

23 November 2007

Sir John Anderson  
Chairman, WRS Committee  
PO Box 10 646  
**WELLINGTON**

Dear Sir John

### **REGIONAL EDA LTD INTERIM STATEMENT OF INTENT**

We are delighted to attach our first Statement of Intent. It is an interim statement given the timing of Regional EDA Limited's inception and the need for an establishment phase as the new Board and CEO put in place the foundations for the new organisation.

It sets out what we are going to do in Regional EDA Limited's first year of operation. We will continue to deliver a range of core existing services and projects plus new initiatives that have been introduced this financial year. These initiatives will support the growth and development of the region and are aligned with the Wellington Regional Strategy. At the same time we are undertaking the groundwork required to scope and specify a series of new initiatives to deliver the Wellington Regional Strategy.

Film Wellington, CreativeHQ, the Migrant Attraction programme, our business development work, support for niche manufacturing, the education sector and the primary sector are elaborated and a series of performance measures identified. All of these activities and measures will of course be reviewed in line with the process described above.

Developing Centres of Excellence, supporting priority sectors, growing individual businesses, improving broadband supply, raising the value of our international gateways and investigating a carbon neutral region are identified as the focus for our work in the future. Until we have a well informed understanding of the economic rationale for these objectives it is not possible to set out performance measures, instead we have undertaken to complete a set of key milestones.

We have set ourselves an ambitious work load for this "set-up" year. Understanding our landscape - the region's economic needs, where the barriers to growth are and what gaps need to be filled – is absolutely vital. We must get this right if we are to have a transformational impact on the economy in the future.

One of the Regional EDA's core values is trust and we will be actively developing trusted partnerships with other business support networks in the region. The implementation of the economic development aspects of the Wellington Regional Strategy will be only be achieved if we take a team approach.

Future Statements of Intent will contain a much higher level of detail both in terms of our anticipated activities and a more considered set of performance measures which are directly linked to these activities and back to our overall objectives as the region's economic development agency.

We look forward with real enthusiasm to the future, confident we will make a difference.

Yours sincerely

Murray McCaw  
**Chairman**

# STATEMENT OF INTENT

## 2007/2008

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## Executive Summary

The Wellington Regional Strategy defines the REDA responsibility to focus on delivery of the strategic initiative:

“Investing in growing our economy, especially our exports”

The Strategy identifies a number of activities and partnerships which will drive REDA’s success.

Our focus in 2007/08 will be two fold – delivering a range of core existing programmes that support the growth and development of the Region while undertaking the groundwork required to scope and specify a series of new initiatives that will drive ongoing growth and development.

This groundwork for the new initiatives will be centred on the six objectives REDA has identified to ensure the short, medium and long term growth of Wellington business and industry and which will eventually absorb our existing programmes. Three are directly centred on the regional business growth and three underpin the infrastructure required to ensure the international competitiveness of these businesses.

- 1 Developing Centres of Excellence**
- 2 Supporting Priority Sectors**
- 3 Growing Individual Businesses**
- 4 Improving Broadband Supply**
- 5 Raising the Value of our International Gateways**
- 6 Investigating a Carbon Neutral Region**

The REDA approach will be to review and define what needs to be done to deliver on each objective, identifying the gaps that are barriers to regional economic growth.

In all cases REDA will work with the existing business support networks within the Wellington Region and New Zealand to ensure the six objectives are approached in the most resource effective manner.

For this reason REDA will lead, facilitate, partner or advocate as appropriate to ensure the economic growth is achieved efficiently.

This **Interim** Statement of Intent reflects the short term approach REDA will take to review the current environment in order to develop a very focused approach to its activities which will be reflected in the 2008/2009 Statement of Intent.

The key milestones therefore reflect the short term approach to review the regional situation/activities/landscape to provide the foundation for our six objectives. Our performance measures are based on our core existing programmes. Future SOIs will have more specific economic development performance measures based on the outcomes of our review work. These measures will be both quantitative and qualitative and will be relevant to the Region’s economic goals.

## Foreword

Energy, diversity and stunning potential describe the Wellington Region.

The Greater Wellington region is home to 450,000 people. Ten percent of New Zealanders live here. Generating 13% of the nation's wealth, we box above our weight.

Our energy is also reflected in our zest for life. The Region pulses with arts and culture, provides opportunities for wonderful outdoor pursuits and delivers stunning food and wine. Our energy is reflected in our internationally recognised businesses operating in website design, film, industrial design, biotechnology, earthquake engineering, software and public relations.

Diversity is seen in our land forms – wild coasts, sandy beaches, mountains, open plains and craggy hills. It is seen in the tremendous range of career opportunities. Opportunities where you can be a world class film producer, an internationally recognised public servant, a globally connected primary produce trader or a leading edge software developer.

The stunning potential resides in our people and in our 44,000 businesses. Regional EDA Ltd (REDA) is here for them. We are here to play an integral role in helping them create a thriving, internationally connected and internationally competitive region.

We will do this by working in trusted partnerships with our businesses, with central and local Government, with education and research institutions, with business support organisations and other networks to build international connections and implement the strategies and initiatives identified in the Wellington Regional Strategy. We will actively pursue collaboration with others promoting economic development.

REDA was incorporated on 5 April 2007 as a wholly-owned subsidiary of the Greater Wellington Regional Council, funded in part by a regional rate and it began operating on 1 July.

The creation of REDA is a crucial part of implementing the Wellington Regional Strategy (WRS) that has been developed by greater Wellington's nine local authorities in conjunction with central government and the Region's business, education, research and voluntary sectors.

This Interim Statement of Intent (SOI) sets out the nature and scope of the activities REDA intends to undertake over the next three years. It also outlines our intentions to build an excellent organisation, leading the economic development aspects of the WRS. The SOI also covers the financial and governance aspects of our business.

### ***Economic Development***

Economic development for the Wellington Region is about creating wealth. Creating wealth is of course not an end in itself but it underpins our living standards and lifestyle.

REDA will create wealth by delivering on the six objectives it has defined.

Our role in delivering these objectives will vary according to the Region's needs. The possible approaches are to lead, facilitate, partner or advocate.

**Leading** means we will initiate and drive projects which would not happen without us and will have a transformational effect on the economy. We will take leadership role in the establishment phase and expect to transfer the leadership to others within the Region.

**Facilitating** means we will work with established partners to drive projects and our role will be to ensure that any gaps that are barriers to economic growth are addressed.

**Partnering** means we will support others that are taking a leadership role to deliver projects that we believe are important to the Region's growth.

**Advocating** means we will be knowledgeable about issues relating to economic growth and proponents as required.

Underpinning all these roles is a commitment to helping business people make the right connections – connecting people to information and knowledge, to opportunities and people, to markets and capital and to inspiration and insights. In the words of Greg Clark, UK-based world authority on economic development, we will help enterprises grow “bigger, better and faster”.

We also understand and accept that successful economic development requires action and therefore there are risks and the Region's understanding of these risks is critical.

Regional EDA Ltd will play a key role in generating the right energy and aspiration in the economy's participants.

## The Wellington Regional Strategy

The WRS is a sustainable economic growth strategy aimed at achieving a number of community outcomes for the Wellington Region. The outcomes that relate directly to the business of REDA are:

- Prosperous Community – All members of our community prosper from a strong and growing economy. A thriving business sector attracts and retains a skilled and productive workforce.
- Connected Community – Our connections are efficient, quick and easy: locally, nationally and internationally. Our communication networks, air and sea ports, roads and public transport systems are world class and enable us to link well with others, both within and outside the Region.
- Entrepreneurial and Innovative Region – Innovation, creativity and new endeavours are welcomed and encouraged. Ideas are exchanged across all sectors, resulting in a creative business culture. We have excellent education and research institutions, and benefit from being the seat of government.

What are the key features of the Region's economy affecting the achievement of these outcomes?

Although it had a good year last year, the Region's economy has tended to perform below the national average for much of the last decade.

New Zealand has a goal of achieving 4% annual GDP growth to get back to the top half of OECD countries. Achieving a 4% annual growth rate of the Region's GDP over the next ten years is a realistic target to pursue. Implementing the WRS will add value to achieving this target by facilitating growth in areas where the Region has the potential to be a world leader.

The Region employs 215,500 FTEs in 44,000 businesses. These businesses added nearly \$20 billion in value to the New Zealand economy.

Property and business services are our largest industry, followed closely by the Government sector. Other significant industries include the retail sector, finance and insurance, and construction. The contribution made to the Region's economy by manufacturing and the primary sector is low relative to New Zealand averages.

That said, two thirds of the Region can be defined as rural. Primary production is the mainstay of the Wairarapa and a key driver of the Kapiti Coast's economy. Over the last decade agriculture and forestry's contribution to regional GDP has increased at a faster rate than nationally.

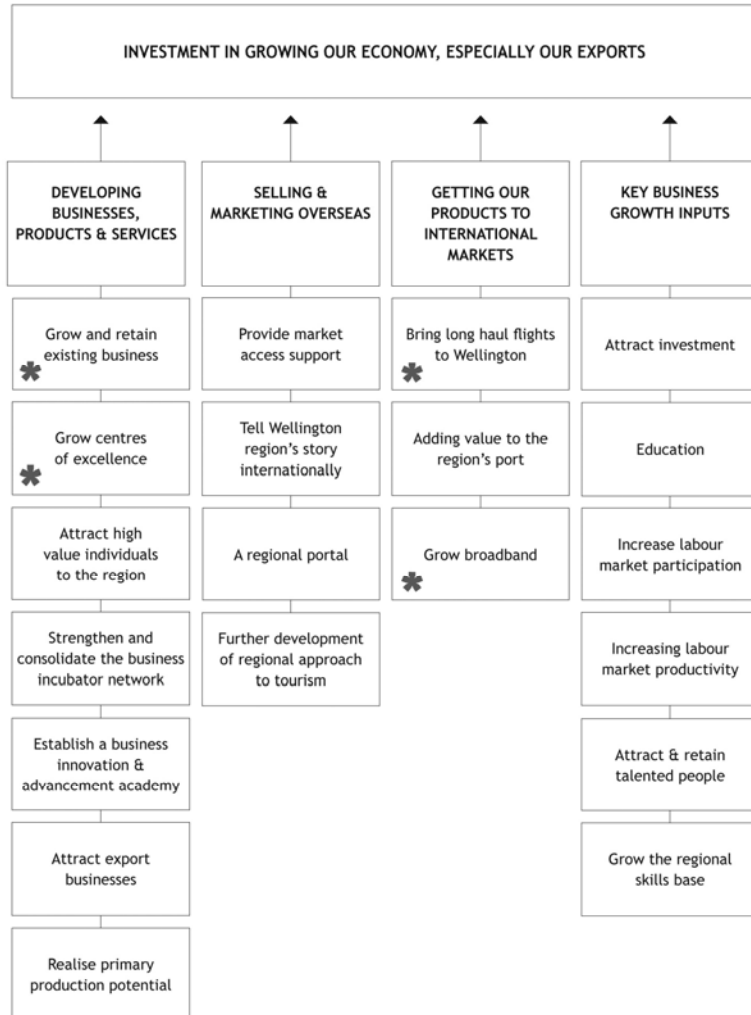
Our Region's population has been growing, but slower than national averages. We have a high proportion of much younger working age people and our workforce is more highly qualified than in the country as a whole but demand is still outstripping supply for people who are highly skilled.

Projections of population and economic growth show uneven distribution, with much of the growth to occur in Wellington City and Kapiti. A challenge will be to ensure more even growth and prosperity throughout the Region. Only 13% of the Region's GDP is exported, well below the national average of 33%. The WRS challenges us to double this figure by 2026.



Economic analysts BERL advise, and the thrust behind the Wellington Regional Strategy is, that “more of the same” is not going to do it for us.

The Strategy calls for the following investments to grow the Region’s economy.



\* These areas are a priority

## **The Nature and Scope of Activities to be Undertaken**

The Wellington Regional Strategy defines the REDA responsibility to focus on delivery of the strategic initiative:

“Investing in growing our economy, especially our exports”

The Strategy identifies a number of activities and partnerships which will drive REDA's success.

REDA's focus in 2007/08 will be two fold:

- delivering a range of existing programmes that support the growth and development of the Region; and
- undertaking the groundwork required to scope and specify a series of new initiatives that will drive ongoing growth and development. Future SOIs will reflect a higher level of detail around those new initiatives once the scoping work is complete.

### **Delivering Existing Programmes and New 2007 Initiatives**

In the first six months of its existence, REDA has been gearing itself to deliver its responsibilities under the Wellington Regional Strategy while at the same time delivering a number of existing programmes and services, and has put in place new initiatives such as AngelHQ and ConnectNZ.

The existing programmes are carryovers from Positively Wellington Business and Go Wairarapa and the new initiatives have been implemented in this financial year in line with the Wellington Regional Strategy.

The performance measures listed reflect the previous approach to reporting. The measures are also given for future years as this is a regulatory requirement and therefore are the same as this financial year.

All projects are under review as we clarify our approach to implementing the Strategy and achieving transformational economic growth. As part of this review new measures will be defined to ensure that our activities contribute to economic growth.

## Existing Programmes and New 2007 Initiatives

REDA Activity 2007/08	Inv't 2007/08	Performance Measures 2007/08	Performance Measures 2008/09	Performance Measures 2009/10
Launched AngelHQ, an angel investment club giving start up and early stage businesses access to capital	151,000	30 members 2 affiliate members 40 deal enquiries 15 pre-screened deals 8 deals presented 2 due diligences completed	30 members 2 affiliate members 40 deal enquiries 15 pre-screened deals 8 deals presented 2 due diligences completed	30 members 2 affiliate members 40 deal enquiries 15 pre-screened deals 8 deals presented 2 due diligences completed
Continued to support high-growth businesses through our business development programme	380,000	150 start up companies facilitated 120 new clients 20 FRST grants 15 NZTE grants 50 contacts on the referral network	150 start up companies facilitated 120 new clients 20 FRST grants 15 NZTE grants 50 contacts on the referral network	150 start up companies facilitated 120 new clients 20 FRST grants 15 NZTE grants 50 contacts on the referral network
Established ConnectNZ, a fast track process for technology businesses <sup>1</sup>	136,000	8 Roundtables 4 technology briefings	8 Roundtables 4 technology briefings	8 Roundtables 4 technology briefings
Established Activate, a new pre-incubation programme at Creative HQ	31,000	6 participants	6 participants	6 participants
Continued to run Creative HQ, our business incubator	915,000	15 high-growth companies resident 60% of residents on target to meet \$500,000 turnover at 18 month review	15 high-growth companies resident 60% of residents on target to meet \$500,000 turnover at 18 month review	15 high-growth companies resident 60% of residents on target to meet \$500,000 turnover at 18 month review
Supported the recent AnimfxNZ international forum putting regional businesses in touch with offshore opportunities in the gaming, animation & digital content industries <sup>2</sup>	25,000	4 business outcomes as a result of forum introductions	4 business outcomes as a result of forum introductions	4 business outcomes as a result of forum introductions

<sup>1</sup> Inter-regional project – but all Wellington money stays inside Wellington

<sup>2</sup> Future involvement will be assessed against community events restrictions

REDA Activity 2007/08	Invt 2007/08	Performance Measures 2007/08	Performance Measures 2008/09	Performance Measures 2009/10
Further develop impact of Greater Wellington Industry Development Centre through web-based Manufacturers' Marketplace to help NZ manufacturers connect with each other and the rest of the world, showcase their products, people and services in order to link up with buyers, suppliers and project partners	133,000	<ul style="list-style-type: none"> <li>Facilitate the population of the marketplace with a minimum of 50 companies as a control group</li> <li>Facilitate two collaborative projects via online community</li> </ul>	<ul style="list-style-type: none"> <li>Expand online community to more than 100</li> <li>Bring in at least one more NZ region</li> <li>Facilitate online project development and networking</li> <li>Identify commercial model for project sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Expand online community to more than 100</li> <li>Bring in at least one more NZ region</li> <li>Facilitate online project development and networking</li> <li>Implement commercialisation of Marketplace</li> </ul>
Workplace Productivity Project Part of the WRLMS productivity initiative, this project aims to better integrate services and support to businesses in the Wellington Region to increase productivity and skill levels	58,000	<ul style="list-style-type: none"> <li>IDC to deliver project management of initiative and meet contractual conditions with EMA/DOL. Project runs for calendar year 2008, first phase will be to identify a suitable project team, participating companies and frame a programme for the year</li> </ul>	<ul style="list-style-type: none"> <li>Develop tools for addressing productivity issues which will deliver measurable increases in productivity</li> <li>Create improved systems for engagement to achieve improved staff motivation and retention</li> <li>Create a best practice model for generating productivity increases to be made available to other parties and regions</li> <li>Develop Year II programme based on Year I experiences</li> </ul>	Further develop project as appropriate
Education Wellington International markets Wellington to international students and has hosted a range of international government and business visitors to grow international student numbers	228,000	<ul style="list-style-type: none"> <li>Membership to include 95% of institutions involved in export education</li> <li>Delivery of 8 professional development workshops a year</li> <li>Average of 2,500 website visits/month</li> </ul>	<ul style="list-style-type: none"> <li>Membership to include 95% of institutions involved in export education</li> <li>Delivery of 8 professional development workshops a year</li> <li>Average of 3,200 website visits/month</li> </ul>	<ul style="list-style-type: none"> <li>Membership to include 95% of institutions involved in export education</li> <li>Delivery of 8 professional development workshops a year</li> <li>Average of 3,700 website visits/month</li> </ul>
Through Film Wellington, REDA has continued to facilitate local and international screen production in the Wellington Region and worked with the Association of Film Commissioners International (AFCI) on their plans to host the 2008 international professional	483,000	<ul style="list-style-type: none"> <li>Issue 240 film permits</li> <li>Issue 760 location permits</li> <li>Achieve Cineposium 2008 planning milestones</li> <li>Receive 20 national/international enquiries per month</li> </ul>	<ul style="list-style-type: none"> <li>Issue 240 film permits</li> <li>Issue 760 location permits</li> <li>Receive 20 national/international enquiries per month</li> </ul>	<ul style="list-style-type: none"> <li>Issue 240 film permits</li> <li>Issue 760 location permits</li> <li>Receive 20 national/international enquiries per month</li> </ul>

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development conference in our Region				
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REDA Activity 2007/08	Invt 2007/08	Performance Measures 2007/08	Performance Measures 2008/09	Performance Measures 2009/10
Further develop the Wairarapa Food and Wine Major Regional Initiative	1,040,000	Resource consent granted	<ul style="list-style-type: none"> <li>• 170 students (international &amp; local) enrolled at School of Cuisine</li> <li>• 8 programmes delivered at Diploma, Degree, Certificate &amp; Master Class level</li> <li>• 170 students enrolled at each level of the programme</li> </ul>	<ul style="list-style-type: none"> <li>• 240 students enrolled at School of Cuisine</li> <li>• 10 programmes delivered at Diploma, Degree, Certificate &amp; Master Class level</li> <li>• 240 students enrolled at each level of the programme</li> </ul>
Support the Region's primary sector to improve productivity	157,000	Secured Central Government support for irrigation development in the region  Formal agreement reached with commercial partner in irrigation project	A minimum of 6 information forums held to secure individual landowner support for irrigation project.  Support of Greater Wellington Regional Council for concept demonstrated through supportive RPS	Indicative commitment to sign water supply agreement received from 30% of potential area supplied.  Water-only consent lodged for irrigation project
REDA's migrant attraction manager attend the London Expo to support the Region's employers to fill skills shortages	356,000	1,500 new registrations on database  110 migrants assisted into employment and/or assisted with settlement	1,500 new registrations on database  110 migrants assisted into employment and/or assisted with settlement	1,500 new registrations on database  110 migrants assisted into employment and/or assisted with settlement
General Support: supporting sectors	76,000			
General Support: individual businesses	85,000			
Minor projects: individual businesses	146,000			
Broadband projects	200,000			
<b>TOTAL</b>	<b>4,600,000</b>			

## **Undertaking the Groundwork for New Initiatives**

REDA has identified six objectives to ensure the short, medium and long term growth of Wellington business and industry. Three are directly centred on the regional business growth and three underpin the infrastructure required to ensure the international competitiveness of these businesses. Some of our existing programmes will be absorbed into these new objectives as this work is completed.

### **1 Developing Centres of Excellence**

These are based on the combination of world class technology, targeted education, commercialisation and a major globally relevant business supported by smaller businesses. The result is a globally leading industry that is sustainable within the Wellington Region.

REDA's role will be to lead the establishment of the Centres of Excellence.

### **2 Supporting Priority Sectors**

'Priority sectors' are those which have critical mass, both current and potential, and can be built upon to achieve export growth.

REDA's role will be to lead the identification of gaps within a sector and then to ensure the gaps are filled such that export potential can be maximised.

Sectors which have been identified as priority in the first year are film, education, food and beverage, primary and manufacturing.

### **3 Growing Individual Businesses**

These require support as they are the basis for future sectors and Centres of Excellence. The opportunistic nature of creating successful businesses from outstanding individuals must also be recognised with REDA providing the right support and information.

REDA's role will be to lead the identification of gaps and barriers to growth for individual businesses within the Region and then to ensure these gaps are filled such that export potential can be maximised for individual businesses.

### **4 Improving Broadband Supply**

Broadband availability is essentially about access to the world and therefore underpins the Region's ability to grow its export base. Broadband availability is about the supply and speed of broadband services on the one hand and growing the demand and use of broadband on the other hand.

REDA's role will be to facilitate a review of regional broadband supply to determine where the supply gaps are. Once these are known, REDA might explore stimulating demand through initiatives such as the aggregation of use, development of global linkages and demonstrating use.

## **5 Raising the Value of our International Gateways**

### **a Airport**

Bringing long haul flights to the Region's airport will greatly enhance the ability of business to get their products to international markets. So too will building connectivity to short haul destinations in Australia and South East Asia.

REDA's role will be to provide information and business to support the leadership role of Positively Wellington Tourism and other partners, such as Wellington International Airport Limited, to further this objective. This will build on work that exists within the region and ensure that no duplication of resources.

### **b Centreport**

Wellington's deep water port is another vital link to international markets.

REDA's role will be to support Centreport as it develops its strategic views for the future, to partner with the Port as it integrates with other 'path to market' regional infrastructure, and to work with them on aggregation initiatives.

## **6 Investigating a Carbon Neutral Region**

It is now widely accepted that carbon neutrality must be a key consideration for any business with internationally competitive aspirations. The Government has indicated it is a high priority at a national level. As the first carbon neutral region in the world, Wellington would have a tremendous competitive advantage.

REDA's role will be to support a feasibility study of regional carbon neutrality, show active leadership in becoming a carbon neutral business enterprise, and demonstrate the relevance and advantage of being carbon neutral to the Region's businesses.



## 1 Developing Centres of Excellence (CoE)

WRS Strategic Initiative	REDA Approach	Total Investment 2007/08	Activity in 2007/08	Activity in 2008/09	Activity in 2009/2010	Key Milestones 2007/2008
Grow Centres of Excellence	<b>Lead</b> the establishment of Centres of Excellence for the Region's economic growth		<p>Appoint a project director</p> <p>Define criteria for proceeding with a Centre of Excellence &amp; what it will do</p> <p>Develop success measures for a Centre of Excellence</p> <p>Scope and commence establishment of a pilot Centre of Excellence</p>	<p>Establish a pilot Centre of Excellence</p> <p>Scope two further Centres of Excellence</p> <p>Identify and prioritise further potential Centres of Excellence</p>	<p>Embed the pilot Centre of Excellence</p> <p>Establish two further Centres of Excellence</p>	<p>Project director appointed and pilot Centre of Excellence established</p> <p>Criteria agreed in conjunction with relevant partners for defining whether a Centre of Excellence should proceed</p> <p>The first Centre of Excellence defined and agreed with relevant partners</p>
Grow and retain existing businesses	<b>Facilitate</b> as part of CoE programmes		Scope existing businesses that will form initial CoE	Integrate businesses with CoE	Integrate businesses with CoE	Commitment of businesses to the CoE
Attract high value individuals to the Region	<b>Facilitate</b> as required to support CoE			Identify appropriate targets for the first CoE	Gain commitment from targets to engage with CoE	
Attract export businesses	<b>Lead</b> to support CoE			Identify appropriate targets for the first CoE	Gain commitment from targets to engage with CoE	
Provide market access and support	<b>Facilitate</b> as required to support CoE			Identify appropriate needs for the CoE	Maintain full access and support, as required, for CoEs	
Tell Wellington's story internationally	<b>Facilitate</b> as required to support CoE		Define CoE's role in the Region's international story	Coordinate the Region's existing communications to provide stories relevant to the		CoE role in the Region's international story is defined and being shared

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				defined CoEs		
<b>Total for all initiatives</b>		<b>400,000</b>				

## 2 Supporting Priority Sectors

WRS Strategic Initiative	REDA Approach	Total Investment 2007/08	Activity in 2007/08	Activity in 2008/09	Activity in 2009/2010	Key Milestones 2007/2008
Grow and retain existing businesses	<p><b>Lead</b> to ensure gaps are filled so there are no barriers to maximise export growth potentials</p> <p><b>Lead</b> projects agreed for 2007</p>		<p>Identify priority sectors based on existing potential and future opportunity for export</p> <p>Define gaps in each priority sector</p> <p>Education - EWI Food and Beverage – MRI Film Wellington Manufacturing – IDC Primary</p>	<p>Ensure gaps have been filled so that sectors are growing</p> <p>Review ongoing programmes as part of overall sector review</p>	<p>Ensure gaps have been filled so that sectors are growing</p>	<p>Identified priority sectors and definition of potential for sectors</p> <p>Action plan in place with agreed relevant partners to address gaps for each priority sector</p> <p>REDA structure in place to support priority sectors</p> <p>Report in place which defines all regional participants in defined sectors</p> <p>Deliver milestones as agreed for each sector project (as defined in our business plan)</p>
Attract export businesses	<b>Facilitate</b> to support sectors		Facilitate/partner to identify the Region's current export participants and profile	Identify appropriate targets for sectors	Identified targets supporting the specific sectors	A report/resource is in place - identifies the Region's exporters & profile
Provide market access and support	<b>Facilitate</b> as required to support sectors			Identify appropriate needs for the priority sectors	Maintain full access and support, as required, for priority sectors	
Tell Wellington's story internationally	<b>Facilitate</b> as required to support sectors		Define the role of sectors in the Region's international story	Coordinate the Region's existing communications to provide stories relevant to the defined sectors		The role of sectors in the Region's international story is defined and being shared

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Wellington Regional Labour Market Strategy (WRLMS)	<b>Partner</b> with Central and local Government participants		Ensure REDA is engaged	Ensure REDA is engaged	Ensure REDA is engaged	Regional approach to skills development progressed
<b>Total for all initiatives</b>		<b>300,000</b>				

### 3 Growing Individual Businesses

WRS Strategic Initiative	REDA Approach	Total Investment 2007/08	Activity in 2007/08	Activity in 2008/09	Activity in 2009/2010	Key Milestones 2007/2008
Grow and retain existing businesses	<p><b>Lead</b> the Region as a source of information on where businesses can access resources and advice on how to grow their businesses to export</p> <p><b>Partner</b> with other business support agencies to ensure these resources and advice on growth to export is provided</p> <p><b>Facilitate</b> growth of "elite" businesses (established and expansionary) based on existing potential and future opportunity for export</p>		<p>Develop a "toolkit" to enable efficient interactive communication with all potential export growth businesses in the Region. The toolkit will utilise appropriate technology to achieve efficient delivery of the toolkit to the full Region. Ensure all partners are engaged with the regional "toolkit"</p> <p>Establish ConnectNZ in the Wellington Region Analysis and identification of our "key large businesses" to find out why they are located in Wellington and to ensure we are their "go to" point when any thinking begins about relocation</p>	<p>Cultivate and grow the regional "toolkit" network</p> <p>Continue to monitor and nurture "key large businesses"</p>	<p>Cultivate and grow the regional "toolkit" network</p> <p>Continue to monitor and nurture "key large businesses"</p>	<p>"Toolkit" developed</p> <p>Complete client survey to validate "toolkit"</p> <p>Partners committed to the regional partner approach</p> <p>Process to ensure long term sustainability of ConnectNZ</p> <p>Definition and identification of "key large businesses" agreed with partners and a plan in place with relevant partners to ensure the retention of these businesses</p>
Strengthen and consolidate the business incubator network	<p><b>Lead</b> the Region's work to identify likely candidates for business incubation</p> <p><b>Lead</b> the drive for high quality start-up businesses in the Region</p> <p><b>Lead</b> the</p>		<p>Review a regional approach to business incubation</p> <p>Identify Creative HQ residents</p>	<p>Identify Creative HQ residents</p>	<p>Identify Creative HQ residents</p>	<p>Study on the best practice for regional business incubation completed</p>

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	establishment of an investment community for early stage businesses		Work to establish AngelHQ, an angel investors network			AngelHQ established and first investment underway
<b>Total for all initiatives</b>		<b>200,000</b>				

#### 4 Improving Broadband Supply

WRS Strategic Initiative	REDA Approach	Total Investment 2007/08	Activity in 2007/08	Activity in 2008/09	Activity in 2009/2010	Key Milestones 2007/2008
Grow broadband	<b>Facilitate</b> identifying gaps in the supply of broadband		Partner with councils and businesses of Region to complete an audit of broadband regional supply.  Phase 1 will be to work with Wairarapa and Kapiti  Undertake broadband regulation and current/best practice review in regional councils regarding layer zero issues			Phase 1 audit complete
<b>Total for all initiatives</b>		<b>50,000</b>				

#### 5 Raising the Value of our International Gateways

WRS Strategic Initiative	REDA Approach	Total Investment 2007/08	Activity in 2007/08	Activity in 2008/09	Activity in 2009/2010	Key Milestones 2007/2008
Bring long haul flights	<b>Partner</b> with Positively Wellington Tourism as leader		Engage with partners (with no resource duplication) to define	Plan developed to deliver better connectivity for the	Support activities to drive business links with the identified	Definition of "raising the value of our international gateways" is agreed with

to Wellington	and Centreport, Wellington International Airport Limited, and other business support agencies to enhance the value of our international gateways		"raising the value of the Region's international gateways"		long haul hub	Centreport, Wellington International Airport Limited, Positively Wellington Tourism and other business support agencies
Adding value to the Region's port				Region's exporters		
<b>Total for all initiatives</b>		<b>50,000</b>				

## 6 Investigating a Carbon Neutral Region

New WRS Strategic Initiative	REDA Approach	Total Investment 2007/08	Activity in 2007/08	Activity in 2008/09	Activity in 2009/2010	Key Milestones 2007/2008
Carbon neutral region	<b>Partner</b> to explore the value of a carbon neutral region		Undertake feasibility study on benefits and costs to regional businesses of a carbon neutral region and what is required to become carbon neutral			Feasibility study on benefits to regional businesses of a carbon neutral region and what is required to become carbon neutral is underway.
<b>Total for all initiatives</b>		<b>100,000</b>				

## Key Milestones

### Activities Completed by 30 June 2008

#### 1 Developing Centres of Excellence

- Project director appointed and pilot Centre of Excellence established
- Identified priority sectors and definition of potential for sectors
- Action plan in place with agreed relevant partners
- Commitment of relevant businesses to the Centres of Excellence
- Criteria agreed in conjunction with relevant partners for defining whether a Centre of Excellence should proceed
- Centre of Excellence role in the Region's international story is defined and being shared

#### 2 Supporting Priority Sectors

- Milestones met for 2007 sector work – Education, Food and Beverage, Film, Manufacturing (as defined in the business plan)
- Identified priority sectors and definition of potential for sectors
- Action plan in place with agreed relevant partners to fill the gaps in order to maximise export potential
- REDA structure in place to support priority sectors
- Review gaps in the primary sector as part of over all sector review
- The role of sectors in the Region's international story is defined and being shared

#### 3 Growing Individual Businesses

- A toolkit developed defining the Region's support network for businesses
- "Road map", including web-based resource, completed for businesses to use in order to realise their export potential
- Launch of AngelHQ
- A report/resource is in place which identifies the Region's exporters and profile
- Client survey to validate "toolkit" is completed

#### 4 Improving Broadband Use

- Report released on broadband supply gaps

#### 5 Raising the Value of our International Gateways

- Definition of "raising the value of our international gateways" is agreed with Centreport, Wellington International Airport Limited, Positively Wellington Tourism and other business support agencies

#### 6 Supporting a Carbon Neutral Region

- Feasibility study on benefits to regional businesses of a carbon neutral region and what is required to become carbon neutral is underway

## Meeting the Challenge – Building Our Capabilities

REDA has a crucial role in helping to create a thriving, internationally-connected and internationally-competitive region – a region recognised for its entrepreneurial spirit, creativity, innovation, collaboration and competition. It will do this by working in trusted partnership with our businesses, with central and local government, with education and research institutions, with business support organisations and other networks to build international connections and implement the strategies and initiatives set out in the WRS.

REDA has 20 staff located in Wellington City and one in Wairarapa. As an interim measure economic development services will be purchased from Nature Coast Enterprise in Kapiti. We have a budget of \$4 million for the 2007/08 financial year with increases of up to \$5 million in each year from 2008/09.

REDA will actively pursue other sources of income to broaden revenue streams in line with the Strategy.

## Our Vision

Our vision is that the Wellington Region will have a thriving, internationally-connected and internationally-competitive economy by 2026. The Region will be recognised for its entrepreneurial spirit, creativity, innovation, collaboration and competition.

## Our Values

- Knowledge
- Trust
- Transparency
- Integrity
- Passion
- Connectedness
- Adding value/delivering results

## Building an Excellent Organisation

In addition to our main objectives, we have statutory objectives relating to how we conduct our business:

### 1 To be a good employer

We will have the right structure to deliver our objectives.

We will ensure our staff understand and are committed to our objectives.

We will ensure that our staff have the appropriate skills to deliver on our objectives.

We will ensure that our premises are suitable to reflect our aspirations for the organisation and the Region and provide an energetic environment.

### 2 Exhibiting a sense of social and environmental responsibility by having regard to the interests of the community and by endeavouring to accommodate or encourage these when able to do so.



**3 We will operate in accordance with sound business practice**

We will develop a culture of continuous learning and improvement.

We will monitor and respond to the business community's views on EDA services.

**Definition of “Community Facilities” and “Community Events”**

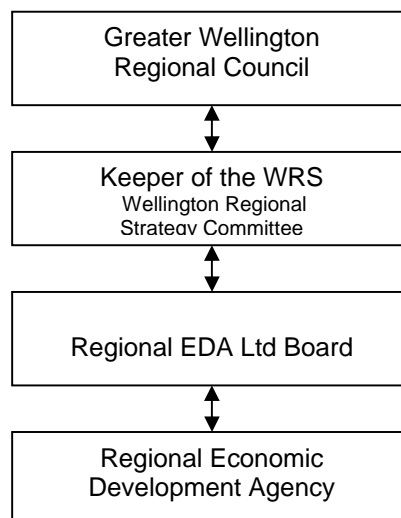
As advised by the WRS Committee, “community facilities” and “community events” will not be funded by the Regional EDA Ltd.

“Community Facilities” are activities that provide services, entertainment or education to the public generally.

“Community Events” are activities that are operated for the purposes of entertainment, sport, and tourist attraction or cultural/community celebration and are open to the public generally. (See Appendix A for specific criteria and provisions).

**Finance and Governance**

The Regional EDA Ltd Board reports to the Wellington Regional Strategy Committee.



**Statement of the Board’s Approach to Governance**

In accordance with sections 57 and 58 of the Local Government Act which sets out directions for the appointment and role of directors of council controlled organisations, this board was appointed in accordance with Greater Wellington Regional Council’s policy. This policy requires a transparent process for the identification of directors’ skills, their appointment and remuneration.

The Board is responsible for the proper direction and control of the company's activities. The Board guides and monitors the business and affairs of REDA on behalf of the shareholder, the Greater Wellington Regional Council to whom it is accountable, within the framework of the mission and objectives set out in this Statement of Intent, being principally to oversee the implementation of the Wellington Regional Strategy.

Recognising its governance responsibilities the Board has established three sub-committees. The Audit Finance and Risk Committee will monitor not just financial but project, reputation and organisation risks, ensuring they are appropriately mitigated. The Appointments Committee will monitor REDA's senior management resource and skills requirements. The Communications Committee will oversee the profile and public relations needs of REDA.

The Chief Executive has the delegated responsibility for the day to day management of REDA and is assisted by staff as required. REDA may make use of external advisors from time to time.

All Board directors will comply with the Code of Conduct set out in the New Zealand Institute of Director's Code of Proper Practice for Directors.

The Chair will conduct a formal performance review for each Board director biennially.

Board members will be supported and encouraged to pursue training and development to enhance their effectiveness on the Board.

The Board consists of:

Murray McCaw	Chair, ex-officio, all Committees
Brent Albiston	Communications Committee & Appointments Committee
Murray Bain	Chair, Audit, Finance & Risk Committee
Viv Beck	Chair, Communications Committee
Glenys Coughlan	Communications Committee
John Lumsden	Audit, Finance & Risk Committee & Appointments Committee
John McFadzean	Communications Committee
Tan Pham	Audit, Finance & Risk Committee

The Board will meet monthly. The Audit Finance and Risk Committee will meet quarterly with further meetings scheduled on an "as needs" basis. The other committees will meet on an "as needs" basis.

## Accounting Policies

REDA has adopted accounting policies that are consistent with New Zealand International Financial Reporting Standards, generally accepted accounting practice, and the policies adopted by the Greater Wellington Regional Council.

## Information Provided to GWRC by REDA

- Annual Statement of Intent
- Unaudited Half-yearly Report
- Annual Report

- Annual Financial Statements and Auditor's Report
- Quarterly Reports
- Additional reports and information to WRS Committee as and when required.

**Ratio of consolidated shareholders' funds to total assets, and the definition of those terms**

Refer to the 2008/09 SOI.

**Procedures to be followed before any member of the group subscribe for, purchases or otherwise acquires shares in any company or other organisation**

Refer to the 2008/09 SOI.

**Any activities for which the Board seeks compensation from any Local Authority**

Refer to the 2008/09 SOI.

**The Board's estimate of the commercial value of the shareholders' investment in the group and the manner in which and the times at which that value is to be reassessed**

Refer to the 2008/09 SOI.

## Income Statement

Strategic Initiative	Expenditure			Income \$,000
	Existing projects	WRS projects	Total	
<b>WRS</b>				<b>4,000</b>
Developing Centres of Excellence		400	400	
Supporting Priority Sectors	2,200	300	2,500	1,010
Grow and Retain Existing Business	2,200	200	2,400	690
Grow Broadband	200	50	250	
Raising the Value of our International Gateways		50	50	
Carbon Neutral Region		100	100	
	<b>4,600</b>	<b>1,100</b>	<b>5,700</b>	<b>5,700</b>

**NB:**

Expenditure includes an allocation of overheads.

If New Projects are delayed then the full amount will not be spent.

Full budget is in the business plan.

			<b>2007/08 \$,000</b>
<b>INCOME</b>			
- WRS			4,000
- Other Income			1,700
<b>TOTAL REVENUE</b>			<b>5,700</b>
<b>EXPENDITURE</b>			
	<b>Existing &amp; New Initiatives</b>	<b>WRS</b>	
<b>Developing Centres of Excellence</b>			
Total WRS Initiatives		400	
		<u>400</u>	<b>400</b>
<b>Supporting Priority Sectors</b>			
- AnimfxNZ	25		
- GW/IDC <sup>3</sup>	133		
- WRLMS <sup>4</sup>	58		
- Education Wellington International (EWI)	228		
- Film Wellington	483		
- MRI Wairarapa Fine Wine & Cuisine	1,040		
- Primary Sector	157		
- General Support	76		
Total WRS initiatives		300	
	<u>2,200</u>	<u>300</u>	<b>2,500</b>
<b>Growing Individual Businesses</b>			
- Launch AngelHQ & manage	151		
- Continued support of high-growth businesses	380		
- Establish ConnectNZ	136		
- Establish Activate (pre-incubation programme)	31		
- Creative HQ	915		
- Migrant Attraction	356		
- General Support	85		
Total WRS initiatives		200	
Regional Outlook	87		
Investment raising	39		
Attract Export	20		
	<u>2,200</u>	<u>200</u>	<b>2,400</b>
<b>Grow Broadband</b>			
Existing projects	200		
Total WRS initiatives		50	
	<u>200</u>	<u>50</u>	<b>250</b>
<b>Raising the value of our international gateways</b>			
Total WRS initiatives		50	<b>50</b>
<b>Carbon Neutral Region</b>			
Total WRS initiatives		100	<b>100</b>
<b>TOTAL EXPENDITURE</b>			<b>5,700</b>

<sup>3</sup> Greater Wellington Industry Development Centre

<sup>4</sup> Wellington Regional Labour Market Strategy

**NET SURPLUS FOR YEAR**

Attachment 1 to Report 07.807

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## APPENDIX A

### “Community Facilities” and “Community Events”

Regional EDA Ltd may not provide operational or capital expenditure for community facilities or events as defined as:

“**Community facilities**” are activities that provide services, entertainment or education to the public generally. Examples include Te Papa, the Karori Wildlife Sanctuary, libraries, galleries (eg The New Dowse) and the proposed Marine Education Centre.

“**Events**” are activities that are operated for the purposes of entertainment, sport, tourist attraction or cultural/community celebration and are open to the public generally. Examples include festivals, concerts, sporting competitions, movie premieres.

Notwithstanding this, REDA may facilitate (including providing financial or other support for) activities that are integral to its role of achieving sustainable long-term economic growth in the region defined by the Statement of Intent, including activities that meet the following criteria:

- create or facilitate the success of the Region’s Centres of Excellence programme;
- assist to attract and retain high value individuals in the Region;
- facilitate access to international markets for businesses in the Region;
- boost the innovative and competitive image of the Region internationally;
- assist to attract investment into the Region;
- provide an opportunity to grow the skills base in the Region;

provided that, before REDA agrees to facilitate and/or sponsor conferences, seminars or symposia, it ensures that such activities meet at least two of the criteria set out above. In addition, REDA must ensure an appropriate cost/benefit/risk assessment process is completed prior to funding any such activity.