

# POSITIVELY WELLINGTON BUSINESS

Incorporated as the Wellington Regional Economic Development Trust

*QUARTERLY REPORT OCTOBER – DECEMBER 2006*

**POSITIVELY**  
**Wellington**  
**BUSINESS**

## **PARTNERS IN THE WELLINGTON REGION**



## POSITIVELY WELLINGTON BUSINESS:

### ***Outline of programmes for economic development***

*Positively Wellington Business is the economic development agency for the Wellington region. We offer a broad range of services and programmes – from giving advice to start-up entrepreneurs, to helping established businesses succeed in the global marketplace. Positively Wellington Business has a mandate to accelerate economic growth and is funded by Hutt City, Porirua City, Kapiti Coast District, Upper Hutt City and Wellington City Councils.*

PWB is driven by four core economic development activities: creating new business; growing existing business; retaining existing business; and attracting new business. We have a comprehensive 'toolbox' of programmes and initiatives to help us achieve these goals.

- Our **Business Development Team** works directly with businesses offering short courses, client clinics, research and development assistance, help in applying for grants and general advice.
- Our **Sector Programme** focuses on key, high growth industries: Creative and Film; Manufacturing; Education; Biotechnology; Professional Services; and Information Communication Technology. Within these sectors we run a **Cluster Programme** and provide general sector support.
- **Cluster Programme:** Clusters bring together businesses, educational and research institutions and government, so that common issues can be identified and addressed. Also, whilst businesses may compete against each other locally they can gain strength from working together to compete in the global economy. The business clusters also provide valuable opportunities for information sharing and networking.
- **Incubator Programme:** PWB's incubators, Creative HQ and Fashion HQ, support start-up companies with high growth potential. Business incubation is a deliberate development initiative to counteract the high rate of failure that is so common among young businesses. Resident companies receive a comprehensive support package including a subsidised workspace and access to mentoring and professional services.
- Our **Investment Programme** targets investors nationally and internationally who inject cash into our regional economy. The programme also promotes the region as an ideal place for businesses to relocate to.
- Our **Migrant Attraction Programme** matches employers with skilled migrants.
- Our **Marketing and Communications Programme** and **Strategy and Research Programme** work across the organisation to support all of PWB's activities.

## CHIEF EXECUTIVE'S REPORT

### OCTOBER – DECEMBER 2006

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I am pleased to present Positively Wellington Business' (PWB's) second Quarterly Report for the 2006/2007 financial year. I would like to point out some of the quarter's highlights:

- PWB initiated and organised AnimfxNZ, a meeting of some of the world's leading animation and visual effects experts in Wellington, New Zealand in early November. The event has put Wellington's – and New Zealand's - animation industry firmly on the international map. Influential figures from top overseas studios such as DreamWorks SKG, Warner Bros and Blue Sky Studios Inc took part in the symposium, alongside representatives from the United Kingdom, Singapore, Argentina, Australia and Malaysia, who all met with key players in the local animation and visual effects industry. AnimfxNZ was held in association with Los Angeles-Based Visual Effects Society (VES), Weta, Park Road Post, NZTE, FRST, and IBM. The post-event survey showed most delegates made valuable contacts and gained business leads at AnimfxNZ.
- The Greater Wellington Industry Development Centre project became a reality in December after funding was secured and a project manager selected. During the quarter, NZTE confirmed approval of \$100,000 Regional Partnership Programme funding, and FRST confirmed approval of \$100,000 TechNZ funding. The funding covers the first year's operations and is conditional on industry making a 50% matching investment at the halfway point. The Grants by NZTE and FRST are being augmented by in-kind and some cash contributions by PWB, WelTec and IRL. The project's 'green light' status received extensive favourable news media coverage in December. Publicity and marketing, essential to attract industry engagement with and financial commitment to the Centre, will be concentrated around the formal launch planned for February.
- PWB in collaboration with the members of the Tertiary Education Cluster – the heads of the six tertiary education institutions operating in the Wellington region, namely Victoria University, Massey University, WelTec, Whitireia Polytechnic, The Open Polytechnic and the Wellington School of Medicine – launched an economic impact report showing how tertiary institutions have worked with industry over the past five years to deliver positive outcomes for businesses and the region. The report, *Transforming Wellington: Tertiary Education's Economic Contribution 2006*, revealed that members of the Tertiary Education Cluster were estimated to have induced \$1.378 billion of financial transactions in 2005 and contributed \$742 million to the region's added value. Job creation from Tertiary Education Cluster members and derived activities rose from around 7,500 jobs in 2000 to 10,110 jobs in 2005. The collaborative nature of report, and its content received favourable comment from news media, territorial authorities and economic agencies around New Zealand.

- PWB coordinated representation of 31 organisations from the Wellington region on its display stand at the October UK-New Zealand migrant attraction expos held in London and Manchester, and took the opportunity to take part in a recruitment road show covering other centres in the UK. The recruitment trip was part-funded by \$50,000 in commercial sponsorship sourced by PWB. Approximately 6000 prospective migrants attended the expo in London and 4000 in Manchester. PWB's migrant statistics for the quarter reflected the seasonal bulge of the impact of the UK recruitment trip. We recorded 778 new registrations on our online migrant jobs database; gave direct information and assistance to 132 prospective migrants about employment and settlement; made 38 referrals to recruitment companies and employers; and recorded 29 new migrants, who have had some contact with and assistance from PWB, settled in the Wellington region.
- Film Wellington, PWB's screen production facilitation unit, had a successful quarter promoting the Wellington region to film and television-makers around the world. After nearly two years' lobbying to get them here, Film Wellington hosted two influential U.S. screen production location managers, Ilt Jones and Michelle Latham, in Wellington for three days. Film Wellington attended the 31<sup>st</sup> AFCI Cineposium in the USA in October, which provided an international audience for promotion of the Wellington region as a screen production destination. We also helped Sydney-based Luscious International with the filming of part of a big television commercial in Wellington; worked on securing two other major TVCs for Wellington for January – one of which was the well-publicised Budweiser commercial; and were invited to make a presentation to visiting executives from Toyota about Film Wellington's screen production facilitation services.
- Following a rigorous audit of operations, New Zealand Trade & Enterprise confirmed continuing funding for PWB's business incubator, with an increase of \$25,000. Creative HQ is now the only NZTE-funded incubator in the Wellington region, which is an endorsement of our achievements over the last calendar year.
- A product of Creative HQ's incubator resident company ProjectX - Zoomin.co.nz - won two awards at the TUANZ Business Internet Awards. When accepting the awards, Project X acknowledged both Creative HQ and PWB for their assistance.
- PWB's Earthquake Engineering Cluster member BECA, together with Canterbury University, won a USD\$800,000 contract to review Romania's Seismic Building Code. This is an important win for cluster members as it is a new market and could lead to further work.

## **POSITIVELY WELLINGTON BUSINESS: FINANCIAL OVERVIEW**

The Trust's Earnings Statement, Statement of Financial Position and Statement of Cash Flows are appended. (Appendix A)

### **Financial performance**

Wellington Regional Economic Development Trust (the Trust) reported revenue of \$1 million against expenditure of \$1.1 million for a deficit for the quarter ending December 2006 of \$106,000. This is against a revenue and expense budget of \$875,000 and \$861,000 respectively. For the six months to December 2006, the net surplus was \$34,000 compared to a budgeted deficit of \$90,000.

Expenditure for the quarter was \$286,000 more than budget as some projects and other expenses originally budgeted for the 1<sup>st</sup> quarter ramped up in the 2<sup>nd</sup> quarter. In addition AnimfxNZ occurred in November. This project was funded almost entirely with external income from grants, sponsorship and registrations. Revenue for the quarter was greater than budget as a result of AnimfxNZ revenue and a successful sponsorship drive for the migrant expo in October in London.

### **Cash Position**

For the full year, a deficit of \$10,000 is predicted. The Trust did not receive the extra 10% requested in the initial budget but is still attempting to achieve business plan targets that were predicated on receiving the extra 10%. Additional net expenditure has been identified in all areas. CHQ continues to pose challenges as its revenue and expenses are variable and depend on occupancy rates and resident take-up of services; these are difficult to predict. Significant savings in overheads have been identified and funding reallocated to programmes in all areas.



**Philip Lewin**  
**Chief Executive**

## CREATIVE AND FILM SECTOR

*In a global economy dominated by brands, New Zealand's creative industries – from fashion to film, to music – all play a major part in raising New Zealand's visibility. As the Wellington region transforms from a corporate and large-manufacturing environment into a hub for education, the arts, tourism and innovative small to medium-sized enterprises, the role of the creative sector – and creative people – has become paramount. The sector already makes a significant and growing contribution to GDP and employment in the Wellington region.*

*Positively Wellington Business (PWB) contributes to the health of the sector via the following:*

- **Creative Sector Programme and Digital Content Network**
- **Film Wellington** - an industry support programme
- **Creative HQ and Fashion HQ** - a leading incubator programme

### KEY ACTIVITIES AND DEVELOPMENTS OCTOBER - DECEMBER 2006

#### CREATIVE SECTOR

*The creative industries employ over 5% of the Wellington region's working population – a higher concentration than the national average. PWB targets areas within the creative industries with high growth and export potential.*

- PWB initiated and organised AnimfxNZ, a meeting some of the world's leading animation and visual effects experts in Wellington, New Zealand in early November. The event has put Wellington's – and New Zealand's - animation industry firmly on the international map according to sponsor NZTE. Adam McElroy, sector manager digital content at New Zealand Trade and Enterprise (NZTE) said "the organisers did a terrific job of attracting a 'dream-team' line-up. There was great feedback from both international and local delegates." In fact the post-event survey showed most delegates made valuable contacts and gained business leads at AnimFXNZ.

Influential figures from top overseas studios such as DreamWorks SKG, Warner Bros and Blue Sky Studios Inc took part in the symposium, alongside representatives from the United Kingdom, Singapore, Argentina, Australia and Malaysia, who all met with key players in New Zealand's animation and visual effects industry. AnimfxNZ was held in association with Los Angeles-Based Visual Effects Society (VES) – an industry organisation that represents the full breadth of visual effects practitioners in all areas of entertainment, from film, television and commercials to music videos and gaming worldwide. Other sponsors included IBM New Zealand, FRST, Weta Digital and Park Road Post.

- As part of its Asia Partnerships Programme, PWB organised the business component of a combined Wellington civic, cultural and business delegation to five cities in China in November. Participating companies included AC International, Arda Systems, Bascand Wines, Brimstone Pyrotechnics, Centreport, Cultureflow China, e-LM.com, The Gibson Group, TradePoint Distribution, Wellington School of Medicine, and Whitireia Polytechnic. All of the participants confirmed the value of the mission to their respective businesses.

The mission programme included the hosting of business seminars, participating in the business marketing events surrounding the arrival of Air New Zealand's inaugural direct flight from Auckland to Shanghai, and in Xiamen accompanying the civic and cultural missions led by the Mayor of Wellington Kerry Prendergast at the 20<sup>th</sup> anniversary celebration of the Wellington-Xiamen sister city relationship. Two industry partnerships were signed – between Brimstone Pyrotechnics and Lidu Fireworks in Beijing, and between Centreport and the Port of Xiamen in Xiamen. PWB will continue to work with the participants to identify and facilitate positive business outcomes for all parties.

- As an extension to its successful business missions to China, PWB also went to Japan, Taiwan and South Korea. PWB investigated opportunities to leverage the sister city relationships in Japan and pursued trade opportunities in Nishio, Sakai and Minoh. In Taiwan and South Korea recent research on the digital content industry was shared with government agencies and potential for business partnerships explored.

## FILM WELLINGTON

*Film Wellington supports the film and television industry by working with the directors and producers on the logistics of filming in the Wellington region. Film Wellington is able to give first class support through assisting with locations, sourcing local skills and accessing postproduction facilities. PWB's current focus is to help facilitate sustainable growth in the industry, through building world-class infrastructure.*

## KEY ACTIVITIES AND DEVELOPMENTS OCTOBER - DECEMBER 2006

- After nearly two years' lobbying to get them here, two influential U.S. screen production location managers, Ilt Jones and Michelle Latham, spent three days in the Wellington region, hosted by PWB's Film Wellington. They were impressed by what they saw, and later wrote to say that they would now be 'spreading the word' about the resources and diversity of looks available.
- PWB's Film Wellington manager attended the 31<sup>st</sup> AFCI Cineposium in the USA in October, an excellent networking opportunity with the 310 film commissioners attending from around the world, which provided an international audience for promotion of the Wellington region as a screen production destination.

- Sydney-based Luscious International filmed part of a big television commercial in Wellington. The production included helicopter shots over the waterfront. The company appreciated Wellington's film-friendly stance and assistance, and will be looking to film here more often. While these larger television commercials tend to be more complex and difficult, they showcase our ability to handle such projects smoothly and efficiently. As a result, the Wellington region is recommended when production companies are bidding for work.
- During the quarter, Film Wellington worked on securing two other major TVCs for Wellington for January – one of which was a well-publicised Budweiser commercial.
- Several film production opportunities for the Wellington region arose during October. One such opportunity included a producer who initially contacted Film Wellington in March 2005, working on a film project in the region seeking to recruit a production manager from Europe. This request was referred to PWB's migrant attraction team to assist with a possible appointment. Film Wellington also had contact with Lasco Adams, a UK filmmaker, who wanted to film his first feature in New Zealand. Mr Adams was introduced to a group of young Wellington filmmakers who were very excited to be working with him on this project and filming will commence in February 2007.
- TVNZ's *Karaoke High* TV series continued shooting in many locations, predominantly in Lower and Upper Hutt, throughout October and November.
- A number of top executives from Toyota visited Wellington to get an understanding of the film infrastructure we have to offer. Film Wellington spoke to them about the services we can offer.

## CREATIVE HQ AND FASHION HQ – BUSINESS INCUBATORS

*PWB's incubators, Creative HQ and Fashion HQ, support start-up companies with high growth potential. Business incubation is a deliberate development initiative to counteract the high rate of failure that is so common among young businesses. Resident companies receive a comprehensive support package including a subsidised workspace and access to mentoring and professional services. Entry criteria is strict – start-up companies in Creative HQ must be set to turn over \$500,000 p.a. after their first two years in business to qualify.*

- The incubator ran through the calendar year end at 100% capacity. At times towards the end of the quarter there were some short term floor space issues because the Summer of Code IT student intern programme which was planned to occupy ten desks.

- Following a rigorous audit of operations, New Zealand Trade & Enterprise confirmed continuing funding for PWB's business incubator, with an increase of \$25,000. Creative HQ is now the only NZTE-funded incubator in the Wellington region, which is an endorsement of our achievements over the last calendar year.
- The creative advisory group reviewed two new potential residents in November. One of these companies, Misaro, was accepted onto probation at Creative HQ, under the Fashion HQ programme. Misaro plans to release a range of loungewear.
- SMH Interactive planned to move out to their own premises in January, but will remain under CHQ mentoring by shifting to the virtual programme. The company will graduate with honours in June. SMH Interactive moved into CHQ in November 2005 with 2 FTE and left employing 9 FTE 14 months later, with their revenues exceeding \$1 million.
- New partnership agreements for services were signed up with Cabix (media training) and Catapult (leadership development). These will give Creative HQ access to their services at a discounted level.
- A product of incubator resident company ProjectX - Zoomin.co.nz - won two awards at the TUANZ Business Internet Awards. When accepting the awards, the company acknowledged both Creative HQ and PWB for their assistance.
- Mungo Ltd, a Lower Hutt, beverage development company has joined the incubator with a very aggressive growth plan.

## MANUFACTURING SECTOR

*The Manufacturing Sector contributes 8% of the region's GDP and is our fifth largest employer. Although sometimes overlooked, manufacturing remains an important facet of the region's economy.*

*Positively Wellington Business has identified that success in the manufacturing sector is reliant on innovative and technology/design-led companies. It is via these kinds of businesses that we can best position ourselves in the global market.*

## KEY ACTIVITIES AND DEVELOPMENTS OCTOBER - DECEMBER 2006

- The Greater Wellington Industry Development Centre project became a reality in December after funding was secured and a project manager selected. During the quarter, NZTE confirmed approval of \$100,000 Regional Partnership Programme funding, and FRST confirmed approval of \$100,000 TechNZ funding. The funding covers the first year's operations and is conditional on industry making a 50% matching investment at the halfway point. The Grants by NZTE and FRST are being augmented by in-kind and some cash contributions by PWB, WelTec and IRL.

The project's 'green light' status received extensive favourable news media coverage in December. Publicity and marketing, essential to attract industry engagement with and financial commitment to the Centre, will be concentrated around the formal launch planned for February.

Given the advent of the Industry Development Centre in early 2007, the Wellington Creative Manufacturing Cluster plans to become more of a business network, with regular meetings which would enable a forum for ideas exchange. Several new people have volunteered to join the cluster steering group and WelTec's Paul Mather has replaced Allan Brown as Co-chair.

- Some fifteen Manufacturing Cluster members signed up to the Industry Capability Network (ICN), looking to secure subcontracting work for Greater Wellington Regional Council/Toll rail carriage components. The ICN exists to promote local businesses to international prime contractors who win tenders in this country. A working group was established to look at what future opportunities there might be for the Cluster in this process, and how and where (if at all) it should be focussing resources to get traction in the international tendering marketplace. Initially the focus will be on identifying which industry sectors would be most appropriate to consider with a view to getting some provenance in the local market before attempting starting the lengthy process of developing relationships with key multi-nationals.

## EDUCATION SECTOR

*The Education Sector is both an enabler for the growth of businesses in the region through education, training, skill development and research, and a contributor to the economy in its own right. Educational institutions are increasingly becoming strongly aligned to the economic development needs of the region. There is now better synergy between the courses tertiary institutions need to provide to attract students, and the graduates that industry needs, to grow effectively.*

*International education contributed around \$145 million to the Wellington region in 2005 (Source: Education Wellington International).*

*The **Tertiary Education Cluster** is a strategic group comprising the leaders of the public tertiary education institutions of the Wellington region. The cluster members work together to find solutions to common economic development issues.*

***Education Wellington International (EWI)** is a network of education providers, with 45 institutional members who enrol around 96% of all international students in the Wellington region. EWI provides its members with professional services, including marketing and professional development. At the start of 2005 EWI became an integral part of PWB.*

## KEY ACTIVITIES AND DEVELOPMENTS OCTOBER - DECEMBER 2006

- PWB in collaboration with the members of the Tertiary Education Cluster – the heads of the six tertiary education institutions operating in the Wellington region, namely Victoria University, Massey University, WelTec, Whitireia Polytechnic, The Open Polytechnic and the Wellington School of Medicine – launched an economic impact report showing how tertiary institutions have worked with industry over the past five years to deliver positive outcomes for businesses and the region. The report *Transforming Wellington: Tertiary Education's Economic Contribution 2006* was launched at a special function at Parliament hosted by Wellington MP Marion Hobbs. Guests included key education and industry stakeholders, education spokespeople from a number of political parties, and central and local government officials. Highlights from the report include:
  - Members of the Tertiary Education Cluster were estimated to have induced \$1.378 billion of financial transactions in 2005.
  - A contribution by Tertiary Education Cluster members of \$742 million to the region's added value in 2005.
  - The value of the cluster to the region increased by 24% over the period 2000 to 2005.
  - Job creation from Tertiary Education Cluster members and derived activities rose from around 7,500 jobs in 2000 to 10,110 in 2005.
  - The role of the education sector in retaining and attracting talent to the Wellington region; providing research capability; training and educating workers; and providing an international network through its international students.
- A formal response has been received from a Malaysian trade delegation from Perak province which visited Wellington, Christchurch and Auckland in September. Thirteen specific areas of opportunity have been identified potential business to business co-operation between NZ businesses and Perak, in a range of sectors including e-learning, biotechnology, creative and ICT. Nine of these directly involve businesses or groupings of businesses in the Wellington region. Two of the educational initiatives are already in progress and the other Perak proposals are being qualified by the New Zealand Trade Commissioner in Malaysia. PWB is working to leverage these exchanges to achieve maximum economic impact for regional businesses.

- Five members of Malaysia's Multimedia Development Corporation took part in the AnimfxNZ conference in Wellington. They extended their stay to visit companies involved in animation. This included a meeting with CWA New Media who are involved in the creation of animated and e-learning products. The visit of the Perak delegation was also reviewed, with the prospect of a larger Malaysian delegation coming to Wellington in early 2007.

## PROFESSIONAL SERVICES

*The Professional Services Sector comprises a broad range of occupations, and is a vital part of the Wellington regional economy comprising, accounting for 11% of the workforce. PWB works with specific groups that are focused on the export of consultancy services. The four specialist clusters and one network in the professional services sector are:*

**Earthquake Engineering New Zealand Cluster:** *Earthquake Engineering NZ (EENZ) Cluster members offer services in building or retrofitting buildings to be earthquake resistant. New Zealand is gaining a reputation internationally for its expertise and innovative technology in this area.*

**Natural Hazards New Zealand Cluster:** *The Natural Hazards New Zealand (NHNZ) Cluster, which spun out of the EENZ Cluster, sells expert advice in the area of hazard mitigation, city disaster planning, and insurance.*

**Trade Navigators Network:** *A network that pulls together complementary skills and experience to provide client organisations with a 'one stop shop' for all aspects of international trade development.*

## KEY ACTIVITIES AND DEVELOPMENTS OCTOBER - DECEMBER 2006

### Earthquake Engineering New Zealand, Natural Hazards New Zealand Clusters

#### Earthquake Engineering NZ Cluster

- EENZ Cluster member BECA, together with Canterbury University, won a USD\$800,000 contract to review Romania's Seismic Building Code. This project is due to begin in Romania in November and is an important win for cluster members as it is a new market and could lead to further work.
- EENZ Cluster member GNS has won a contract to provide earthquake advisory services on the island of Nias in Indonesia. Nias has suffered two natural disasters in quick succession – the 2004 Boxing Day tsunami, followed by two devastating earthquakes in March 2005. While the contract is relatively small (NZ\$80,000) it is

- expected to be rolled over and may pave the way for contracts for other cluster members in the area. GNS was assisted in this win by the work of other cluster members following the Boxing Day tsunami. Indonesia continues to be a focus for cluster export activity, along with Vietnam, the Pacific, India, Romania and Iran.
- EENZ hosted a high level delegation from India – one of the cluster’s target markets. The Chief Minister of the state of Uttaranchal was given a tour of prominent Wellington buildings that make use of local earthquake engineering technology and cluster members gave a presentation of their service offering. EENZ is hopeful the visit will generate leads for work in India.
- EENZ and NHNZ members are currently chasing work in Vietnam, the Pacific Indonesia, India, Romania, and Iran. PWB continues to provide leads for the clusters through reviewing and distributing information received from the World Bank.

### **Biotechnology**

- Through its work with NZBio, PWB organised an information and networking event for the local biotechnology industry. A presentation was given on the landmark contract won by IRL to identify carbohydrate molecules for stem cell development for Singapore’s renowned Institute of Molecular and Cell Biology (IMCB). It was a valuable case study in how partnerships can be developed by local Crown Research Institutes and biotechnology companies with major international players resulting in FOREX. The event was attended by around 50.
- PWB will be a major presence at the NZBio conference in 2007. This conference will attract more than 700 delegates including a significant number from overseas who are interested in investing in local biotechnology companies. PWB will have a stand at the conference, promoting the strengths of biotechnology and investment opportunities in the Wellington region.

### **Trade Navigators Cluster**

- Trade Navigators continues with the soft-launch of its Internationalisation Maturity Model product and plans to market this more aggressively through Export 2007 initiatives.

## INFORMATION COMMUNICATION TECHNOLOGY SECTOR

*Wellington is a vibrant and innovative region and the Information Communication Technology (ICT) industry reflects these attributes. ICT is a key growth sector for Wellington and the region accounts for a quarter of the total ICT employment in New Zealand.*

*A primary focus in the ICT sector for PWB is to help grow existing businesses. Our main medium of working with them is through the ICT Wellington Cluster. Specific assistance is given through administrative support to the cluster, business development and sales support. ICT is our largest cluster, and currently has around 450 members.*

### KEY ACTIVITIES AND DEVELOPMENTS OCTOBER - DECEMBER 2006

- The LandNZ Group was established to offer a 'shop front' for land administration businesses to interface with the frequent visiting groups from overseas jurisdictions who come to research NZ capability via Land Information New Zealand (LINZ) and NZAID. During November, members of LandNZ met with delegations from Vanuatu and Malaysia. These meetings have opened up some promising commercial opportunities, as both groups were impressed with NZ technologies and capability and are known to have funding available for the development of land administration systems. The Vanuatu project is well advanced and the work they are looking to commission is estimated to be of the order of NZ\$3m - \$5m. Both opportunities will be qualified and followed up as appropriate.
- PWB is working with Business Porirua to develop a business case for collaboration of local electronics and radio-frequency companies led by Porirua-based Exicom Technologies. Exicom is already making space in its Porirua factory available at a nominal rent to a number of start-up and early stage companies that complement the activities or capabilities of Exicom, or might do so in the future. PWB is applying to NZTE for possible part funding of the business case through the Regional Partnerships Programme.
- The *Programming Wellington* project aims to establish a pilot training scheme based on the 'boot camp' concept to create a pipeline of programmers in the Java and Dot Net disciplines. The Atlas Technologies Group provided full skills sets at a meeting held with the Greater Wellington Tertiary ICT Network. The three Polytechnics involved (WeiTec, Whitireia and Open) are now scoping three possible programmes to deliver suitably qualified graduates for Atlas and other regional DotNet programmer employers. A proposal with detailed costings is being prepared for Atlas which will focus on one and two-year diplomas (to meet different student starting capabilities), as well as a 12 – 16 week accelerator programme for post graduate level students sponsored by industry.

Further work on the Java programming part of this initiative was postponed until the New Year when an industry focus group will be convened to analyse skills provision needs. It is likely that this process will be informed by some formal needs analysis research.

- PWB has worked with the ICT Capital Cluster for the past four years to encourage accelerated business growth for the sector in this region. The ICT Capital debate (ICT Capital – A Game of Two Halves, held in September and co-sponsored by the Foundation for Research, Science and Technology) was a continuation of this process to identify ways of ensuring this region capitalises fully on the products and market opportunities that are coming on-stream. The debate was the catalyst for several initiatives:
  - PWB is working with InternetNZ CEO Simon Riley to produce the “*Coollest Broadband Application Contest*” which will be open to all tertiary students, offering a cash prize plus the opportunity to run a demonstration / pilot across a network test bed provided by Citylink and REANNZ. Confirmed sponsors to date are PWB, InternetNZ, CityLink, REANNZ and Clemenger BBDO.
  - THE ICT Capital Cluster in the process of scoping a complimentary second competition focusing on the commercialisation of digital content. This “Innovation Launchpad”, which has attracted some commitment for sponsorship, will only progress if a robust commercialisation path can be identified. Further research will be conducted and a decision taken at the end of January.
  - Rod Drury, former CEO of AfterMail, has launched a strategy “Wellington 2.0”. The objectives of this initiative are to challenge local authorities and industry to get firmly behind the upgrade of local broadband infrastructure and drive international broadband linkages for Wellington City. A steering group including some of the key regional figures will begin work in January.

## BUSINESS DEVELOPMENT

*The Business Development Team is the principal route by which the business community will link up with Positively Wellington Business (PWB). It is PWB's 'Service Centre' or a 'one stop shop' of business services to our regional businesses from start up to maturity. Services include short courses, research and development assistance, help in applying for grants and general advice.*

## KEY ACTIVITIES AND DEVELOPMENTS OCTOBER - DECEMBER 2006

- PWB's Business Development Team identified over 200 high-growth companies with a turnover between \$2 million and \$10 million per annum, as part of its business strategy of contacting regional businesses with substantial potential for expanding their existing

New Zealand market and developing export markets with the help of some targeted assistance. A major direct marketing campaign was planned for early January.

- During the quarter, PWB substantially assisted more than 50 companies with business growth opportunities and advice. Seventeen new potential high-growth companies were identified during this exercise.
- The BD team worked through national funding constraint issues with FRST and, as a result, was successful in confirming the approval of \$194,000 in grants for private sector research prior to Christmas for our client companies.
- Another initiative during the period was planning and preparation with “The Business Centre” for sector-based, NZTE-funded, business development courses scheduled for early 2007.
- The Managing Director of Hutt-based fire and rescue equipment manufacturer, Fraser Engineering, anticipates they will be able to export up to \$1.75 million product to Australia within the next three years, thanks to PWB’s work earlier in the year to secure a FRST technology development grant to refine their unique breathing apparatus seat.
- A new Manager of Business Development, Marie-Claire Andrews, joined the team.

## INVESTMENT PROGRAMME

*In spite of times of extreme difficulty in world markets and having fewer tools than many of its competitors, Wellington has seen a regular flow of inbound investment.*

*Positively Wellington Business’ (PWB’s) investment arm helps local companies source investment capital, and facilitates the entry of new investors to the region.*

## KEY ACTIVITIES AND DEVELOPMENTS OCTOBER - DECEMBER 2006

- PWB completed the production of new regional investment promotion collateral, clearing it with stakeholders and over a dozen profiled companies. All profiled companies were very happy to participate and receptive to playing a role as “regional investment ambassadors”. The promotion kits were finalised and printed by the end of December, and covering letters were drafted to send out with the material in mid-January to a mailing list of 500.
- PWB attended the New Zealand Venture Capital Association conference in Auckland to establish contacts with further investment sources and discuss ways to raise the profile of Wellington’s entrepreneurs and start up businesses. We also re-established contact with VC firms met in Silicon Valley earlier in the year. The conference had strong bio-tech focus.

- Meetings with regional MPs Darren Hughes and Paul Swain during the quarter largely completed a series intended to raise awareness of PWB's role in investment promotion and scouting for "deals". In a similar bid to engage all regional champions, we have held on-going discussions with Government Department CEOs about their role in attracting investment to the region. All were well-disposed to assist as and when appropriate.
- In line with the direction of the draft Wellington Regional Strategy, PWB began scoping the establishment of a science park in the region by opening discussion with two potential anchor tenants – in the diagnostic and complementary medicine fields – and talking to Victoria University about support for science park companies.
- We met with Ian Cassells at the Wellington Company. Ian is keen to work with PWB on investment promotion and also keen to support start-up businesses.
- We met with Fraser Clark, CEO of NZ Wind Energy Association, and John Huckerby, CEO of NZ Marine Energy Association, to discuss development of the regional energy industry and the potential for investment in Wellington. As a result, we are working with two UK based companies to assist with their establishment in Wellington. Both deals are worth \$200,000 to \$300,000 to the regional economy in their early establishment phase.
- PWB and Positively Wellington Tourism explored the potential for hotel development in Hutt City and subsequently produced a brief for the Hutt City Mayor suggesting such a proposition was unlikely to be feasible in the short term, but offered to work with Hutt City to develop tourism products and thus build market demand.
- During the quarter, PWB was material to securing \$350,000 in commercial investment. Twelve new jobs were created as a result of investment, and one business migrant was assisted to settle in the region.

## MIGRANT AND EXPATRIATE ATTRACTION PROGRAMME

*The purpose of the Migrant Attraction Programme is to boost regional growth by addressing skill shortages through immigration. The primary focus of the programme is to grow existing business and the project works closely with the investment attraction programme.*

## KEY ACTIVITIES AND DEVELOPMENTS OCTOBER - DECEMBER 2006

- PWB coordinated representation of 31 organisations from the Wellington region on its display stand at the October UK-New Zealand migrant attraction expos held in London and Manchester, and took the opportunity to take part in a recruitment road show covering other centres in the UK. The recruitment trip was part-funded by \$50,000 in commercial sponsorship sourced by PWB.

Overall attendee numbers at the expos were slightly up on last year, with approximately 6000 prospective migrants attending in London and 4000 in Manchester.

Wellington was a preferred destination for many potential migrants and employment is the key to successful settlement. The number of expatriates who came to the Wellington stand was noticeable. Most had an English partner, had been away for a number of years, and were now seriously considering returning to NZ.

Success in terms of numbers placed in the Wellington region will become evident over time. Indications are that we can expect success at least equal to that of previous years. PWB's migrant statistics for the quarter (below) reflect the seasonal bulge of the impact of the UK recruitment trip.

- During the quarter, PWB's migrant team:
  - Recorded 778 new registrations on its online migrant jobs database. Most of these were the result of the UK migrant expos; internet search engines; referrals from the Immigration NZ website; and a smaller number is now starting to flow from the Move to Wellington website.
  - Provided direct information and assistance to 132 prospective migrants about employment and settlement.
  - Made 38 referrals to recruitment companies and employers.
  - Assisted 29 new migrants to settle in the Wellington region.

## STRATEGY AND RESEARCH

*Strategy and Research underpin all the activities of Positively Wellington Business (PWB). The Strategy and Research programme is also responsible for monitoring and reporting on the Wellington regional economy, and monitoring and reporting on PWB to the Board and Stakeholders. Currently, our major focus is to work alongside councils on the Wellington Regional Growth Strategy.*

### KEY ACTIVITIES AND DEVELOPMENTS OCTOBER - DECEMBER 2006

- PWB conducted a review of its two annual regional economic publications, the *Regional Outlook* and *Regional Outlook Update*, with a view to improving the timeliness, usefulness, and focus of the material. Changes were proposed to better meet the information needs of the main audiences and these were reviewed with the Greater Wellington Regional Council, which funds the publications, and with the region's Councils, who (alongside businesses) are users of the information. All parties approved of the planned changes:

- *The Regional Outlook* is to become the *Wellington Regional Report* and be published in May, which will allow the content to feed into annual reporting. It will be a summary that will present a coherent and unified view of the region's economy. It can also serve as a marketing document for business attraction and business retention.
- The *Regional Update* is to become the *Wellington Regional Outlook*, and will be published in early November, which will feed into annual planning cycles for EDAs and TLAs. The purpose of this document is to provide an update on the key monitors together with projections and comment on trends.
- After a review and assessment of information provided by Economic Impact Statements and the Wellington Key Sector Report, it was agreed that it would be best to combine the information from both reports into one. This would result in a more cost effective and comprehensive report.

## MARKETING AND COMMUNICATIONS

*Positioning and telling an effective story are key aspects of economic development. Business and consumer confidence can significantly affect the bottom line for businesses and the views of potential investors. Potential immigrants and expatriates want to know about the destination where they might one day come to live and work. Stakeholders want to know that their grants are being well spent and that they are recognised for their investment. Positively Wellington Business' (PWB's) marketing and communication efforts play a vital role both in positioning the organisation and Wellington, and in communicating the region's business success stories.*

### KEY ACTIVITIES AND DEVELOPMENTS OCTOBER - DECEMBER 2006

- PWB was involved in marketing the region internationally through the activities and materials it developed to support the success of its migrant attraction team at the UK expos in October, and through the website and e-marketing campaigns it developed for AnimfxNZ, the animation and visual effects symposium held in November.
- We sponsored and exhibited at the National Maori Business Expo in Kapiti in November. This event displayed the work of 96 Maori businesses and organisations from all over the country, and was visited by more than 2,000 members of the public.
- PWB's full range of business support services were also profiled in November, when we were a sponsor-exhibitor at Thrive Wellington, an EMA event. This was attended by some 700 people, all of whom received some PWB collateral in their conference

bags. One such item, an innovative 'scratchie' card, was successful in soliciting contact details from over 40 regional businesses who requested (and received) follow-up information and assistance from our business development team.

- PWB's Communications and Education Managers worked with Victoria University, Whitireia, The Open Polytechnic and WELTEC on a planned Business Plan Competition to be run by the Wellington Innovation Network with PWB's support. There was enthusiastic support from all the education institutions and the first general meeting was planned for January. The objectives of the competition are to foster the entrepreneurial spirit, to provide a pathway from ideas to business creation, to promote the incubator services available in Wellington and to source possible clients for the incubators – particularly PWB's own Creative HQ.
- In addition to supporting other PWB business activities during the quarter, including the *Transforming Wellington* tertiary education report and event, PWB developed a new print newsletter about its business support services and distributed it to nearly 2,000 organisations in the Wellington region. We have also developed a weekly e-newsletter listing business events that is being hailed by its rapidly-growing list of recipients as filling an important gap in regional business information.
- Finally, we assisted Australearn, an organisation seeking to place North American tertiary students in internship roles with Wellington employers over the July-August period. The opportunity was promoted through our newsletters and by direct approach to a number of potential employers, including some in the animation and gaming industries who were keen to provide work experience for young talent.

# **APPENDIX A**



## Wellington Regional Economic Development Trust

## Business Plan 2006/07

\$x000's

Actual 30-Jun- 06	EARNINGS STATEMENT	Actual	Actual	Forecast	Forecast	Forecast	Budget 30-Jun- 07
		Qtr to 30-Sep- 06	Qtr to 31-Dec- 06	Qtr to 31-Mar- 07	Qtr to 30-Jun- 07	Total YE 30-Jun- 07	
	<b>Revenue</b>						
0	Trading Income	0	0	0	0	0	0
2,050	WCC Grants	510	495	510	495	2,010	2,010
201	PCC Grants	63	46	46	46	201	201
441	HCC Grants	133	103	103	103	441	441
106	UHCC Grants	31	25	25	25	106	106
100	KDCC Grants	31	25	25	25	106	100
1,016	Other Grants	88	89	156	169	502	410
180	Sponsorships and Donations	90	113	44	32	279	180
70	Investment Income	23	12	15	9	59	41
217	Other Income	56	94	52	88	289	145
4,382	<b>Total Revenue</b>	1,025	1,001	976	991	3,994	3,635
	<b>Expenditure</b>						
1,840	Employee Costs	420	474	491	495	1,879	1,857
2,400	Other Operating Expenses	446	614	405	571	2,036	1,690
77	Depreciation & amortisation	19	19	23	25	87	87
1	Interest	1	0	0	0	2	1
4,319	<b>Total Expenditure</b>	885	1,107	919	1,092	4,004	3,635
	<b>Net Surplus/(Deficit) before Taxation</b>						
64		140	-106	57	-100	-10	0
0	Taxation Expense	0	0	0	0	0	0
64	<b>Net Surplus/(Deficit)</b>	140	-106	57	-100	-10	0
1.5%	<b>Operating Margin</b>	13.6%	-10.6%	5.8%	-10.1%	-0.3%	0.0%

Wellington Regional Economic Development Trust

Business Plan 2006/07

\$x000's

Actual 30-Jun- 06	STATEMENT OF FINANCIAL POSITION	Actual	Actual	Forecast	Forecast	Forecast
		As at 30-Sep- 06	As at 31-Dec- 06	As at 31-Mar- 07	As at 30-Jun- 07	As at 30-Jun- 07
	<b>Shareholder/Trust Funds</b>					
0	Share Capital/Settled Funds	0	0	0	0	0
0	Revaluation Reserves	0	0	0	0	0
0	Restricted Funds	0	0	0	0	0
284	Retained Earnings	427	321	378	277	277
284	<b>Total Shareholder/Trust Funds</b>	427	321	378	277	277
	<b>Current Assets</b>					
801	Cash and Bank	49	50	50	50	50
316	Accounts Receivable	231	153	84	96	96
86	Other Current Assets	9	44	5	3	3
1,203	<b>Total Current Assets</b>	289	247	139	149	149
	<b>Investments</b>					
	Deposits on Call	1,080	473	1,214	500	500
	Other Investments	0	0	0	0	0
0	<b>Total Investments</b>	1,080	473	1,214	500	500
	<b>Non-Current Assets</b>					
156	Fixed Assets	139	134	151	151	151
0	Other Non-current Assets	0	0	0	0	0
156	<b>Total Non-current Assets</b>	139	134	151	151	151
	<b>Total Assets</b>					
1,359	<b>Total Assets</b>	1,507	854	1,505	800	800
	<b>Current Liabilities</b>					
599	Accounts Payable and Accruals	158	194	61	53	53
56	Provisions	62	83	42	42	42
209	Other Current Liabilities	650	47	814	218	218
864	<b>Total Current Liabilities</b>	869	323	916	312	312
	<b>Non-Current Liabilities</b>					
211	Loans - WCC	211	211	211	211	211
0	Loans - Other	0	0	0	0	0
0	Other Non-Current Liabilities	0	0	0	0	0
211	<b>Total Non-Current Liabilities</b>	211	211	211	211	211
	<b>Net Assets</b>					
284	<b>Net Assets</b>	427	321	378	277	277
	<b>Current Ratio</b>					
1.4	<b>Current Ratio</b>	0.3	0.8	0.2	0.5	0.5
	<b>Equity Ratio</b>					
20.9%	<b>Equity Ratio</b>	28.3%	37.6%	25.1%	34.7%	34.7%

Wellington Regional Economic Development Trust  
Business Plan 2006/07

\$x000's

Estimate 30-Jun- 07	STATEMENT OF CASH FLOWS	Actual Qtr to 30-Sep- 06	Actual Qtr to 31-Dec- 06	Forecast Qtr to 31-Mar- 07	Forecast Qtr to 30-Jun- 07	Forecast Total YE 30-Jun- 07
	<b>Cash provided from:</b>					
	Trading Receipts	0	0	0	0	0
2,899	WCC Grants	1,005	0	1,005	0	2,010
	PCC Grants	0	109	46	46	201
	HCC Grants	133	103	103	103	441
	UHCC Grants	31	25	25	25	106
	KDCC Grants	0	56	25	25	106
	Other Grants	259	0	433	71	762
	Sponsorships and Donations	48	72	92	28	241
69	Investment Income	20	17	15	9	61
1,343	Other Income	69	82	69	76	296
4,311		1,566	463	1,813	383	4,225
	<b>Cash applied to:</b>					
1,868	Payments to Employees	425	453	527	495	1,901
2,409	Payments to Suppliers	855	590	519	582	2,547
29	Net GST Cashflow	-45	11	-15	-6	-55
	Other Operating Costs	0	0	0	0	0
2	Interest Paid	1	0	0	0	2
4,309		1,237	1,054	1,031	1,072	4,394
2	<b>Total Operating Cash Flow</b>	329	-591	781	-689	-169
	<b>Investing Cash Flow</b>					
	<b>Cash provided from:</b>					
	Sale of Fixed Assets	0	0	0	0	0
0	Sale of shares	0	0	0	0	0
0		0	0	0	0	0
	<b>Cash applied to:</b>					
31	Purchase of Fixed Assets	2	15	41	25	82
	Other	0	0	0	0	0
31		2	15	41	25	82
-31	<b>Total Investing Cash Flow</b>	-2	-15	-41	-25	-82
	<b>Financing Cash Flow</b>					
	<b>Cash provided from:</b>					
0	Drawdown of Loans	0	0	0	0	0
0	Other	0	0	0	0	0
0		0	0	0	0	0
	<b>Cash applied to:</b>					
0	Repayment of Loans	0	0	0	0	0
0	Other	0	0	0	0	0
0		0	0	0	0	0
0	<b>Total Financing Cash Flow</b>	0	0	0	0	0
(29)	<b>Net Increase/(Decrease) in Cash Held</b>	328	(606)	740	(714)	(251)
	<b>Opening Cash Equivalents</b>	801	1,129	523	1,264	801
(29)	<b>Closing Cash Equivalents</b>	1,129	523	1,264	550	550

## Wellington Regional Economic Development Trust







Business Plan 2006/07

\$x000's

Estimate 30-Jun- 06	CASH FLOW RECONCILIATION	Actual	Actual	Forecast	Forecast	Forecast
		Qtr to 30-Sep- 06	Qtr to 31-Dec- 06	Qtr to 31-Mar- 07	Qtr to 30-Jun- 07	Total YE 30-Jun- 07
64	<b>Operating Surplus/(Deficit) for the Year</b>	140	(106)	57	(100)	(10)
77	Add Non Cash Items					
	Depreciation	19	19	23	25	87
	Other	3				3
141		162	(87)	80	(75)	80
	<b>Movements in Working Capital</b>					
(49)	(Increase)/Decrease in Receivables	86	77	69	(12)	220
	(Increase)/Decrease in Other Current Assets	77	(35)	38	3	83
26	Increase/(Decrease) in Accounts Payable	(441)	36	(133)	(8)	(546)
(116)	Increase/(Decrease) in Other Current Liabilities	446	(582)	726	(596)	(6)
(139)		168	(504)	701	(614)	(249)
	<b>Net Gain/(Loss) on Sale:</b>					
0	Fixed Assets	0	0	0	0	0
0	Investments	0	0	0	0	0
0		0	0	0	0	0
2	<b>Net Cash Flow from Operations</b>	329	(591)	781	(689)	(169)

**POSITIVELY WELLINGTON BUSINESS  
REGIONAL ECONOMIC IMPACT <sup>1</sup>  
AS AT 31 December 2006**

Since its inception in 2001 PWB has spent 19.49 million.  
This has had a regional economic impact of 454.23 million.  
For every dollar spent, PWB has helped to generate 23.30 dollars.

	NZ\$million			
	Current Year		Since Inception	
	YTD	TARGET	CUMULATIVE to 31 Dec 2006	
Economic Impact (EI)	44.65	106.23	454.23	
PWB Expenditure (PE) <sup>2</sup>	1.79	3.92	19.49	
<b>Return on Investment (= EI/PE)</b>	<b>24.95</b>	<b>27.09</b>	<b>23.30</b>	
	NZ\$million			
	Current Year		Since Inception	
	YTD	TARGET	CUMULATIVE	
<b>Business Development</b>				
Economic Impact (EI)	2.81	7.70	40.19	
PWB Expenditure (PE) <sup>2</sup>	0.15	0.53	2.50	
Return on Investment (= EI/PE)	19.31	14.48	16.06	
<b>Business Incubators</b>				
Economic Impact (EI)	7.76	10.05	36.93	
PWB Expenditure (PE) <sup>2</sup>	0.41	1.02	2.25	
Return on Investment (= EI/PE)	18.77	9.88	16.38	
<b>Sector Growth</b>				
Economic Impact (EI)	24.48	57.48	183.11	
PWB Expenditure (PE) <sup>2</sup>	0.85	1.25	11.51	
Return on Investment (= EI/PE)	28.95	46.13	15.91	
<b>Investment Attraction</b>				
Economic Impact (EI)	4.10	20.00	147.90	
PWB Expenditure (PE) <sup>2</sup>	0.15	0.55	1.61	
Return on Investment (= EI/PE)	27.15	36.64	91.76	
<b>Targeted Migration</b>				
Economic Impact (EI)	5.50	11.00	46.10	
PWB Expenditure (PE) <sup>2</sup>	0.23	0.58	1.61	
Return on Investment (= EI/PE)	23.49	18.95	28.63	

**Notes:**

1 Regional economic impact calculated according to figures and formulae attached.

2 PWB expenditure includes grant income from central government agencies as well as council contributions.

3 Red dot = Well behind target; Orange Dot = Close to Target; Green Dot = Ahead of Target

## POSITIVELY WELLINGTON BUSINESS REGIONAL ECONOMIC IMPACT WORKSHEET

	<b>TARGET</b>	<b>CUMULATIVE</b>
<b>Economic Impact (EI)</b>	<i>The target figure is based on the projected activities of Positively Wellington Business in the Wellington region, including direct investment, jobs and business revenue.</i>	<i>The cumulative figure is the economic impact achieved through the activities of Positively Wellington Business in the Wellington region, from its inception in 2001 until the end of December 2006.</i>
<b>PWB Expenditure (PE)</b>	<i>The target figure is the money budgeted to support specific activities, and includes money from stakeholder contributions, central government grants, commercial investment and sponsorship.</i>	<i>The cumulative figure is Positively Wellington Business' expenditure on specific activities in the Wellington region, from its inception in 2001 until end of December 2006.</i>
<b>Return on Investment (= EI/PE)</b>	<i>The target figure is calculated by dividing Economic Impact by PWB Expenditure, to give the dollar benefit generated for every dollar spent by Positively Wellington Business on specific activities.</i>	<i>The cumulative figure is the dollar benefit generated for every dollar spent by Positively Wellington Business on specific activities in the region, from its inception in 2001 until the end of December 2006.</i>
<b>Business Development</b>	<i>Activities include training, business planning assistance and grants facilitation. The economic impact is calculated by taking the value of grants obtained for businesses from government agencies; adding the investments made by the businesses themselves; and multiplying the result by two, to account for additional spin-off benefit in the region.</i>	
<b>Business Incubators</b>	<i>Activities include promotion, resident selection, business mentoring and support, and successful exits. The economic impact is calculated by taking the estimated value of the jobs created (by multiplying number of jobs by \$45,000); adding the total revenue of the resident companies and total capital raised (excluding government or council grants); and multiplying the result by two, to account for additional spin-off benefit in the region.</i>	
<b>Sector Growth</b>	<i>Activities include research, promotion, business cluster facilitation, export assistance, capability development, screen production marketing and support, international education, and funding for Major Regional Initiatives. The economic impact is calculated by taking the estimated revenue to businesses from collaborative bids won and multiplying the result by two; adding total investment in Major Regional Initiatives (including public and private funds) and multiplying the result by 2.4; and adding ten percent of the value of the Wellington region's screen production sector and twenty percent of the value of the Wellington region's international student education sector, to account for PWB's work in attracting and supporting business in these sectors.</i>	
<b>Investment Attraction</b>	<i>Activities include research, promotion and attendance at investment fairs. The economic impact is calculated by taking the estimated value of the investments directly influenced by PWB and made in the Wellington region (from elsewhere in New Zealand or overseas), and multiplying the result by two, to account for additional spin-off benefit in the region.</i>	
<b>Targeted Migration</b>	<i>Activities include research, promotion and attendance at job fairs. The economic impact is calculated by taking the number of migrants directly supported in their placement in businesses in the Wellington region, and multiplying the number by \$100,000 per migrant.</i>	

### **Multipliers and Values**

- BERL has recommended using a conservative multiplier of 2.0 when calculating economic impact that an investment may have on a region. We have applied a 2.0 multiplier to calculate economic impact, unless there is an existing multiplier or value for a specific industry or activity.
- The multiplier of 2.4 was used for assessing the economic impact of the Major Regional Initiative which is a soundstage for screen production. This multiplier for the film industry was provided by PriceWaterHouseCoopers.
- The value of \$45k is applied to jobs created by residents in the incubator. This figure was derived by information from resident companies.
- The estimated value of \$100k is applied to each migrant. In the absence of a commonly agreed value, PWB has applied this conservative value based on values used by Venture Southland. The Australian Government estimates the value of a migrant as \$76k.
- The total value of screen production conducted in the Wellington region is surveyed annually by SPADA. PWB has estimated that it either attracts or supports conservatively 10% businesses in this sector through its FilmWellington offices.
- Using economic multipliers calculated by Infometrics, the total economic impact of the international education sector of the Wellington region is calculated based on annual surveys by Education Wellington International. PWB has estimated that it either attracts or supports conservatively 20% businesses/institutions in this sector through its support of services of Education Wellington International, whose membership accounts for 96% of the industry.