



**Grow Wellington**

Working for business success

# **STATEMENT OF INTENT**

Connect Inspire Facilitate

**2010/2011**

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# C O N T E N T S

Foreword.....	3
<b>The Wellington Regional Strategy and Grow Wellington.....</b>	<b>4</b>
<b>The Nature and Scope of Activities to be Undertaken.....</b>	<b>6</b>
<b>Development of Centres of Excellence.....</b>	<b>6</b>
<b>Support for Priority Sectors.....</b>	<b>8</b>
<b>Support and Growth of Individual Businesses.....</b>	<b>11</b>
Building an Excellent Economic Development Organisation.....	13
<b>Finance and Governance.....</b>	<b>15</b>
Statement of the Board's Approach to Governance.....	15
<b>Accounting Policies.....</b>	<b>16</b>
<b>Information Provided to GWRC by Grow Wellington.....</b>	<b>16</b>
Income Statement.....	17
<b>APPENDIX A.....</b>	<b>18</b>

## Foreword

### **Sharpening the focus for economic results ...**

There is a great deal for the Wellington region to be optimistic about as the world climbs out of a recession. Three years into the delivery of the Wellington Regional Strategy, we feel very confident about our organisation's role in its implementation. In last year's Statement of Intent we noted the importance of continuing to invest in growth, and by sharpening our focus on innovative, high-growth, export-oriented businesses and industry, this is exactly what we have done.

The foundation for our investment in growth is a thriving innovation system. To this end Grow Wellington is providing a dedicated resource to ensure the requisite parts of the system – entrepreneurs, tertiary institutions, research organisations, start-up businesses, incubation, investment and skills – are well connected through projects and other initiatives. The results of a thriving innovation system will be seen in the creation and expansion of businesses, and ultimately industries, which will continually reinvest in growth and export markets.

The importance of working in partnership with all the relevant economic players, including business support organisations such as the Chambers of Commerce, Employers and Manufacturers Assn, professional service providers, education providers and local and regional councils and central government remains paramount.

### **It's a long term game, with short term wins ...**

Building relationships, trust and the foundations for commercial enterprise is not about ticking boxes. In setting goals for 2025 the Wellington Regional Strategy recognises that building an internationally competitive region is a long term project, similarly too, the New Zealand Institute's work on building our innovation eco-system also counsels patience.

There are however many short term successes we can celebrate - investment in start-up companies, export markets secured, license agreements reached for global distribution of smart intellectual property and highly skilled, enthusiastic graduates placed into our businesses.

### **What Grow Wellington is going to do ...**

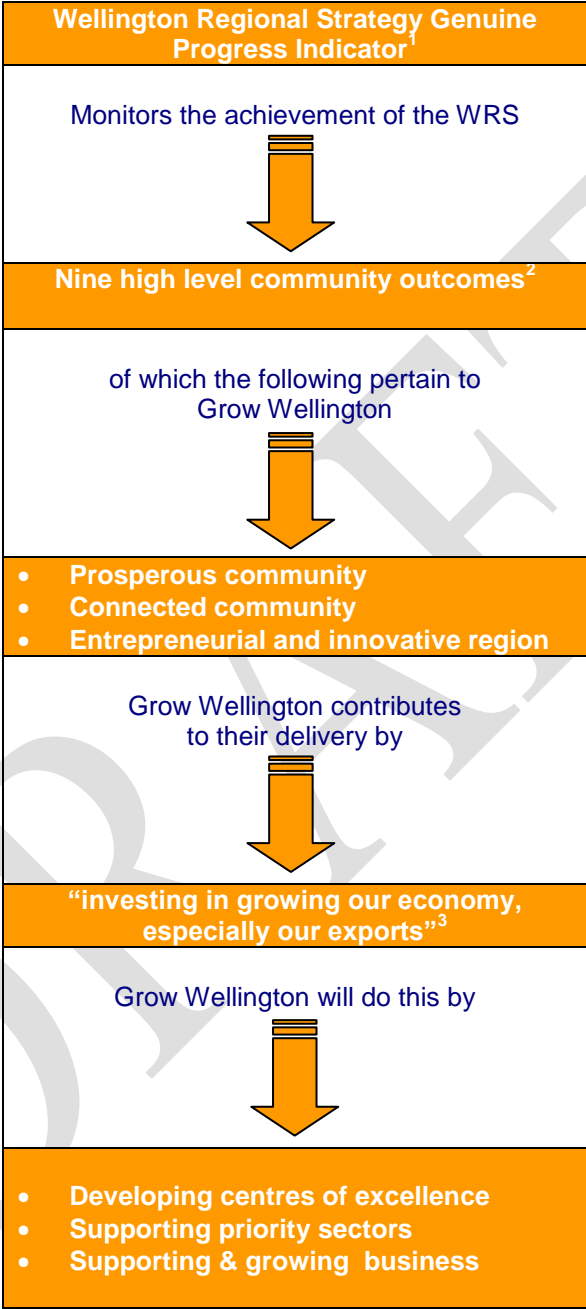
This Statement of Intent (SOI) sets out the nature and scope of the activities Grow Wellington intends to undertake over the next three years.

Our three strategic initiatives related directly to business (Centres of Excellence, Priority Sectors and Business Growth) are showing tangible results. Given the success of this work our programmes related to infrastructure (broadband use, international gateways and a carbon neutral region) have been realigned. We will also augment our work with high growth businesses with a programme of commercial introductions around the Rugby World Cup.

The SOI outlines our intentions to continue building an excellent organisation which is leading the economic development aspects of the Wellington Regional Strategy. The SOI also covers the financial and governance aspects of our business.

# The Wellington Regional Strategy and Grow Wellington

The Wellington Regional Strategy identifies a number of activities and partnerships which will support business in a recession and ultimately drive the region’s success. The following diagram sets out how our organisation contributes.



Our effort in 2010/11 will be directed at tightening the focus on work we know is adding value. The Wellington Regional Strategy remains sound and the sectors we identified in our first year as having the biggest impact on economic growth and export revenue generation remain valid.

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Wellington Regional Strategy Document  
<sup>1</sup> pg 51  
<sup>2</sup> pg 2  
<sup>3</sup> pg 9

These are screen and digital, biotechnology life sciences, primary, education (international students and learning products), food and beverage and manufacturing.

*Development of Centres of Excellence (CoEs)* in screen and digital and biotechnology life sciences are now well underway. In 2010 the focus is on embedding these into the economy with locations for the Centres and attraction of international business, expertise and research. We are keen to launch a third Centre of Excellence in Clean Tech. Sourcing the funding for this next Centre will determine the speed of its delivery.

*Support for Priority Sectors and Support and Growth of Individual Businesses* are all about enterprise growth. We are underpinning this work with initiatives to build an integrated, well informed and outcome-oriented regional innovation system. A vital part of this system is start-up business incubation. In 2010 the region's incubator, Creative HQ, plans to double the number of ventures being mentored. In order to effectively deliver on these plans Creative HQ's structure is being reviewed.

Next year will also see preparation begin in earnest for the 2011 Rugby World Cup. Grow Wellington will be leveraging this event and the high-net-worth, internationally connected visitors to source markets, investment and skills for the region's high-growth businesses. The level of activity planned is dependent on the agreed investment being approved.

### ***Economic development and measuring our success***

Economic development is not only about creating wealth, it is also about putting in place an eco-system which supports and delivers innovation. Creating wealth is of course not an end in itself but it underpins our living standards and lifestyle.

Grow Wellington plays a pivotal role in generating the right energy and aspiration in the economy's participants.

Underpinning this is a commitment by all of us at Grow Wellington to help business people make the right commercial contacts. To do this well we must be experts on our region's economy and the people and businesses who drive it.

We *connect* people to information and knowledge, to opportunities and people, to markets and capital and to inspiration and insights. We *inspire* business to look for opportunities and be world changing. And we *facilitate* collaboration to ensure business sustainability and growth.

We have a range of quantitative and qualitative measures which we have devised to ensure we were accurately appraising our impact and its success. We have endeavoured to identify measures which were enduring and meaningful but, if we are doing our job well, these may need to be modified.

It should be noted that Grow Wellington is measuring and reporting on the wider economic results of the work we are doing across the organisation,

As these statistics are only partially influenced by our work, they do not form part of the organisation's performance measurement framework, rather they guide our decisions on where Grow Wellington should focus its efforts and provide valuable insights into the impact of our interventions.

## The Nature and Scope of Activities to be Undertaken

### Development of Centres of Excellence

#### Definition

These are based on the combination of world class technology, targeted education, commercialisation and a globally relevant business supported by smaller businesses. This work provides an important platform for faster economic recovery as the recession abates. We have refined this programme to now focus on developing just three Centres of Excellence from the four that have been assessed. There is now some activity in clean tech given we have revised our work on *Adding Value to a Carbon Neutral Region* so it is included in the CoE work.

#### Outcomes

**Long term:** By 2030 to create an additional \$1 billion of wealth for the Region from the Centre of Excellence programme. In line with the strategic approach initial export revenue will be slow to grow, and a strong multiplier effect is expected from Year 5 onwards.

**Short term:** Industries for development agreed and initiated.

#### WRS Outcome Contribution

In delivering Centres of Excellence we will be contributing the delivery of the following WRS outcomes identified in the WRS document – grow and retain existing businesses, attract high value individuals, attract export businesses, provide market access support, tell the Wellington Region's story internationally, attract investment, education, attract and retain talented people and grow the regional skills base.

#### The Next Three Years

	2010/11	2011/12	2012/13
<b>Output/Activity</b>	<b>Digital</b> Digital Innovation Hub (DIH) precinct developed around education, scoring studio and incubator businesses  DIH provides deal flow for Angel HQ	Continue to facilitate occupation of the DIH with relevant education and business residents and enterprises  Digital Media Finishing school launched in Wellington  DIH provides deal flow for Angel HQ	Continue to facilitate occupation of the DIH with relevant education and business residents and enterprises  World class Film School attracts international students  Venture fund established in Wellington to support spin out innovation projects
	<b>Biotech and Life Sciences</b> Raise the profile of the Health Education and Research Collaborative (HERC) regionally, nationally and internationally  Launch HERC incubator and provide deal flow for Angel HQ	Projects facilitated with Hutt, Porirua hospitals  International alliances fully established with Oxford Deaneries and Mayo Clinic	International exchanges commence with global alliance partners  Facilitate national health network with an innovation fund from central Government
	<b>Clean Technologies</b> Clean Tech incubator established  4 Clean Tech projects started	Establish a national network for clean tech businesses hubbing from Wellington Clean Tech incubator  Establish Clean Tech incubation fund  Marine energy testing centre strategy completed for Government support  Hitech project underway	National Clean Tech programme in place  Clean Tech Fund investing nationally  Wellington trial facilitated for renewable public transport fleet project Facilitate Otaki 'off grid' waste to energy project at commercial scale

	2010/11	2011/12	2012/13
<b>Measures</b>	<b>Digital</b> 2000 sq m of DIH occupied by commercial players  4 deals presented to Angel HQ	10 firms relocated to creative precinct  20 students registered for Digital Finishing School  6 deals presented to Angel HQ	10 international students enroll in Digital Finishing School  8 deals identified for Venture fund  <b>\$5m export revenue from DIH businesses</b>
	<b>Biotech and Life Sciences</b> 6 partners in HERC facility	2 projects explored with each of Porirua and Hutt regions  2 deals presented to Angel HQ	4 international exchanges with global alliance partners being facilitated  4 deals presented to Angel HQ  <b>\$5m export revenue from HERC businesses</b>
	<b>Clean Tech</b> 3 new startups in Incubator  4 partners committed to pursuit of Clean Tech incubation fund	10 businesses from other regions agree to be part of national Clean Tech network  Clean Tech incubation fund in place	<b>\$5m export revenue from the regions Clean Tech businesses</b>  introduce 4 potential national participants to the Incubator
<b>Investment</b>	\$960,000	\$1,200,000	TBC

## Support for Priority Sectors

### Definition

“Priority sectors” are those which have critical mass, both current and potential, and can be built on to achieve export growth. Grow Wellington has identified six sectors based on our ability to address the gaps preventing them from achieving greater export success. These are the film, food and beverage, primary, manufacturing and education sectors.

### Outcomes

**Long term:** By 2020 food exports growth due to brand/concept recognition and primary sector linked to manufacturing which is linked to F&B sector exports growth; much improved international student numbers; export revenue being generated from education products; improved export revenue from film/digital in region.

**Short term:** Sectors which have been identified as a priority are film, education, food and beverage, primary and manufacturing. Within these we are looking to see: the Food Wellington concept established for the Wellington Region and used locally and globally; improved international student numbers; education products developed and available for sale; increase in number of companies relying on Film Wellington support; and manufacturing sector Optimised Manufacturing programme established.

### WRS Outcome Contribution

In supporting priority sectors we will be contributing to the delivery of the following WRS outcomes – grow and retain existing businesses, attract high value individuals, attract export businesses, provide market access support, tell the Wellington Region’s story internationally, attract investment, education, increase labour market participation, increase labour market productivity, attract and retain talented people and grow the regional skills base.

### The Next Three Years

	2010/2011	2011/12	2012/13
<b>Output/Activity</b>	<b>Film</b> Implement improved film permit system  Develop and implement an awareness raising campaign	Review new film permit system and implement findings  Review awareness campaign and implement findings	Assess financial impact of permit system  Assess economic impact of awareness raising campaign
	<b>Food &amp; Beverage</b> Food Wellington market development projects scoped - Wine (governance) and coffee, beer (export ready)  Wellington on a Plate in place	Market development projects implemented – wine increasing exports, coffee and beer exporting  Wellington on a Plate governance report complete	New export markets scoped  Wellington on a Plate governance board in place
	<b>Primary Irrigation</b> Facilitate the development and presentation of a business case to relevant infrastructure funders as a precursor to a resource consent application for irrigation project  <b>Wood</b> Deliver a collaborative wood supply model, making investment in processing capacity feasible	Facilitate project and infrastructure investment for irrigation project and detailed implementation plan developed. Resource consent lodged  Deliver an investment memorandum for new investment into the processing sector	Source and facilitate discussions with potential downstream investors  Facilitate market development project of high value-added wood products from region into export markets



	2010/2011	2011/12	2012/13
<b>Output/Activity Continued</b>	<b>Manufacturing</b> Recruit companies and graduates for Optimising Manufacturing programme  Develop sub-groups of the manufacturing sector to consider market development activity	Ensure successful completion of Optimising Manufacturing programme with full complement of companies  Facilitate sub-sector market development activity	Facilitate the transfer of the Optimising Manufacturing programme to a suitable third party  Sub-sector market development activity continues
	<b>Education</b> International student marketing plan review implemented with clear tactics being consistently checked for effectiveness	International student marketing plan expanded beyond Vietnam, Korea, China	International student marketing plan expanded beyond Asia
	Identify appropriate products to achieve revenue streams for export education	Continue to develop export education revenue streams	Consolidate export education revenue streams

	2010/2011	2011/12	2012/13
<b>Measures</b>	<p><b>Film</b> Client sector <u>survey</u> shows 85% satisfaction.</p> <p>570 film industry enquiries managed</p>	<p>Client sector <u>survey</u> shows 90% satisfaction.</p> <p>600 film industry enquiries managed</p>	<p>Maintain client sector <u>survey</u> at 90% satisfaction.</p> <p>630 film industry enquiries managed.</p>
	<p><b>Food &amp; Beverage</b> 2 projects initiated (wine governance and export coffee or beer)</p> <p>3 projects delivered (Le Cordon Bleu, Wellington Week &amp; Wellington on a Plate)</p>	<p>80% of participants indicate satisfaction with Food Wellington projects</p> <p>10 possible candidates identified for Wellington on a Plate governance board</p> <p><b>Food Export value \$1m from WOAP activities</b></p>	<p>80% of participants indicate satisfaction with Food Wellington projects</p> <p>WOAP Governance Board in place</p> <p><b>Food Export value \$3m from WOAP activities</b></p> <p>Overall food export figure 3% increase from baseline figure</p>
	<p><b>Primary</b> 3 drafts of project business case developed and presented to Project Leadership Group, local central and government</p> <p>Identify at least 4 potential collaborative partners with 6 meetings held to develop and present the model to the wood sector group</p>	<p>9 members of Project Leadership Group maintained to prepare investment and implementation plan</p> <p>Maintain 4 collaborative partners to present IM to 4 investment targets</p>	<p>Identify 6 potential investors</p> <p>Identify 2 potential projects</p>
	<p><b>Manufacturing</b> 16 Companies in Optimising Manufacturing programme (OM)</p> <p>In client sector <u>survey</u> OM programme and sub-sector participants give 85% rating of support for initiatives</p>	<p>16 Companies complete Optimising Manufacturing programme</p> <p>In client sector <u>survey</u> OM programme and sub-sector participants give 85% rating of support for initiatives</p>	<p>Identification of at least 2 potential third party owners of OM programme</p> <p>In client sector <u>survey</u> OM programme and sub-sector participants give 85% rating of support for initiatives</p> <p><b>\$3m increase in export earnings attributed to Optimised Manufacturing</b></p>
	<p><b>Education Students</b> 5 initiatives to help generate increased student inflows</p> <p>85% of Education Wellington members satisfied in client <u>survey</u> with delivery against identified needs</p>	<p>5 initiatives generating increased student inflows and 1 new market scoped</p> <p>85% of Education Wellington members satisfied in client <u>survey</u> with delivery against identified needs</p>	<p>4 initiatives and 1 transitioned to relevant institution and generating increased student inflows</p> <p>85% of Education Wellington members satisfied in client <u>survey</u> with delivery against identified needs</p> <p><b>Wellington region has 12% of NZ's overseas students</b></p>
<p><b>Education Products</b> 1 collaborative export education project completed and introduced to 2 potential offshore partners</p>	<p>A second collaborative export education project completed and introduced to 2 potential offshore partners</p>	<p>Another collaborative export education project completed and introduced to 2 potential offshore partners</p> <p><b>Export education project revenue \$1m</b></p>	
<b>Investment</b>	\$1,940,000	\$2,000,000	TBC

## Support and Growth of Individual Businesses

### Definition

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 Grow Wellington providing the right support and information.

### Outcomes

Long term: By 2020 growth of regional economy.

Short term: Growth of individual companies.

### WRS Outcome Contribution

In supporting the growth of individual businesses, we will be contributing to the delivery of the following WRS outcomes – grow and retain existing businesses, attract high value individuals, attract export businesses, provide market access support, tell the Wellington Region’s story internationally, attract investment, education, increase labor market participation, increase labour market productivity, attract and retain talented people and grow the regional skills base.

### The Next Three Years

	2010/11	2011/12	2012/13
<b>Output/Activity</b>	<p><b>Activate</b> Expand programme for new venture opportunities across the region</p> <p>Package Activate for corporate and tertiary providers</p>	Continue to run programme across the Wellington region and expanding into institutions and corporates	Continue to run programme across the Wellington region and expanding into institutions and corporates
	<p><b>Incubate – Creative HQ</b> Complete programme enhancement to lift quality and quantity of resident companies</p> <p>Implement new structure with investment from regional partners</p>	<p>Scale enhanced incubator programme to new residents sourced from region's stakeholders</p> <p>Implement dedicated incubation for the three Centres of Excellence</p> <p>Increase regional partner support</p>	<p>Continued scaling of incubator</p> <p>Increased regional partner investment</p>
	<p><b>Rugby World Cup</b> Define and identify target companies for RWC introductions</p>	Ensure readiness of target companies and facilitate introductions	Review outcomes of RWC introductions
	<p><b>Innovate</b> Identify leveraging opportunities to lift commercialisation outcomes across the region</p> <p>Identify the components of the region's innovation system and identify potential projects</p>	<p>Review and refine Innovate programme integrating innovation portal</p> <p>Enhance international connections of regional innovation system</p>	<p>Upgrade portal to ensure relevance and effectiveness for commercialisation</p> <p>Facilitate international projects with offshore penetration</p>
	<p><b>Skills</b> Scope and implement initiatives as appropriate from findings of skills survey to ensure business outcomes</p> <p>Embed internship programme and begin move to self-sustainability</p>	<p>Resurvey and review initiatives</p> <p>Initial internship sector programmes self sustain and other sectors being scoped</p>	<p>Implement review findings</p> <p>Review the programmes</p>

	2010/11	2011/12	2012/13
<b>Output/Activity Continued</b>	<p><b>Investment</b> Consolidate Angel HQ membership and deal pipeline</p> <p>Identify and supply brokering support for regional opportunities</p>	<p>Grow club membership and deal pipeline</p> <p>Leverage existing broker support networks in region</p> <p>Package and promote centre of excellence regional investment opportunities</p>	<p>Consolidate club membership and deal pipeline</p> <p>Leverage existing broker support networks in region</p> <p>Package and promote centre of excellence regional investment opportunities</p>

	2010/11	2011/12	2012/13
<b>Measures</b>	<p><b>Activate</b> 11 programmes are delivered to 80 opportunities and 90% graduate</p>	<p>12 programmes delivered to 84 opportunities and 90% graduate</p> <p>10 business graduated to profitable sustainable growth</p>	<p>12 programmes delivered to 96 opportunities and 95% graduate</p> <p>20 businesses graduated to profitable sustainable growth</p> <p><b>\$5m export businesses exist from Activate graduates</b></p>
	<p><b>Incubate</b> 20 ventures 9 venture exits 85% client satisfaction</p> <p>\$130m Economic Impact from all incubatees</p>	<p>37 ventures 15 venture exits 85% client satisfaction</p> <p>\$220m Economic Impact from all incubatees</p>	<p>48 ventures 15 venture exits 85% client satisfaction</p> <p>\$347m Economic Impact from all incubatees</p>
	<p><b>Rugby World Cup</b> 60 companies identified for commercial introductions</p>	<p>40 companies introduced to RWC high net worth, market access visitors</p>	<p>Companies introduced give 80% satisfaction rating</p>
	<p><b>Innovate</b> 150 business enquiries</p> <p>80% of businesses using Innovate advice satisfied with outcomes</p> <p>2 projects initiated to align innovation system participants</p>	<p>180 business enquiries</p> <p>80% of businesses using Innovate advice satisfied with outcomes</p> <p>2 projects implemented, 1 further project being scoped to align innovation system participants</p>	<p>200 business enquiries</p> <p>80% of businesses using Innovate advice satisfied with outcomes</p> <p>2 projects initiated with Wellington region and offshore participants</p> <p><b>\$3m export revenue attributed to Innovate</b></p>
	<p><b>Skills</b> 70% satisfaction rating from skills survey participants that the survey added value</p> <p>40 businesses employ interns</p>	<p>75% satisfaction rating from skills survey participants that the survey added value</p> <p>50 businesses employ interns</p>	<p>80% satisfaction rating from skills survey participants that the survey added value</p> <p>60 businesses employ interns</p>
	<p><b>Investment</b> 130 Angel HQ enquiries 45 Angel HQ members 12 deals presented 4 deals closed</p>	<p>150 Angel HQ enquiries 50 Angel HQ members 16 deals presented 6 deals closed</p>	<p>200 Angel HQ enquiries 60 Angel HQ members 20 deals presented 8 deals closed</p>
<b>Investment</b>	\$2,950,000	\$2,950,000	TBC

## Building an Excellent Economic Development Organisation

Grow Wellington has 31 staff. We have a budget of \$5.9 million for the 2010/11 financial year. Grow Wellington receives an income from a regional rate and actively pursues other sources of income to broaden revenue streams in line with the Wellington Regional Strategy.

Support and growth of the region's economy can only be achieved by working in trusted partnerships with others such as the Region's local authorities, central government agencies, Chambers of Commerce, the Employers and Manufacturers Association, the tertiary institutions, Crown Research Institutions, the Region's businesses and anyone else who shares the goals of the Wellington Regional Strategy.

### Mission, Vision and Values

Our mission is intelligent support for inspirational businesses that grow Wellington.

Our vision is the inspiring world changing businesses in the Wellington region.

Our values are knowledge, integrity, passion.

### The Next Three Years

	2010/11	2011/12	2012/13
<b>Output/Activity</b>	<p><b>Good Employer</b>  <u>Leadership, Accountability and Culture</u>  Engagement processes with employees and opportunities for them to participate in decisions.</p> <p><u>Flexibility and Work Design</u>  Consideration of flexible work practices to accommodate staff employment requirements</p> <p>Continue work preferences approach for all existing and new staff</p>	<p><u>Leadership, Accountability and Culture</u>  Engagement processes with employees and opportunities for them to participate in decisions.</p> <p><u>Flexibility and Work Design</u>  Consideration of flexible work practices to accommodate staff employment requirements</p> <p>Continue work preferences approach for all existing and new staff</p>	<p><u>Leadership, Accountability and Culture</u>  Engagement processes with employees and opportunities for them to participate in decisions.</p> <p><u>Flexibility and Work Design</u>  Consideration of flexible work practices to accommodate staff employment requirements</p> <p>Continue work preferences approach for all existing and new staff</p>
	<p><b>Social and Environmental Responsibility</b>  Maintain good awareness and responsibility</p>	<p>Maintain good awareness and responsibility</p>	<p>Maintain good awareness and responsibility</p>
	<p><b>Sound Business Practice</b>  Establishment of a clear process of assessing leadership, strategic planning, client focus, measurement and knowledge management, process management and business results</p>	<p>Embed and test efficiency and effectiveness of sound business practice processes</p>	<p>Continue to test efficiency and effectiveness of sound business practice processes</p>
	<p><b>Communication</b>  Securing brand recognition and business uptake of Grow Wellington services throughout the region</p> <p>Get buy in from key stakeholders to use The Wellington story in their international marketing</p>	<p>Further develop brand recognition for effective economic development services</p> <p>The Wellington Story is integrated into internationally focused regional businesses marketing collateral and acknowledged as being a valuable resource</p>	<p>Further develop brand recognition for effective economic development services</p> <p>The Wellington Story continues to be acknowledged as a valuable resource</p>
	<p><b>Knowing our Region</b>  Grow Wellington's role as a source of regional economic information established</p>	<p>Continue to promote Grow Wellington's role as a source of regional economic information</p>	<p>.</p>

	2010/11	2011/12	2012/13
<b>Measures</b>	<b>Good Employer</b> 100% implementation of "preferred work practices" approach 90% staff retention	100% implementation of "preferred work practices" approach 90% staff retention	100% implementation of "preferred work practices" approach 90% staff retention
	<b>Communication</b> 2,000 site visits per month  28% response to annual survey and 75% of those surveyed acknowledge Grow Wellington services are a valuable resource  1500 e-newsletter subscribers  20 partners are using The Wellington Region's story to promote their business	2,500 site visits per month  30% response rate to annual survey and 80% of those surveyed acknowledge Grow Wellington services are a valuable resource  1800 e-newsletter subscribers  30 partners are using the Wellington Region's story to promote their business	3,000 site visits per month  32% respond to survey and 85% of those surveyed acknowledge Grow Wellington services are a valuable resource  2000 e-newsletter subscribers  40 partners are using the Wellington Region's story to promote their business
	<b>Knowing our Region</b> Grow Wellington is perceived as the source of expert regional business opinion with media asking for comment on 36 relevant issues	Grow Wellington is perceived as the source of expert regional business opinion with media asking for comment on 36 relevant issues	Grow Wellington is perceived as the source of expert regional business opinion with media asking for comment on 36 relevant issues

## Definition of "Community Facilities" & "Community Events"

As advised by the WRS Committee, "community facilities" and "community events" will not be funded by Grow Wellington.

"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 Grow Wellington 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 Grow Wellington 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 Communications Committee will oversee the profile and public relations needs of Grow Wellington.

The Chief Executive has the delegated responsibility for the day to day management of Grow Wellington and is assisted by staff as required. Grow Wellington 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
John Lumsden	Audit Finance & Risk Committee & Appointments Committee
John McFadzean	Communications Committee
Tan Pham	Audit, Finance & Risk Committee
Paul Swain	Audit, Finance & Risk Committee & Communications Committee

The Board will meet monthly. The Audit Finance and Risk Committee and the Communications Committee will meet quarterly with further meetings scheduled on an “as needed” basis. The Appointments Committee will meet on an “as needed” basis.

### Accounting Policies

Grow Wellington 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 Grow Wellington

- 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.

Not applicable.

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

The Creative HQ structure is under review and may become Creative HQ Ltd and will be owned by Grow Wellington Ltd.

Grow Wellington Ltd may take equity in Creative HQ resident companies in accordance with the CHQ Equity Model proposal approved at the 24 October 2008 Board meeting.

### Activities for which the Board seeks compensation from any Local Authority.

None anticipated at this stage.

### 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.

Not applicable.



## Income Statement

Income and Expenditure	FY2010		FY2011	FY2012
	Budget	Forecast		
<b>Income</b>				
- GWRC Rates	4,250	4,250	4,400	4,400
- Other	3,190	1,190	1,450	1,850
	<b>7,440</b>	<b>5,440</b>	<b>5,850</b>	<b>6,250</b>
<b>Expenditure</b>				
Developing Centres of Excellence	2,680	740	960	1,200
Supporting Priority Sectors	2,230	2,100	1,940	2,000
Grow and Retain Existing Business	2,400	2,600	2,800	2,800
Grow Broadband	90	-	-	100
Raising the Value of our International Gateways	40	-	-	-
RWC 2011	-	-	150	150
	<b>7,440<sup>2</sup></b>	<b>5,440</b>	<b>5,850</b>	<b>6,250</b>

**NB:**

<sup>1</sup> Expenditure includes an allocation of overheads. If new projects are delayed then the full amount will not be spent.

<sup>2</sup> The reduced revenue budget is due to project investments that have been funded directly as opposed to via Grow Wellington

## APPENDIX A

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

Grow Wellington 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, Grow Wellington 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 Grow Wellington 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, Grow Wellington must ensure an appropriate cost/benefit/risk assessment process is completed prior to funding any such activity.