

Report 13.801
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Committee Wellington Regional Strategy Committee
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Grow Wellington Annual Report 2012/13

1. Purpose

The purpose of this report is to present to the Committee the Annual Report of Grow Wellington for the 2012/13 year.

2. The decision-making process and significance

The matter requiring decision in this report has been considered by officers against the requirements of Part 6 of the Local Government Act 2002 (the Act).

Officers have considered the significance of the matter, taking the Council's significance policy and decision-making guidelines into account. Officers recommend that the matter be considered to have low significance.

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

3. Background

Grow Wellington was established in 2007 to deliver economic growth initiatives under the Wellington Regional Strategy (WRS). The company is required to report to the Committee on its activities at the end of each financial year. The report in **Attachment 1** is Grow Wellington's annual report for the financial year 2012/13.

As a Council Controlled Organisation, Grow Wellington is required to have audited accounts. The Auditor General has carried out its independent assessment of Grow Wellington's Annual Report. This assessment is included in the Financial Statements of Grow Wellington's Annual Report. The audit states that "the financial statements and statement of service performance of the company and group comply with generally accepted accounting practice in New Zealand; and... gives a true and fair view of the company's service

performance achievements measured against the performance targets adopted for the year ended 30 June 2013.”

The audited Annual Report was signed off on 10 September 2013 by the Grow Wellington Board Finance Committee under authorisation from the full Board.

4. Summary of Annual Report

The 2012/13 year was one of significant change for Grow Wellington. It reviewed its activities arising from the refreshed Wellington Regional Strategy (released in June 2012) and, as a result, deferred and/or redesigned some projects. For this reason there is a difference between performance measures in the SOI 2012/13 and results achieved in some areas.

During the year there was also an interim CEO in place prior to Gerard Quinn being appointed in a permanent role in November 2012. There have also been changes at a management level and staff capacity has been increased to reflect requirements of the new WRS focus areas. This includes new management at Creative HQ, the subsidiary company of Grow Wellington.

As outlined in its Annual Report, Grow Wellington has worked with industry to connect key organisations and businesses to develop key sectors. Highlights for the region include:

- \$7 million in capital raising
- a call centre relocation into Wellington with 150 jobs forecast this financial year and injection of more than \$10 million p/a into the economy
- three deals in the screen and digital sector secured, involving North American and Chinese financing and distribution partners
- connecting businesses with \$2.1 million dollars of on-demand R&D funding from TechNZ (now part of Callaghan Innovation)
- \$3 million worth of expressions of angel investment interest for Lightning Lab, the country’s first digital accelerator, through its first intake
- \$2.4m of funding and investment raised by Creative HQ ventures (50% increase)
- 5504 students equating to \$148.6m in revenues for the region. At least 81 more international PHD enrolments at Victoria University and 55 more students in other education sectors, with final numbers yet to be confirmed.
- a number of biomedical ‘innovating for health’ projects progressed, with one at proof-of-concept stage, one gone to market and four more in the development pipeline
- successful feasibility evaluation of a Marine Testing Centre, which private sector industry bodies are now going to progress with central government

- \$828m increase in Wellington screen businesses gross revenue, up from \$495m in 2011
- development of the PIPI programme education facility for the digital sector with expansion from children's animated television into video gaming,
- 148 work-integrated learning placements across digital and other sectors
- Film Wellington fielded 1251 enquiries resulting in 484 location permits being issued; hosted successful promotional events associated with The Hobbit premiere and were invited to deliver a trade panel session at the Pacific Partnership Forum in Washington DC
- 30 ventures through the incubation service for start-up companies, with nine graduating, bringing the total alumni ventures to 71
- \$520k of funding vouchers from NZTE for building capability within export-oriented businesses, with an resulting doubled rate of forecast revenue growth and job creation
- The Wairarapa Water Use Project progressed site evaluation and funding model development
- \$3m export growth from Food and Beverage value chain companies
- media coverage of Visa Wellington on a Plate increased in value 22% to \$1m and reached audiences across NZ and Australia, with 94% of DINE partners and 88% of event partners rating the festival 'Successful or Very Successful'.

4.1 Evaluation against Statement of Intent (SOI)

Of the 17 performance measures in the SOI, Grow Wellington has reported delivering on 11 of these, not meeting targets on two and redesigning or alternate outcomes in the other four areas.

Areas where SOI targets were partially met include the Science and Innovation Park for which the business case has been deferred pending strategic review in the context of Statement of Intent 2013/14; and in Innovation were there was an increase in revenue of \$45.7m for businesses across the region against a target of \$50m.

Areas where targets have not been met include the Pounamu Fund, where development efforts have ceased after the Fund failed to be fully subscribed; and in the Film Sector Survey which achieved an 88% (target 90%) satisfaction rating following a small survey response.

5. Communication

Grow Wellington's Annual Report is publicly available on the company's website. Any other communications will be the responsibility of Grow Wellington.

6. Recommendations

That the Committee:

1. ***Receives the report.***
2. ***Notes the content of the report.***
3. ***Accepts the Grow Wellington Annual Report 2012/13***

Report prepared by:

Report approved by:

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Attachment 1: Grow Wellington Annual Report 2012/13