dec 2013	31-Dec 2012
	\$	\$
ASSETS		
Cash and bank balances	603,886	589,657
Due from GWRC (Grant)	399,275	110,842
Accounts Receivable	273,487	217,560
Prepayments	2,705	2,705
Net Fixed Assets	90,053	103,302
Investments	334,133	-
TOTAL ASSETS	1,703,539	1,024,066
LIABILITIES		
Accounts payable	321,981	218,852
Other Liabilities		
Income in advance	81,600	374,117
Creative HQ Bonds	9,143	9,032
EWI Trust Funds	63,442	78,059
Holiday Pay Liability	127,174	209,161
TOTAL LIABILITIES	603,340	889,221
EQUITY		
Accumulated funds and retained earnings	454,643	37,008
Profit for the period	645,556	79,837
TOTAL EQUITY	1,100,199	134,845
TOTAL LIABILITIES AND EQUITY	1,703,539	1,024,066

