

Quarterly Review – Positively Wellington Business

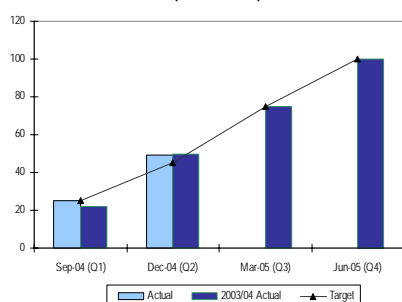
Positively Wellington Business has presented its report for the quarter ended 31 December 2004 for review. A summary of key findings is presented below and the full report is attached.

Highlights: achievements

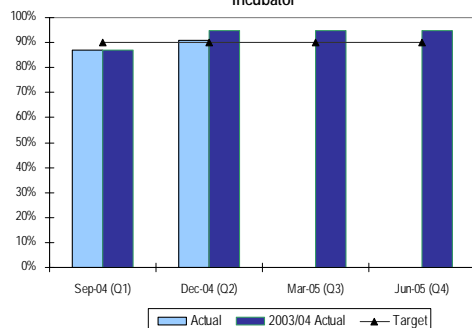
- Earthquake Engineering Cluster awarded a \$3m contract in Turkey.
- Offers of employment have been made to 21 people following participation in the New Zealand Opportunities Expo in London.
- A Wellington based call centre awarded a UK outsourcing contract after participation with PWB in an international expo.

Performance

The number of new business start ups facilitated by Positively Wellington Business (cumulative)



Occupancy within Creative Head Quarters business incubator



Macro Key Performance Indicators

The following KPI's have been reported by the company

Measure	Annual Target	Quarter Target	Quarter Actual
Growth in GDP by targeted sector	> Nat Ave	N/A	N/A
Number of Businesses by targeted sector	+ Growth	N/A	N/A
Number of Jobs by targeted sector	+ Growth	N/A	N/A
Location Quotients by targeted sector	> Nat Ave	N/A	N/A

Until the results for the above are available proxy measures will be used to assess the performance of PWB (please see graphs above.)

PWB are currently working on the update of the Regional Outlook for the Wellington Region.

Activities during the quarter

- PWB is taking a more active role in the promotion of the Wellington region as a education destination, and Education Wellington International is now integrated within PWB from 31 December 2004.
- Film Wellington issued 27 permits to production companies to allow shooting to proceed to 93 locations around the region.
- The Creative HQ had 91% occupancy with 14 resident companies and two probation companies, including John McKay of Virtual Katy Development Ltd who won the business section of Wellingtonian of the year.
- The Business Development Team assisted a total of 255 clients and helped access \$300k of central government funding in the quarter.
- PWB is continuing to support the Wellington regional strategy and undertaken a range of research including a survey of the Food and Beverage industry, a review of the Music Industry and a report on the Distribution Sector.

Financial Commentary

- The major financial variance is the delay in receiving the Major Regional Initiative (MRI) payment budgeted in the second quarter.
- Excluding the MRI payment, expenditure was 20% or \$214k below budget for the quarter and 6% YTD. Income is on budget YTD excluding the MRI payment.
- Cash position takes account of the 50% of the operational grant from WCC. The remainder will be paid 1 January 2005. PWB manage cash through use of 30 day term deposit accounts.

Statement of Financial Performance

For the quarter ended 31 December 2004

\$'000	Q2 Actual	Q2 Budget	YTD Actual	YTD Budget	FY Budget
Income	1,029	1,977	2,159	3,026	5,119
Expenditure	881	1,983	2,004	3,030	5,118
Operating surplus	148	(6)	155	(4)	1

Operating margin	15%	-	7%	-	-
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Statement of Financial Position

As at 31 December 2004

\$'000	YTD Actual	2003/04 Actual	FY Budget
Current assets	668	-	-
Non-current assets	211	-	-
Current liabilities	406	-	-
Non-current liabilities	211	-	-
Equity	262	-	-

Current ratio	1.64 : 1	-	-
Equity ratio	30%	-	-

Statement of Cash Flows

For the quarter ended 31 December 2004

\$'000	YTD Actual	2002/03 Actual	FY Budget
Operating	(493)	-	-
Investing	(43)	-	-
Financing	0	-	-
Net	(536)	-	-
Closing balance	354	-	-

Note: FY Budgets are as approved in the Business Plan.

Contact officer:

Amarjit Younger

Profile – Positively Wellington Business

Recognising that there is greater economic strength through unity, the city councils of Hutt, Porirua, Wellington, Upper Hutt and Kapiti Coast are the major funders of Positively Wellington Business.



The role of Positively Wellington Business varies from giving advice to start up entrepreneurs to helping established businesses carve inroads into offshore markets. Its activities are driven by four key economic development principals: Creating new business; growing existing business; retaining existing business and attracting new business.

The Trust's economic development programmes include business clusters, which foster collaboration and emphasise the facilitation role of local government in economic development, and incubators which nurture start-up businesses with high growth and exporting potential. Positively Wellington Business works to attract investment into the region and helps to address skill shortages through a targeted migrant attraction programme. The Trust also provides many services to businesses 'on the ground' such as short courses to develop business skills, free general advice, and help in accessing central government funding grants.

While primarily funded by local government, Positively Wellington Business is a separate entity that receives funding support and contracts from central government and private sector partners for specific projects. Led by an influential board of trustees, the Trust develops and implements a regional strategy to ensure that economic development resources support the comparative and competitive strengths of the region without duplication between agencies or cities.

Positively Wellington Business aims to be a catalyst for economic development through collaboration between the private and public sectors, and a focussed approach to business and skill growth.

Entity Data		
Established	2002	
Board	Ken Douglas (Chair) Emily Loughnan Murray Bain Bill Osborne Kim Wicksteed Cr John Morrison Vaughan Renner Robert Gray Charles Gilmore	<i>Term expires:</i> Porirua C.C. 31 Dec 06 31 Dec 06 31 Dec 07 31 Dec 07 Oct 07 Upper Hutt C.C 31 Dec 05 Hutt CC
CEO	Philip Lewin	
Balance date	30 June	
Number of FTE staff	17.50	
Website	www.smartwellington.co	
Type of entity	Council-settled Trust	
LGA designation	CCO	
By reason of	Board control: six trustees appointed by Council	
Council interest	\$1.980m	
Type of interest	Operating Grant	