

OUR REGION



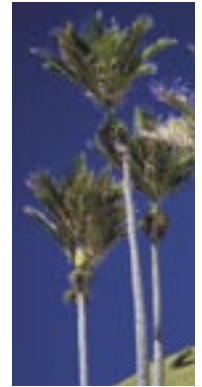
Wellington region's 460,000 people (11 percent of the New Zealand population) are unpretentious, smart and love the outdoors.

We are slightly more urbanised than the rest of New Zealand, with 80 percent of us living in towns and cities, and 20 percent living in the country.

Producing 13 percent of NZ's GDP, the Wellington region is economically and geographically diverse. We have everything from extensive pastoral farming in the Wairarapa through to a thriving IT sector in Wellington City. This diversity poses both challenges and opportunities for the nine local authorities representing the region and our private sector, voluntary sector and central government partners. Regional issues are wide ranging and include skills shortages, social cohesion, infrastructure investment and environmental quality.



A STRATEGY FOR SUSTAINABLE GROWTH



Successful, internationally competitive regions have three key characteristics. They're great places to live, they have excellent job opportunities, and they have strong vibrant economies. All of the actions proposed in this document are designed to improve the region's "performance" in these three areas.

SOME BACKGROUND

Our economy faces challenges. While the region's economic output, as measured by GDP, is slightly higher than the national average, our growth is slowing. In the last five years the region's annual GDP growth has been 2.2 percent compared to a national average of 4.7 percent. In other measures, for example our unemployment rate of 4.9 percent, we are slightly higher than the national average (4.5 percent).

Our major employment sectors, accounting for 50% of the region's jobs, are property and business services, retailing, government administration and defence, and health and community services (see appendix). Much of our recent economic growth has been from central government activity and we expect this to slow.

Of increasing importance when benchmarking our performance are international comparisons. The average New Zealander earns \$45,000 per annum, one third less than the equivalent

Australian figure of \$68,000*. The skills shortages we have in sectors such as health, the trades, IT, finance and engineering are mirrored in most parts of the western world. Our competition is therefore not so much Auckland or Canterbury, as much as it is Sydney, London and New York.

We need to do better. We need to grow our economy at 4 percent or better per annum. This strategy is about how we can achieve this improvement.

Our success is dependent on our ability to grow and retain existing businesses and to develop new activities. In all cases our focus needs to be on businesses that are currently, or have the potential to be, world class in their fields.

Our economy faces challenges. The average New Zealander earns \$45,000 per annum, one third less than the equivalent Australian figure of \$68,000. We need to do better.

Exports are important. Currently just 13 percent of the goods and services we produce are sent overseas. This means we are too reliant on the New Zealand economy.

Achieving our sustainable growth targets will not occur from tinkering around the edges - it requires economic transformation.

This strategy is an excellent example of local government working collaboratively for a common cause, and this needs to continue. More importantly, successful implementation of the strategy will involve a range of partnerships between business, central government, and the tertiary, research and voluntary sectors.

On the following pages you will see a range of initiatives which aim to bring about the economic transformation we desire. For example, our work suggests that region-wide broadband and excellent international air connections are key to a successful regional economy. Yet Wellington's broadband is at best

*Based on full time incomes in New Zealand dollars. Source Australian Bureau of Statistics and Statistics New Zealand.



"It is really important to look after the natural environment in the region"
— main result from research of ratepayers



International competition for our youngest and brightest is increasing



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Achieving our sustainable growth targets will not occur from tinkering around the edges - it requires economic transformation.

adequate, and we have few direct international connections from our airport. These two issues are addressed on pages x and y.

Successful implementation of the strategy will involve a range of partnerships between business, central government, and the tertiary, research and voluntary sectors.

Population growth is equally important, providing the workforce skills a growing economy needs, and funding the infrastructure and lifestyle improvements we desire. While the region expects reasonable population growth, much of

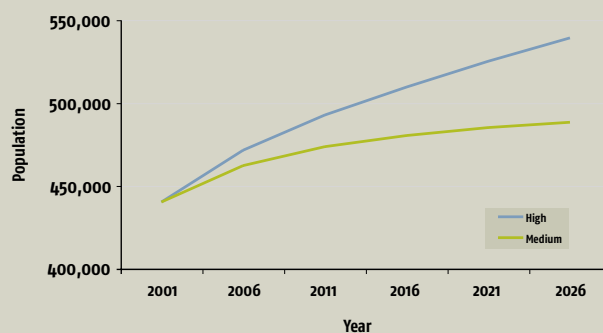
it is projected to occur in Wellington City and Kapiti, with other areas projected to grow modestly.

We also face a future shortage of 25-45 year olds (see next page), who make up the bulk of our workforce, and an increase in the 50 plus age bracket. The incentives for our youngest and brightest

to turn their OE into an LE (Lifestyle experience) are strong and likely to get stronger.

A challenge for the WRS is to provide the incentives to retain these people and to ensure more even population growth throughout the region.

PROJECTED POPULATION OF GREATER WELLINGTON REGION

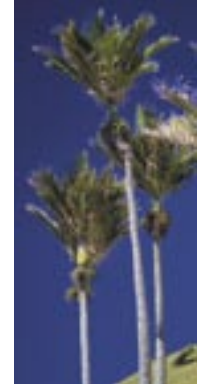


Source: Department of Statistics - Feb 2005



A challenge for the Regional Strategy is to ensure more even population growth across the region

A STRATEGY FOR SUSTAINABLE GROWTH



INVESTMENT AND RETURN

Currently, the region invests \$3.4million in economic development. It is proposed this be increased to \$4million in 2007/08 and \$4 to \$5 million for each of the subsequent two years. Investment beyond 2008 will be determined by the proposed economic development agency and its governing body - the Greater Wellington WRS committee.

Their investment decisions will be based on the priorities they give to the actions detailed later in this document.

Many of the initiatives require a mix of private and public funding. An objective is to have a dollar for dollar match between public and private investment within five years.

An exact return on investment from economic development expenditure is difficult to quantify because success will be a result of many factors. However, as an example, a key objective of the WRS is to encourage direct, long haul flights to Asia, one stop to Europe. This opens up opportunities in tourism, in freight and in business services.

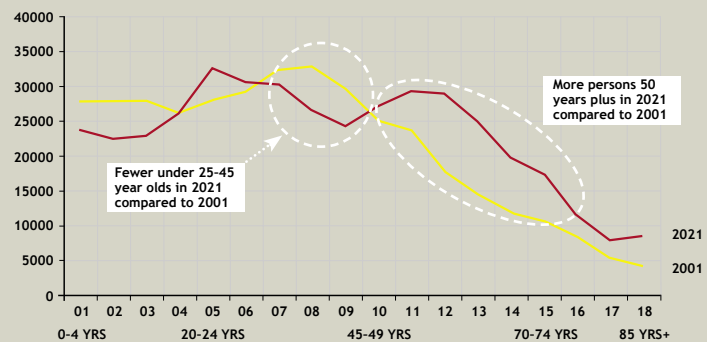
If the parties involved in achieving this objective are successful, and it results in tourists extending their stay to three nights (currently two), it will result in an estimated \$82 million per annum injected into the regional economy.

SMART GROWTH

The WRS is not about growth for growth's sake. Long term success requires a sustainable economic strategy. This is endorsed by feedback recieved from stakeholders in the region. For example, in research undertaken among 1500 ratepayers and businesses, the statement respondents most strongly endorsed was: "It is really important to look after the natural environment in our region."

A sustainable strategy encompasses much more than the environment. It incorporates the efficient use of resources and ensuring the benefits of growth are shared region wide. It includes collaboration between civic, business and community leaders and a resilience to cope with change, and encompasses the values of tangata whenua.

REGIONAL POPULATION AGE COMPARISON



OUR VISION

In 2025 The Wellington region's competitive advantage will be based around its capital status, global links and local geography. The two main corridors running the length of the area will create a feeling of free movement and intimacy in the region. You'll never feel far from the bush, the sea, work or home. A thriving entrepreneurial spirit of new ideas will be encouraged and drive the economy. People will live in safe, clean communities that celebrate the coming together of different cultures. Everyone will enjoy access to an environmentally-friendly outdoors and to thriving, cosmopolitan arts and entertainment.

Our vision is supported by "the overarching principles for promoting sustainable prosperity for the Wellington region" [page xx]



THE OUTCOMES WE WANT



The high level outcomes we want from a sustainable economic growth strategy are:

COMMUNITY OUTCOMES FOR THE WELLINGTON REGION

PROSPEROUS COMMUNITY	All members of our community prosper from a strong and growing economy. A thriving business sector attracts and retains a skilled and productive workforce.
CONNECTED COMMUNITY	Our connections and access are efficient, quick and easy - locally, nationally and internationally. Our communication networks, air and sea ports, roads and public transport systems are world class and enable us to link well with others, both within and outside the region.
ENTREPRENEURIAL AND INNOVATIVE REGION	Innovation, creativity and new endeavours are welcomed and encouraged. Ideas are exchanged across all sectors, resulting in a creative business culture. We have excellent education and research institutions, and benefit from being the seat of government.
HEALTHY ENVIRONMENT	We have clean water, fresh air and healthy soils. Well functioning and diverse ecosystems make up an environment that can support our needs. Resources are used efficiently. There is minimal waste and pollution.
QUALITY LIFESTYLE	Living in the Wellington region is enjoyable, and people feel safe. A variety of healthy and affordable lifestyles can be pursued. Our art, sport, recreation and entertainment scenes are enjoyed by all community members - and attract visitors.
SENSE OF PLACE	We have a deep sense of pride in the Wellington region and there is strong community spirit. We value the region's unique characteristics - its rural, urban and harbour landscapes, its climate, its central location, and its capital city.
REGIONAL FOUNDATIONS	High quality and secure infrastructure and services meet our everyday needs. These are developed and maintained to support the sustainable growth of the region, now and in the future.
HEALTHY COMMUNITY	Our physical and mental health is protected. Living and working environments are safe, and everyone has access to health care. Every opportunity is taken to recognise and encourage good health.
STRONG AND TOLERANT COMMUNITY	People are important. All members of our community are empowered to participate in decision-making and to contribute to society. We celebrate diversity and welcome newcomers, while recognising the special role of tangata whenua.

GREAT POTENTIAL, BUT RECOGNISE THE BARRIERS

In developing a strategy it is important to have a good understanding of the issues and opportunities facing the region. The solutions proposed on pages x-y aim to capitalise on the things we're good at, especially in areas where we have the potential to be world class. At the same time we need to break down the barriers that prevent us from reaching that potential.



OVERALL ISSUES

ISSUES/OPPORTUNITIES	EXPLANATION
<ul style="list-style-type: none"> > Region-wide cooperation. 	<ul style="list-style-type: none"> > There is a widely held view, among public, private and voluntary sectors and central and local government, that stronger leadership and partnership arrangements will be good for the region. Often we've been "competing instead of complementing". This affects our ability to attract investment from Central Government and from outside the region. Some cooperation is already happening - the development of the Wellington Regional Strategy being an excellent example - but we need to do more.
<ul style="list-style-type: none"> > Quality of life. 	<ul style="list-style-type: none"> > Wellington is ranked 12th in the 2006 Mercer Consulting quality of life index covering 350 cities. The region offers an outstanding diversity of lifestyle and recreational choice. The region may also benefit from global concerns about security.
<ul style="list-style-type: none"> > Ability to adapt in response to structural change in the economy. 	<ul style="list-style-type: none"> > Our economy will evolve and we need to adapt to the changes that occur. For example, we need to ensure that those affected by a decline in manufacturing are able to turn their skills to the "new economy", especially higher value services.
<ul style="list-style-type: none"> > Ability to sustain strong economic performance (GDP per capita). 	<ul style="list-style-type: none"> > Economic prosperity is a key driver of community wellbeing, and will affect our ability to afford services in the future.
<ul style="list-style-type: none"> > Presence of central government. 	<ul style="list-style-type: none"> > Central Government provides a stable economic core, however we need to recognise it will occupy a declining share of regional GDP.

POPULATION BASED ISSUES/OPPORTUNITIES

ISSUES/OPPORTUNITIES	EXPLANATION
<ul style="list-style-type: none"> > Major loss of 25-35 year olds leaving the region. 	<ul style="list-style-type: none"> > A disproportionate number of 25-35 year olds leave the region. Furthermore there is aggressive international competition for talent. This affects the structure of our workforce and the skills available.
<ul style="list-style-type: none"> > Moderate population growth and uneven distribution in the region. 	<ul style="list-style-type: none"> > According to New Zealand Statistics, population growth for the region is likely to be slow in later years and the uneven distribution will continue.
<ul style="list-style-type: none"> > Significant growth among Maori, Pacific Islanders, other ethnic groups, and an ageing population generally. Iwi will become a more significant economic presence. 	<ul style="list-style-type: none"> > More Maori are gaining qualifications and employment and incomes are increasing. As a result the Maori economy and population are growing at a faster rate than the national economy. There is a need to plan for these changes, including the needs of future population mixes, opportunities for the workforce, skills training and social infrastructure.



ECONOMY BUILDING BLOCKS: ISSUES/OPPORTUNITIES

ISSUES/OPPORTUNITIES	EXPLANATION
> High incomes and academic qualifications.	> The region's "intellectual capital" is strong, but we can do better at harnessing this potential.
> High labour force participation but low productivity.	> The Wellington region's productivity is good within the New Zealand context, but when measured against other parts of the world (e.g. Australia, USA) our productivity is low. There are several reasons for this, including research and development investment levels, investment in plant, a shortage of skilled labour, an ageing population, and Wellington people moving to jobs overseas. We also need to be better at ensuring our education sector turns out graduates with skills relevant to business.
> Limited industrial and commercial land available.	> The region has a limited supply of suitable industrial land i.e. land that is located within good proximity of markets and infrastructure.
> International recognition of our five tertiary education institutions and seven Crown Research Institutes.	> Our tertiary education and research sectors need to be consistently well recognised within New Zealand and internationally. Also, we're not as good as we could be at linking our research, education and investment. This limits our ability to be proactive in the global economy.
> Improving access to venture capital and becoming more entrepreneurial.	> We're good at coming up with the ideas, but often lack strong mechanisms for knowing how to commercialise them, or good international connections or the investment to take those ideas to the world.
> Many examples of world class (or potentially world class) businesses operating in the region.	> The region's expertise in film production is an excellent example of what can be achieved. We also have current or potential world class expertise in sciences, creative industries, government sciences and information communication technology.
> Centralising regional head offices.	> There is a global trend to centralise head office functions to major cities (population over 3 million).

TRANSPORT INFRASTRUCTURE: ISSUES/OPPORTUNITIES

ISSUES/OPPORTUNITIES	EXPLANATION
> Maintaining the current good balance between private and public transport, walking and cycling.	> At present we're high users of public transport, which is good. We need to continue investment in this area and ensure our urban design decisions are "public transport friendly" and maximise the investments we're making into public transport. In parts of the region, we also have a mismatch between where people live and where they work.
> Capacity of and access to the seaports and airport.	> The ability of our port and airport to cope with freight and passenger volumes is critical to the performance of the whole region. A particular constraint on business and tourism growth is the inability to fly direct to Asia - and/or one stop to Europe.
> Rising traffic congestion on key road routes.	> This is a key issue. Traffic congestion affects freight and commuter reliability and therefore the economy as a whole. It also affects perceptions of quality of life in the region.



REGIONAL MARKETING: ISSUES/OPPORTUNITIES

ISSUES/OPPORTUNITIES	EXPLANATION
<ul style="list-style-type: none"> > Projecting the region's image. 	<ul style="list-style-type: none"> > Campaigns such as "Absolutely Positively Wellington", "Have a love affair with Wellington" and "NZ's Capital Country" have contributed to an improvement in the region's image overall. However there are still opportunities to increase the region's visibility.

PHYSICAL GROWTH MANAGEMENT: ISSUES/OPPORTUNITIES

ISSUES/OPPORTUNITIES	EXPLANATION
<ul style="list-style-type: none"> > Quality of our land-use planning in and on the edge of the urban areas. 	<ul style="list-style-type: none"> > Smart planning and targeted interventions are needed to unlock development opportunities around the region. We need to understand how our economy relates to land-use issues and have the right tools and systems in place to achieve this.
<ul style="list-style-type: none"> > Maintaining and enhancing our environmental advantages. 	<ul style="list-style-type: none"> > We have much environmental diversity within the region, and even within our cities. The Pauatahanui Inlet, Kapiti Island and the Karori Wildlife Sanctuary (which is just 3kms from the Wellington CBD) are examples.
<ul style="list-style-type: none"> > Dealing with negative impacts of growth on urban character and our natural environment amenity. 	<ul style="list-style-type: none"> > We need to ensure that growth does not erode or dilute the heart and soul of our cities, towns or rural areas. We need to be clear what makes for the "sense of place" within different parts of the region.
<ul style="list-style-type: none"> > "Urban vitality and fizz" - a sense of place needs to exist throughout the region. 	<ul style="list-style-type: none"> > Strong communities have a sense of place or community buzz about them, that varies greatly within the region. A strong sense of place will attract and retain people and businesses.
<ul style="list-style-type: none"> > Housing affordability. 	<ul style="list-style-type: none"> > This is an issue for lower income households and risks intensifying skills shortages in parts of the region.

KEY INFRASTRUCTURE ISSUES/ OPPORTUNITIES DIRECTLY AFFECTING ECONOMIC GROWTH

ISSUES/OPPORTUNITIES	EXPLANATION
<ul style="list-style-type: none"> > Poor understanding of long-term energy infrastructure investment needs. 	<ul style="list-style-type: none"> > We have a poor understanding of energy consumption needs, emission levels, the need for new electricity generation (including windfarms) and our positioning relative to the Kyoto protocol.
<ul style="list-style-type: none"> > Lack of effective region-wide broadband. 	<ul style="list-style-type: none"> > Outside the Wellington CBD, broadband coverage is inadequate. This is a constraint on growth and conflicts with the region's innovative strength.
<ul style="list-style-type: none"> > Infrastructure funding. 	<ul style="list-style-type: none"> > The region needs to ensure it has funding in place to support its future needs in roading, communications, public transport and so on. We also need to ensure that we can prevent regional isolation in the event of a natural disaster.



SOCIAL COHESION AND ECONOMIC GROWTH: ISSUES/OPPORTUNITIES

ISSUES/OPPORTUNITIES	EXPLANATION
<ul style="list-style-type: none"> > Potential impact of economic growth and change on current high levels of social tolerance and integration. 	<ul style="list-style-type: none"> > The region prides itself in being unpretentious and socially tolerant. We need to retain these values in an economy and a population mix that is evolving towards greater ethnic diversity.
<ul style="list-style-type: none"> > Some areas are less prosperous than others. 	<ul style="list-style-type: none"> > There are currently significant "prosperity gaps" within the region. One of the aims of the regional growth strategy is region-wide prosperity. Concepts such as "human capital" and what it takes to achieve "social cohesion" need to be part of our thinking.

OTHER SIGNIFICANT REGIONAL ISSUES/OPPORTUNITIES REQUIRING A FUTURE RESPONSE

ISSUES/OPPORTUNITIES	EXPLANATION
<ul style="list-style-type: none"> > Changing number of landfills and waste disposal options brings greater opportunities for waste reduction. 	<ul style="list-style-type: none"> > We need to be smarter about the way we deal with waste and reduce the amount of rubbish we create overall.
<ul style="list-style-type: none"> > Increased intensity of storms. 	<ul style="list-style-type: none"> > In some areas ground water levels are higher than historical levels, and storms occur more frequently. This affects urban development and our stormwater systems. We also need to be mindful to the impact of long term climate change impacts on our region. For example it could impact on catchment management plans for major rivers and streams.
<ul style="list-style-type: none"> > Sustainable water supply. 	<ul style="list-style-type: none"> > Water supply in some parts of our region is near capacity. Climate change is relevant here too.
<ul style="list-style-type: none"> > Optimise our recreational assets. 	<ul style="list-style-type: none"> > We need to ensure we make the most of the visitor, and local recreational opportunities.

ACTION PLAN



BACKGROUND INFORMATION



In developing an action plan we asked:
 “What are the things we can do that will make a real difference to our sustainable economic growth?”

To answer this question input was sought from the region’s local authorities, government, the private sector (especially business) and the voluntary sector. Alongside this economists and urban design specialists provided expert advice.

Three broad focus areas emerged from this background work:

- > To be successful a region-wide set of actions is necessary. This requires **effective leadership and partnerships** among those involved in the implementation of the strategy.
- > Arguably, **investments in growing our economy, especially exports**, is the most important thing the region can do. We need to grow our economy at a rate of 4 percent per annum to ensure we remain prosperous and retain our regional quality of life.

Our success is dependent on our ability to grow and retain existing businesses, to develop new activities, and work out what niches we can occupy in global value chains.

In all cases our focus needs to be on businesses that are currently, or have the potential to be world class in their fields. We seek to reconfigure and extend current business sector development initiatives and introduce some new thinking.

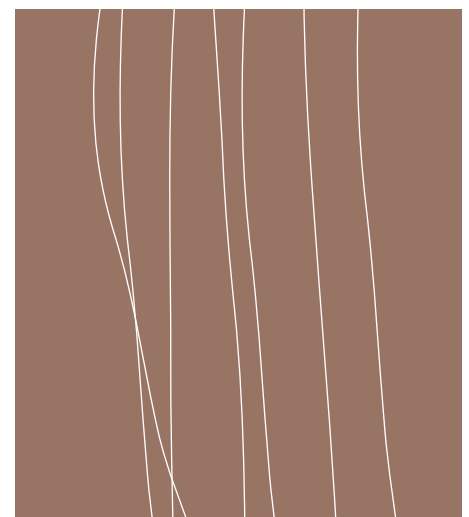
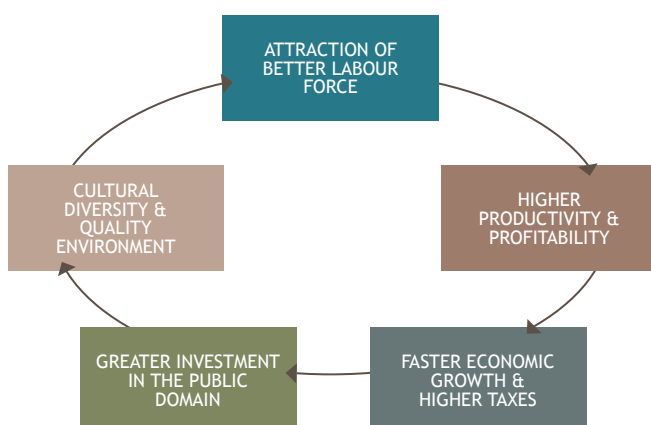
This will occur through a range of initiatives. For example, the lack of effective region-wide broadband services and a shortage of skills in key areas (such as health, education, IT, accounting, finance and engineering) are two constraints to our economic growth in general. There are other opportunities for improving the

region’s “connectedness” with the rest of the world. Inbound and outbound air traffic - including passengers and freight - is a major constraint because there are no direct flights from Wellington to long haul destinations such as Asia and the west coast of North America.

- > If we are to attract and retain the people with the skills to boost our economic growth, greater Wellington needs to be a great place to live and work.

We need “**good regional form**”. This includes the physical arrangement of our urban and rural communities and how they link together. It’s about strong city centres, matching transport decisions to urban and rural needs, quality urban design, housing choice and a number of other initiatives discussed on pages xx-xx.

The Virtuous Cycle of Economic Development



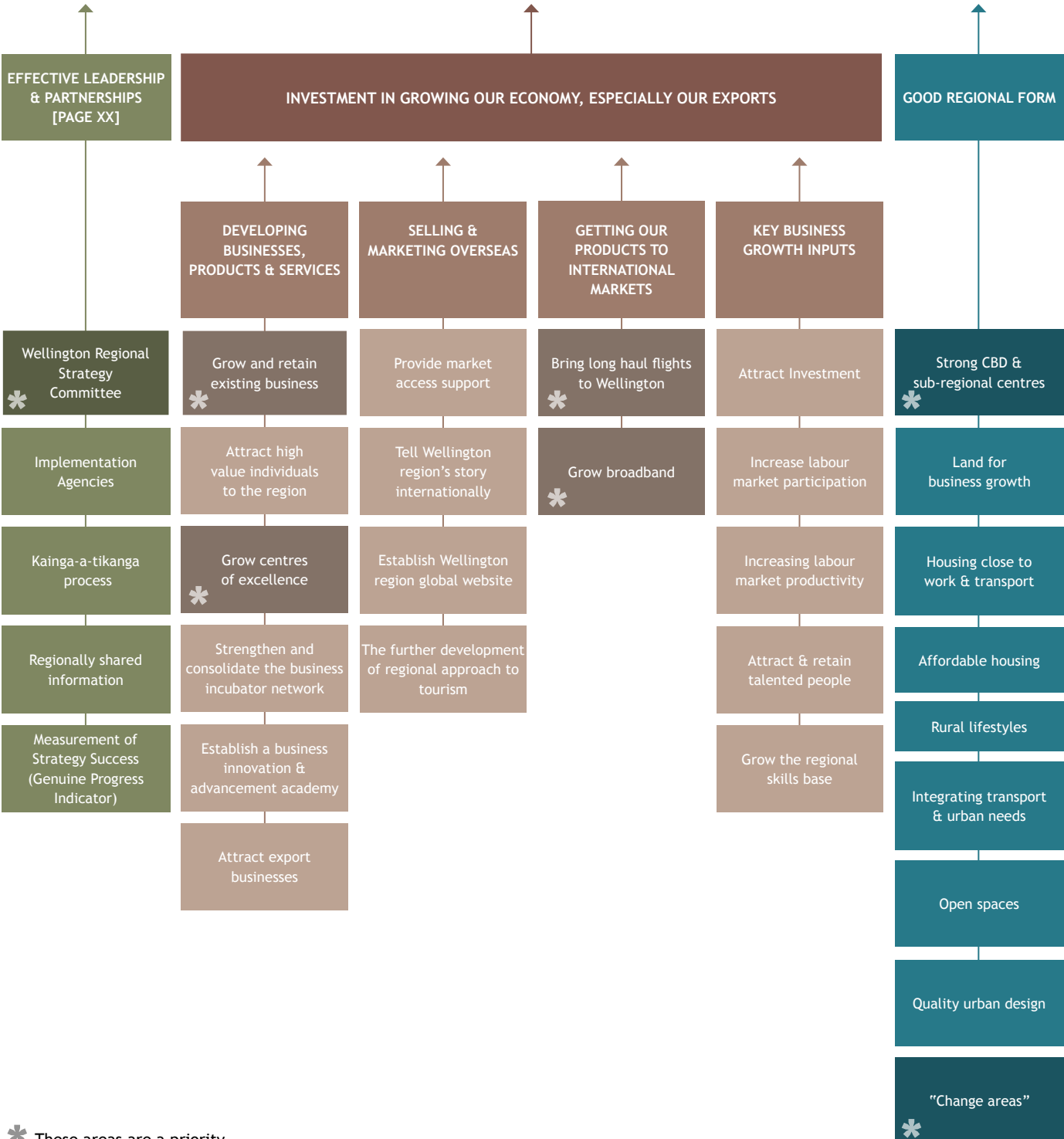
“I sometimes think this region doesn’t know how good it is. We’re doing great things but we’re modest. Modesty is a good quality but I think a little more chest beating is in order”

— PETER JACKSON



The strategy incorporates a range of initiatives & partnerships. These are summarised in the diagram below.

A Sustainable Economic Growth Strategy for our Region



* These areas are a priority



Investment in leadership and partnerships

FOUNDATIONS FOR SUCCESS: EFFECTIVE LEADERSHIP AND PARTNERSHIPS

Our research is clear - successful regions of the world have proactive and innovative leadership.

To be internationally competitive we need to improve leadership and partnership activities in the Wellington region. This means preserving what is good at a local level, but maximising the significant opportunities that evolve from greater regional cooperation. These opportunities exist through cooperation in our urban and rural planning, in our infrastructure and in the way we capture economic growth opportunities.

Successful regional leadership is also about partnerships between business, the voluntary sector, central and local government. The content of the Wellington Regional Strategy was developed from input provided by these sectors and its successful implementation will be dependent on their ongoing involvement.

TOWARDS ONE REGIONAL VOICE

We propose establishing a formal committee of Greater Wellington Regional Council.

This committee would include the region's local government leaders and five highly respected individuals. The five are passionate Wellingtonians who have the skills, experience and networks to achieve the goals of the strategy.

The committee would operate under the legal structure of Greater Wellington Regional Council on behalf of all of the councils of the region. It would be the "keeper of the strategy" in that it would:

- > recommend the investment that should support strategy actions;
- > set out the focus for activity of delivery agencies;
- > monitor progress towards our goals; and,
- > undertake reviews of the strategy to keep it "live" and relevant.

Subject to consultation, the leadership committee's first job would be

to establish a regional economic development agency (EDA) to do the work outlined in the strategy. Funding for the EDA could come from a regional rate collected by Greater Wellington. More detail on establishment of the EDA is contained in a Statement of Proposal, available from Greater Wellington Regional Council.

REGIONAL FUNDING

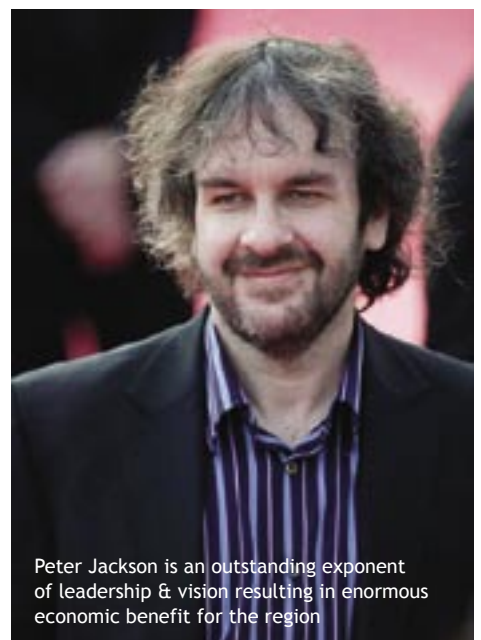
If we are serious as a region about being 'internationally competitive' and wish to retain our prosperity and quality of life we need to confront what investment is needed to make a difference. For economic development there is much truth in the saying "you get what you pay for". Relative to many other areas of local government spending, our regional investment in economic development is modest.

The price of not addressing this lack of investment will be high.

While the regional economy is currently strong, we have experience of what it



The Westpac Stadium is an excellent example of what regional cooperation can achieve



Peter Jackson is an outstanding exponent of leadership & vision resulting in enormous economic benefit for the region



means to lose jobs or have businesses relocate away from our region. We know the impact of families feeling they have no choice but to move to where the "good jobs are", or of communities being unable to invest in the "look and feel" of their local areas.

We estimate the economic development initiatives outlined in this strategy will require investment of \$20.33 per average residential property in 2007/08 compared to current investment of approximately \$17.50. Future investment, on a regional basis, is shown on the table below.

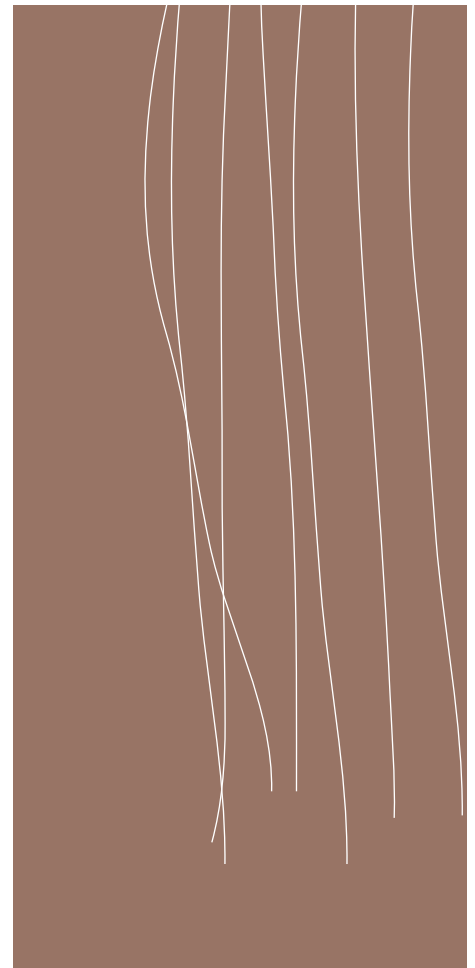
Funding would be provided by a Greater Wellington Regional Council rate. Because individual councils currently collect rates for economic development, this change would see city and district council rates for economic development reduce, while Greater Wellington's would increase to pick up the difference and cover the cost of this strategy. This is consistent with Greater Wellington already having region-wide responsibilities in its current role for other activities.

The funding allocation illustrated in the diagram shown below is based on capital values - in other words the formula used to set regional council rates. Alternative funding allocation options are contained in the Statement of Proposal which accompanies this document. We are interested in feedback on these options.

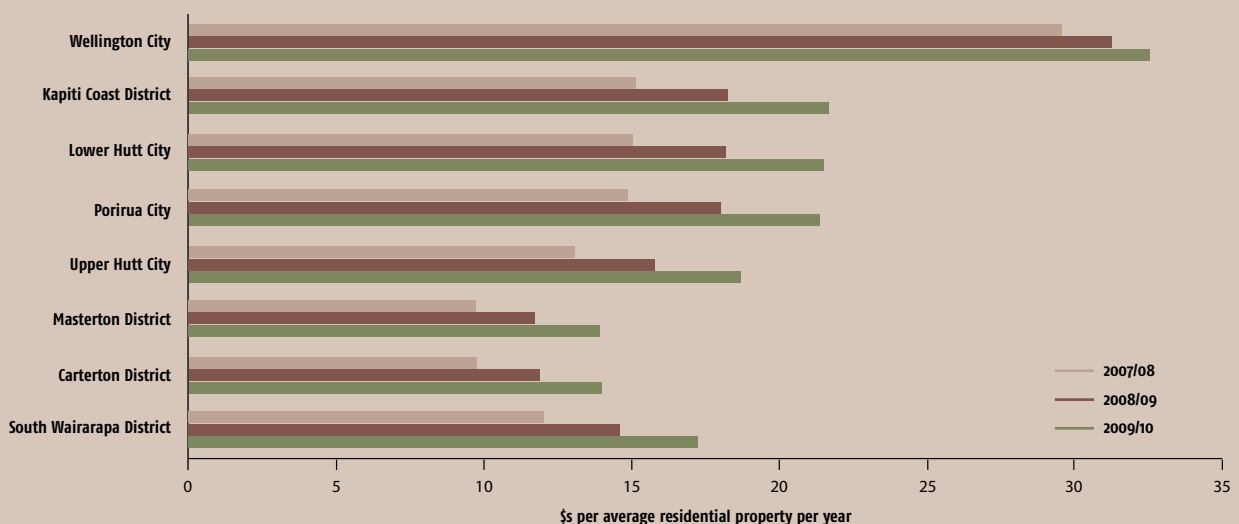
REGIONAL POLICY STATEMENT TO GUIDE LAND USE MANAGEMENT

The look and feel of our urban and rural areas, how efficiently they function and their "sense of place" require management, and importantly, appropriate legal backing. The Wellington Regional Policy Statement (RPS), that operates under the Resource Management Act 1991, provides this legal backing.

Agreement by the councils to implement the Regional Strategy through the RPS will be a significant step towards a common approach to regional land use management.



PROPOSED ANNUAL ECONOMIC DEVELOPMENT INVESTMENT PER AVERAGE RESIDENTIAL PROPERTY





Investment in leadership and partnerships continued

ECONOMIC DEVELOPMENT AGENCY

The Wellington region currently has three economic development agencies. These are Go Wairarapa, Enterprise Coast and Positively Wellington Business. The work of these agencies may be aligned to the strategy, or it may be consolidated into one economic development agency for the region. | The final structure would be agreed by the committee of Greater Wellington in consultation with these agencies. Regardless of the structure, our research shows that successful agencies:

- > have guaranteed long-term funding which enables them to plan and invest effectively (at least three yearly funding contracts)
- > are of a scale that will attract the necessary expertise
- > take a whole-of-region approach
- > harness major institutional and business interests.

The proposed region-wide EDA will not be involved in the implementation of specific tourism activities.

LAND DEVELOPMENT AGENCY

Land development agencies (LDAs) exist to develop sites where private sector

development is unlikely, or where desirable change will not occur in time to meet economic development aims. VicUrban in Australia and Liverpool Vision in the UK are examples. Most OECD countries, with the notable exception of New Zealand, have LDAs whose purpose is economic and / or urban regeneration.

A Wellington regional LDA is being considered for those councils who wish to collaborate on specific land development opportunities*. This will be subject to a separate consultation process if there is agreement to pursue the LDA option.

REGIONAL TOURISM ORGANISATIONS

Following review of the dynamics of tourism in the Wellington region it is proposed that the current service delivery arrangements be largely unaltered. However, the strategy identifies several initiatives for increasing the impact of tourism promotion and improving co-ordination of tourism product development and marketing at a regional level.

TASK FORCES

Some parts of the strategy will be best led and / or delivered by the private sector, some by central government,

some by the voluntary sector, and some by local government. This will require a variety of working arrangements.

The action area summary tables in this document include timetables and key stakeholders for the different tasks.

The WRS committee, under Greater Wellington, would have an overview role in respect of the various strands of the strategy, and would act to promote integration of effort between the various task forces.

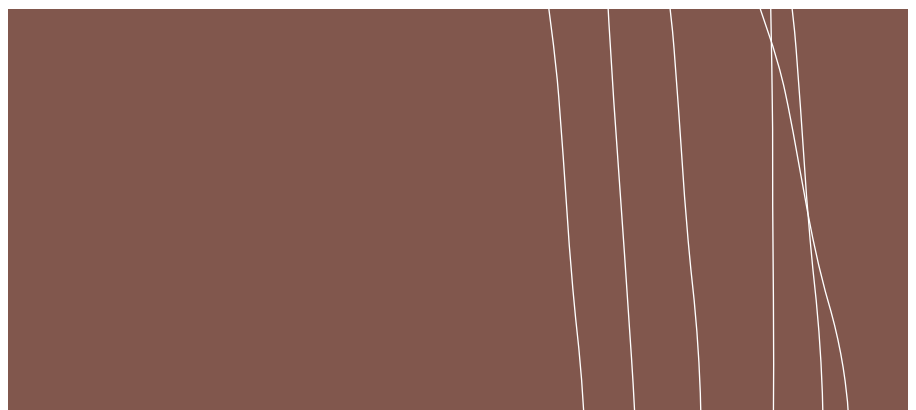
*Upper Hutt City Council will not be part of any LDA initiative.





Leadership and partnership - Action

TIMESCALE	REF	ACTION AREAS	RESOURCES / PARTNERS
Dec 2006		> Wellington Regional Strategy agreed and finalised.	
Dec 2006		> Greater Wellington WRS Committee, including five non local government appointees, confirmed.	
July 2007		> Regional rate for economic development purposes agreed.	
July 2007		> New EDA arrangements confirmed.	
July 2007		> Operational structure/framework for implementing strategy is established. > Data required for economic planning (eg land use, business type and location) is captured and shared on a region-wide basis.	
July 2007		> A measurement system (Genuine Progress Indicator) for measuring the success of the strategy is benchmarked and operational.	
2008		> Input to Long Term Council Community Plan reviews for July 2009 adoption. Input provided on a three yearly cycle thereafter.	





Investment in growing our economy, especially our exports

Growth and retention of existing businesses

Wellington region is the home of central government, and is also home to some of New Zealand's largest employers, including Telecom, ANZ National Bank and New Zealand Post. Our future success depends on our ability to retain and grow businesses such as these.

But the economic transformation we require calls for new thinking. Our centre of excellence initiative is an example of this thinking. It will develop sectors where the Wellington region is, or can be, world class. This will be achieved by linking education, research, business and government interests. Linking these interests will both speed up and enhance the commercial success of our ideas.

The centre of excellence initiative, like much of our economic planning will focus on exports. To achieve its export growth targets the WRS aims to:

- > Sell more products and services to the rest of the world. The region cannot rely on continuing to sell

to the rest of New Zealand for its growth. If we do, we will only grow at the rate of the rest of the country. Adding value to current products and services is also important, but will not provide sufficient growth on its own.

- > Grow current and potential export businesses. It is important for the region that exporters are provided with the environment in which they can be successful. This could mean helping businesses identify additional markets for new and existing products and services.

Four key areas where change is needed for growth to occur are discussed on the following pages.

KEY AREA 1

DEVELOPING BUSINESSES, PRODUCTS AND SERVICES

As a region we need more businesses creating products and services that

the world wants to buy. This can occur through growing exports from current businesses and attracting new export-oriented operations to the region.

We can improve our performance by:

Growing Centres of Excellence

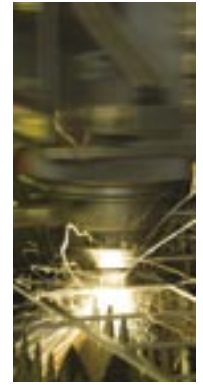
In developing centres of excellence the region needs a good understanding of what it's good at, and what the growth areas are internationally.

In some cases the region's centres of excellence will encapsulate an entire "value chain". In other words all those things that occur between a product or service idea, through to after-sales follow up (R&D, design, manufacturing etc). In other cases a regional centre of excellence will relate to part of the value chain. This occurs where the region provides specialist expertise in a sector where much of the activity takes place offshore or in other parts of New Zealand.

The region's expertise in earthquake engineering, for strengthening buildings, is an excellent example of a consultancy

Increase region's exports to 26% of GDP (currently 13%) by 2026





service that forms part of of an international value chain.

Internationally, fundamental shifts are occurring where regions and countries are focussing on their strengths. The most noticeable has been a concentration of part of the global value chain - manufacturing - in low cost countries such as China.

International consultancy within our areas of expertise is important for the Wellington region because it provides the added benefit of improving our international connections and contacts.

In evaluating potential centres of excellence, a working party of current and former chief executives from the region asked the following questions:

- > is the sector truly a potential centre of excellence? in particular, does it have:
 - a world class capability?
 - current or immediate potential participants in 5 of the 6 boxes identified in diagram below?

- > is it possible to globalise the potential from the sector?
- > what is the size of the economic benefit?
- > does world class leadership currently exist in the sector? If not, how difficult would it be to attract a world class leader to Wellington?

Sectors identified so far, where the region has skills and businesses that are currently, or have the potential to be, world class include:

- > Biomedical
- > 3D technology including film & animation
- > Natural health
- > Recuperative healthcare
- > Natural environment
- > Natural hazards
- > Information communication technology (ICT) and business process in government
- > World class product development
- > Pacifica

- > Energy (wind and sea)
- > Biosecurity
- > Marine research technology
- > Specialty food & beverages

The sectors will be "owned" and developed by working parties which will include significant private sector input.

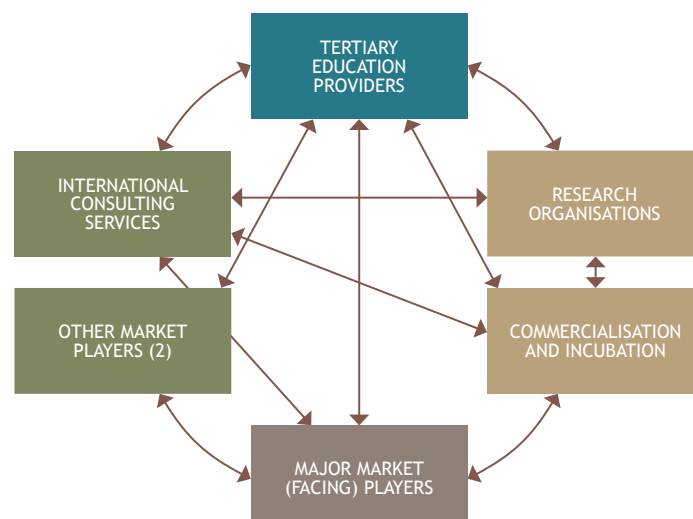
Attracting high value individuals to the region

The region can be more proactive in attracting businesses and investment by providing a better business environment and being clear about the types of businesses, markets, and individuals it wants to have.

Specific individuals engaged in world renowned research and/or with significant international entrepreneurial experience can make a large contribution. They can also act as a catalyst for a step-change in economic activity within a specific sector.

Attraction activities should primarily target individuals who are aligned with the region's centres of excellence.

Centre of Excellence criteria





Investment in growing our economy, especially our exports continued

Strengthening commercialisation of ideas and consolidating the incubator network

The Wellington region is well endowed with the means to create intellectual property, but has been less successful at exploiting its ideas - individual organisations, both new and existing, often lack the specialist skills and experience to do this.

The Wellington region is well endowed with the means to create intellectual property, but has been less successful at exploiting its ideas.

A key role of the proposed new EDA will be to reevaluate systems and networks that commercialise our ideas. Incubation is one aspect of this.

There are currently five incubators in the Wellington region. They exist based on the widely held belief that incubators enhance survival and fast track high growth businesses (HGBs) that have long-term potential to contribute to the region's economic health.

Incubators facilitate the commercialisation of ideas, and provide HGBs with key business infrastructure. They nurture early stage entrepreneurs and promote a climate in which entrepreneurship is encouraged. A high

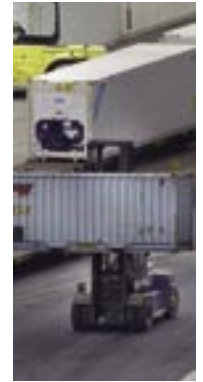
profile, world class incubator programme producing globally distinctive export businesses, demonstrates the region's support of entrepreneurship and business.

To achieve maximum impact from incubators it is essential that their scale and focus matches the region's size and economic focus. There is already a perception that too many incubators exist, all of which are competing for the same public sector funding. As long as there are too many under-funded incubator programmes, it is unlikely they will succeed in graduating HGBs into significant exporters. It is therefore proposed that the existing incubators be consolidated into one rebranded regional

"Icebreaker is successful because we dared to think differently. We don't sell clothes. We sell a philosophy backed with the best materials nature can provide."

— JEREMY MOON





operation. This regional operation would focus on HGBs that have outstanding export potential and are a strategic fit with the centres of excellence.

Our company, Silverstripe, makes it easy for people to manage and change their own websites. We've got a fantastic team of 13, a seven figure turnover and we are being approached by international companies who want to work with us. We're on a roll, but three years ago we had no turnover and no staff. Being part of a business incubation programme was really important to our success. It instilled planning discipline in the company, it opened doors and the mentor advice we received was invaluable.

Tim Copeland Partner

Silverstripe

(recent business incubator graduate)

Establishing a business innovation and advancement academy

It is proposed that a business innovation and advancement academy be developed. The academy's main focus would be on businesses that fall within the centres of excellence criteria.

The academy's role would be similar to its sports equivalent. It will spot talent and provide mentoring and resources. It is anticipated the Academy will operate alongside, and be complementary to, the incubator programme.

Attracting export businesses

Currently 13 percent of regional GDP is exported. The WRS aims to double this ratio by 2026. It can do this through:

- > non-exporting businesses beginning to export
- > retention of businesses that currently export
- > export growth in businesses that currently export
- > attracting new export businesses.

Business attraction efforts will again focus on those sectors that align with the centre of excellence criteria. Incentives for attracting businesses could include:

- > A standard rates rebate for Wellington based international firms.
- > Feasibility studies for targeted industry relocations to Wellington that complements the work of Investment NZ.

The region aims to double its exports by 2026.

"Twenty years ago Trade Me couldn't exist. Seven years ago it didn't exist. Now it's a big player - one of the biggest. The 'rate of change' graph just went off the radar. Big towns struggle with change. I like to think we embrace it."

— SAM MORGAN





Investment in growing our economy, especially our exports continued

KEY AREA 2

SELLING AND MARKETING OVERSEAS

A recent Wellington Regional Chamber of Commerce survey identified that only 19 percent of respondents export. Other research suggests that while there is a strong desire to export, this does not necessarily equate to a company having export capability or viewing exporting as an immediate priority.

Providing market access support

There is a need to address the barriers faced by exporters. These include

- > lack of market intelligence
- > inadequate commercial relationships/partnerships
- > lack of on-the-ground presence in target markets
- > lack of staff with appropriate skills and experience
- > cost of exploring international markets

- > cost competitiveness factors
- > finding time to work, market and sell.

We propose establishing a network of agents in target export markets to support local businesses. We also need to exploit our sister city relationships so they become commercial, not just cultural partnerships. Alongside this, the region needs to ensure it advocates policies that maximise regional export assistance.

Telling Wellington region's story internationally

The Wellington region needs to update its national and international image. It needs to be seen as a dynamic place to live, work and invest. This should build on central government's focus on boosting the country's image internationally and through the New Zealand New Thinking initiative of New Zealand Trade and Enterprise.

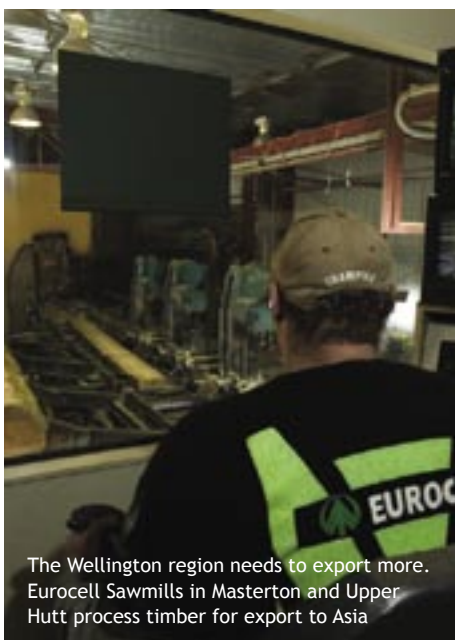
We need to establish a point of difference and have an actively managed voice on the international

We also need to exploit our sister city relationships so they become commercial, not just cultural partnerships.

stage where we compete for talent, investment and visitors. The region is arguably a second-tier New Zealand destination, when compared to high profile destinations and the country's long-haul international gateways.

We currently have a plethora of different, mostly unaligned, marketing initiatives in the migrant attraction, tourism, education, exporting and investment sectors. We cannot continue with this approach given our modest budgets by international standards.

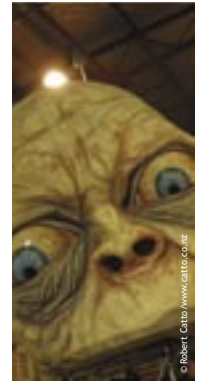
A regional marketing strategy that coordinates public and private sector efforts is proposed. In addition to maximising our spend, this approach would ensure the region more effectively communicates its point of difference.



The Wellington region needs to export more. Eurocell Sawmills in Masterton and Upper Hutt process timber for export to Asia



Maui's Spell on Wellington City's Cultureflow website is part of an innovative online te reo Maori programme. The concept receives strong endorsement in New Zealand, and the same principles are being applied by sister company Cultureflow China to teach English in China.



© Robert Gatto www.gatto.com

A regional 'portal'

The internet is arguably the most important initial source of information for prospective investors, businesses and migrants. An integrated website will provide a cost effective means of presenting the region's unique attributes to these audiences, and complements regional marketing efforts.

Currently there are a range of national and regional websites that present aspects of the Wellington region's story, but we do not have a vehicle which tells the whole story.

We propose developing a website which provides a comprehensive picture of life in the region and which can be a one-stop-shop of information for prospective migrants (including domestic migrants), expats returning home, businesses and investors.

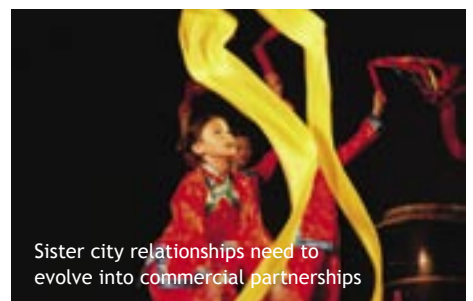
The internet is arguably the most important initial source of information for prospective investors, businesses and migrants

Further development of the regional approach to tourism

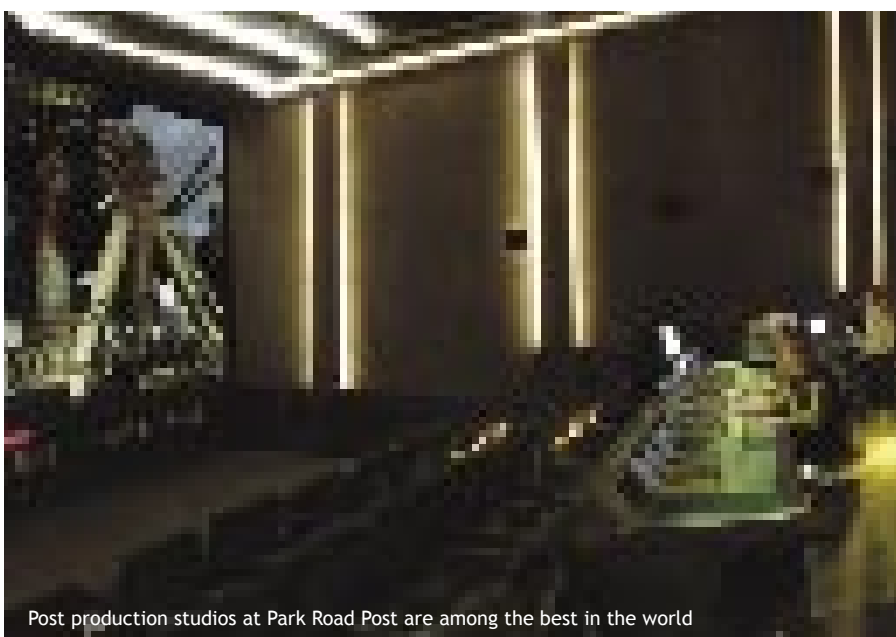
Tourism accounts for 10 percent of the regional domestic product, approximately \$1.4 billion annually. Despite strong growth, especially in Wellington City, significant potential can be realised through a more integrated regional approach to destination development and marketing - nationally and internationally. For example, there is potential to increase visitor numbers and length of stay through promoting the region as a convention destination, especially in areas that relate to the regional centres of excellence.

Visitor spend and length of stay can also be increased by broadening the portfolio of compelling visitor experiences, and continuing to promote a longer stay marketing proposition.

Further development of the regional approach to tourism, events and destination development is proposed.



Sister city relationships need to evolve into commercial partnerships



Post production studios at Park Road Post are among the best in the world



Fraser Engineering, Hutt City, uses world leading technology and local suppliers to manufacture and assemble fire and emergency appliances



Investment in growing our economy, especially our exports continued

This will occur through a series of joint venture partnerships between Positively Wellington Tourism and Councils in the region.

Further development of the regional approach to tourism, events and destination development is proposed.

KEY AREA 3

GETTING OUR PRODUCTS TO INTERNATIONAL MARKETS

Our distance from international markets is a barrier, but one that is being continually reduced through technology:

Bringing direct, long haul flights to Wellington

In 2008, Boeing and Airbus will deliver new, lighter aircraft with long haul capability that can land and take-off from Wellington's relatively short runway. These craft will be capable of flying directly to Asia and North America, providing a 'one stop to Europe' option.

Our international research shows that long haul capability is a core component of successful regions. This is because of the tourism, exporting and business travel (and therefore business location) advantages it provides. Currently Wellington businesses or tourists that wish to travel or export to any country

other than Australia, must do so via Auckland or Christchurch. This is a handbrake on the regional economy and one that ultimately must be addressed.

Our aim is to have long haul flights to Asia by 2010, two years after the new aircraft become available.

Our business 'exports' identity management services. In the initial stages of developing our relationships in Asia we visited Singapore, Malaysia and Thailand frequently. Often members of the team were away every 3 to 4 weeks. Having to fly via Auckland is a major



The 2005 British and Irish Lion's rugby tour injected \$23 million into the Wellington economy



A direct air service to Asia, one-stop to Europe, is arguably the most significant thing the region can do to realise its economic potential



headache. It adds an extra day and night to the trip on the way out, and half a day on the way back. Or team members are asked to give up a Saturday or Sunday. This is a waste of time and money. The same is true when our clients visit the company. They can't believe it when they're forced to come via Auckland to the Capital.

If Wellington wants to be taken seriously it must have direct flights to Asia - no question.

Wayne Stemp Chief Executive
Eyede Ltd

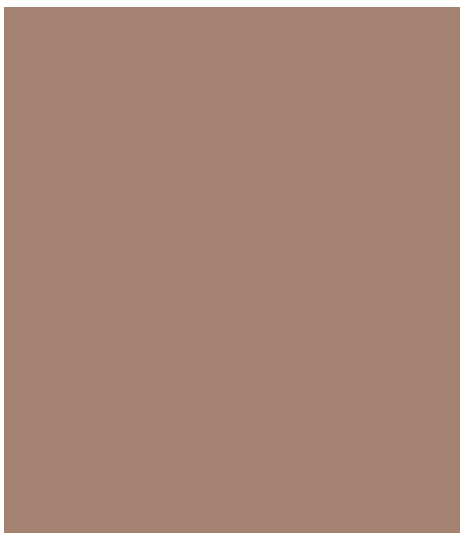
Growing broadband

There is a significant positive relationship between investing in broadband and GDP growth, especially when a critical mass of telecommunications infrastructure is present. Evidence is mounting that information communications technology (ICT) use explains much of the rapid productivity growth in the 1990s in both the US and Australia - two of the fastest growing OECD countries. Our research points to investment in airports and broadband technology as being arguably the most important factors that position a city to compete in the global economy. This is because investment in telecommunications and transport

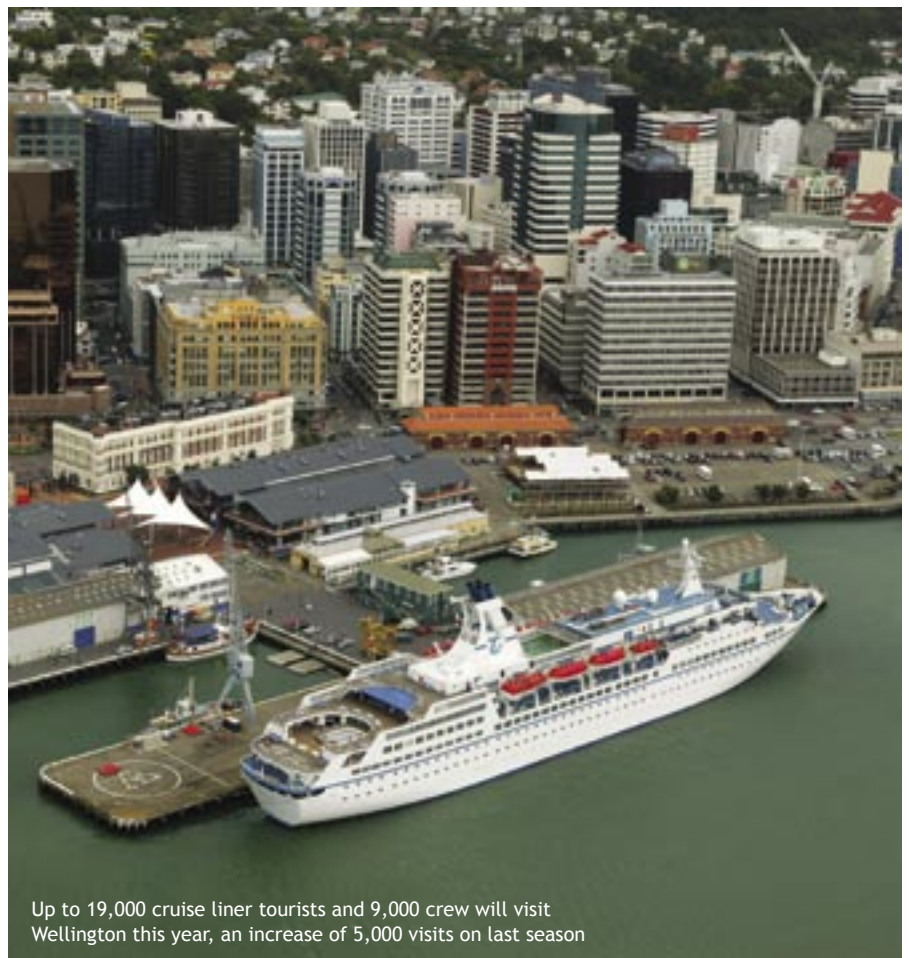
infrastructure can significantly lower production costs, thereby increasing productivity growth. Broadband may also assist in retaining and attracting business and individuals to the region.

Achieving region-wide broadband availability is a priority which will involve councils either facilitating private sector development, or owning and operating the infrastructure themselves, as they do with other essential services.

Potential exists to strengthen initiatives such as Smartlink3 which already involves three Councils investing in high speed broadband in the Hutt Valley & Porirua.



The proposed marine education centre on Wellington's south coast has the potential to become a major tourist attraction and education facility



Up to 19,000 cruise liner tourists and 9,000 crew will visit Wellington this year, an increase of 5,000 visits on last season



Investment in growing our economy, especially our exports continued

Our research points to investment in airports and broadband technology as being arguably the most important factors that position a city to compete in the global economy.

Like all infrastructure, there is a hierarchy of delivery to reach the end consumer. In the case of broadband, it is possible for different players to be responsible for different parts of the delivery chain including:

- > **Connectivity into and out of the region (i.e. the "state highways")**
These are the "big pipes" which connect the Wellington region with the rest of NZ and offshore.
- > **The intra-regional backbone (the "local roads")**
The movement of data around the region and externally requires a network of "medium pipes" to form the backbone of regional broadband.

> Last mile connections (the "driveways")

This is the "small pipe" that connects individual customers to the network.

My business designs complex databases for clients in the UK and Netherlands. It's the type of business, so I'm told, we need more of, and I'm proud of that. I constantly send and receive large electronic files but there's the problem - it takes ages! A complex database might take an hour to send to London. I feel like I'm sending my leading edge technology on the electronic transport equivalent of a horse and cart.

Answer? We need decent broadband, now.

*Stuart McGrigor Kintore Consulting
Martinborough*

KEY AREA 4

KEY BUSINESS GROWTH INPUTS

To ensure Wellington region's exporting businesses can grow and take advantage of strategy initiatives, we need to make sure businesses have access to skilled labour and capital investment.

Attracting investment

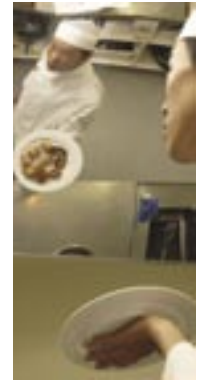
To attract investment we will identify venture capitalists and international businesses which have an alignment with our centres of excellence programme.

We will also facilitate joint ventures and trade opportunities between international and local businesses; and investment from immigrants seeking business opportunities.

International joint ventures encourage export activity by fitting local businesses into the global product offering of large international firms.



There is a significant positive relationship between region wide broadband and GDP growth



International joint ventures encourage export activity by fitting local businesses into the global product offering of large international firms. This is an increasingly popular way for local companies to develop their technology in foreign markets, especially in Asia-Pacific, Europe and the United States.

Increasing labour market participation

Participation in the labour market, measured by the number of people who are employed, contributes to the size of the regional economy and helps drive GDP growth. While increasing participation is important for the Wellington region, our rates are already high and future potential is limited.

However we do need to reduce barriers to workforce participation experienced by some groups, such as Maori, Pacific peoples, migrants, refugees, people with disabilities, the old and the young.

Twelve key solutions for improving participation in the workplace are

contained in the Wellington Regional Labour Market Study (WRLMS).

The WRLMS was a project led by the WRS, Department of Labour and the Ministry of Social Development and developed by a range of central government, local government and private sector organisations.

Details of the strategy can be found at www.wrs.govt.nz

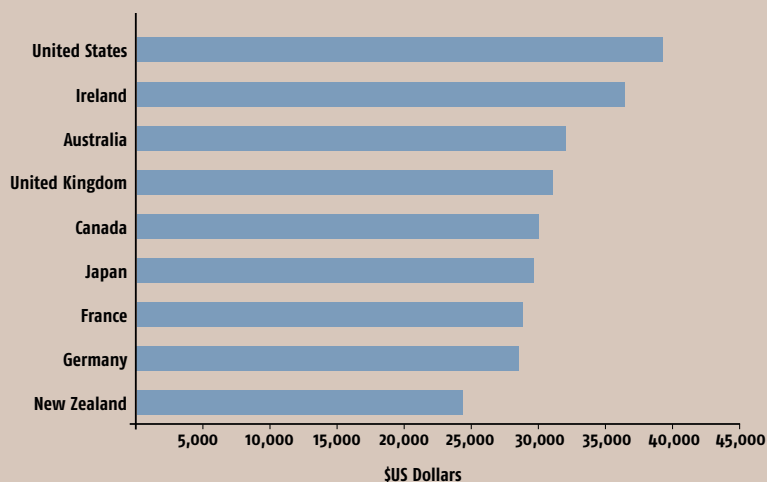
Improving labour market productivity

Productivity refers to the ways in which organisations utilise labour, skills, innovation, technology and work place organisation to improve the quality and quantity of their products and services.

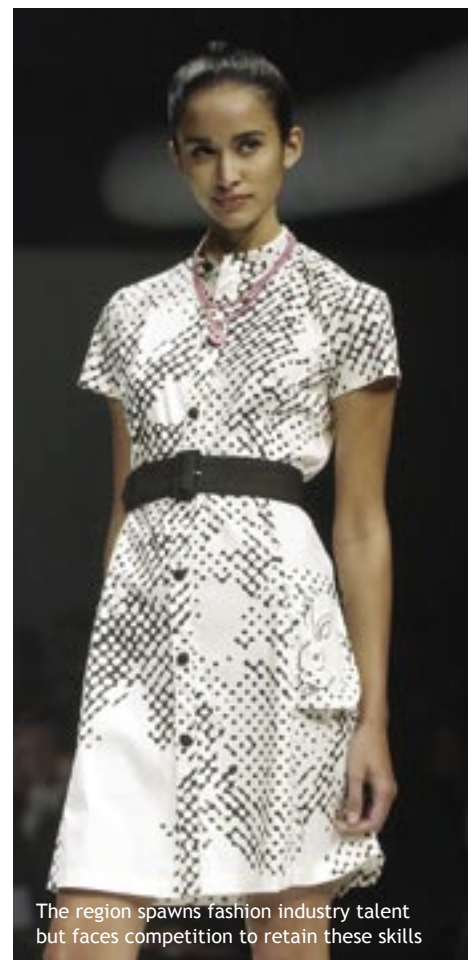
Productivity levels in the Wellington region are XX percent compared with a national average of XX percent. Raising productivity will aid the future viability of business activity, improve wage levels and provide new job opportunities.

One common measure of productivity is GDP per capita. While Wellington has a relatively high GDP per capita

BREAKDOWN OF GDP PER CAPITA



New Zealand's GDP per capita is low by world standards



The region spawns fashion industry talent but faces competition to retain these skills



Investment in growing our economy, especially our exports continued

in a national context, internationally New Zealand performs comparatively poorly (see diagram).

We need to shift the focus from increasing the number of hours we work, to working and producing smarter. A recent report by the New Zealand Institute stated that only one third of New Zealand's economic growth since 1990 has been due to labour productivity; the other two thirds are due to an increase in hours worked. This is the opposite of what is happening in higher performing countries, and cannot be sustained.

While Wellington has a relatively high GDP per capita in a national context, internationally New Zealand performs comparatively poorly.

We will again draw on the solutions proposed in the WRLMS to bring the region's productivity up to acceptable standards.

Attracting and retaining talented people

The lack of workforce skills is a major growth constraint in the region. The problem is not unique to Wellington, meaning our youngest and brightest are targeted by domestic and offshore competitors.

More and more occupations are effectively operating in a global labour market, and this trend is likely to continue and perhaps intensify. Over the next 25 years the working age population in Europe is projected to decline by 65 million, meaning the rich countries of the world will want, and be prepared to pay handsomely for, our most skilled and able people. This creates an increasing temptation for travelling New Zealanders to turn their OE into an LE (lifetime experience).

Wellington region needs to ensure that within this market it retains and attracts the amount and type of labour

Rich countries of the world will want, and be prepared to pay handsomely for, our most skilled and able people.

and associated skills it requires to meet business needs.

Many of the actions contained in the Wellington Regional Strategy address the skills shortage problem with the overall solution being contingent on our ability to provide a compelling lifestyle and rewarding careers package, supported by a vibrant economy.

Growing the regional skills base

Regional labour market issues include:

- > immigration practices
- > funding regimes for training
- > ensuring the education system supports future skills needs
- > employer training capacity
- > perception of some skills/careers,



Weltech, Hutt City, teaches the skills which contribute to improvements in labour participation and productivity



- > the time lag between business skill demand,
- > the ability to train.

To ensure the region has the right skills to develop the centres of excellence and export orientated businesses it requires, planning and co-ordination needs to improve. This requires collaboration between students, their families, secondary providers, tertiary providers and central government policy makers.

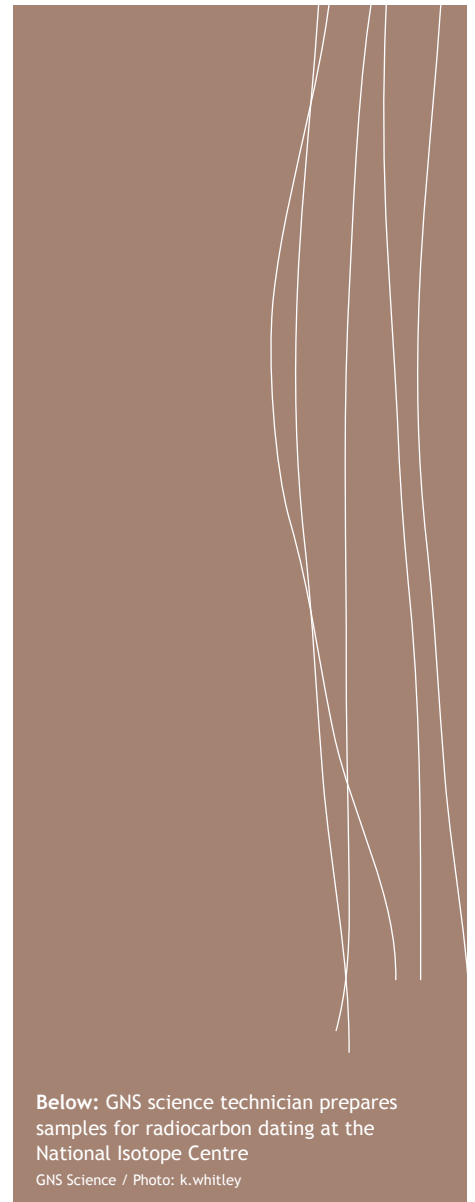
There is a compelling need for greater engagement between education providers and business to ensure graduates have relevant skills and that funding is targeted at the right areas.

A report prepared for the WRS stated that for a region that prides itself on the amount of creative talent its citizens have, one might have expected it to have a higher reputation for its education services. Wellington's relatively small size means it is likely to yield greater growth dividends from

strategies that emphasise the quality of what it does, rather than the volume.

The report added that the performance of the training and education sector is important for underpinning the performance of the region's economy.

There is a need to implement the solutions outlined in the skills section of the WRLMS, ensuring current and future work place skills are matched with educational, training and careers programmes. This is a joint responsibility among trainers, tertiary institutions, government agencies and employers.



Below: GNS science technician prepares samples for radiocarbon dating at the National Isotope Centre
GNS Science / Photo: k.whitley



Situated within Greater Wellington's Battle Hill Farm Forest Park, the Ken Gray Education Centre is used as a base for corporate team building through environmental restoration.





Investment in growing our economy, especially our exports - Actions

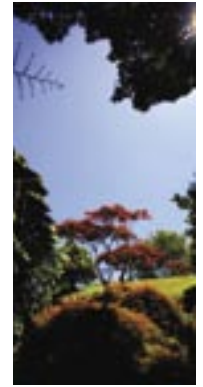
The extent to which the following initiatives can be implemented is dependent on private sector and central government funding in addition to amounts raised through Council rating. In the short term priorities will be determined by the proposed EDA in consultation with the Committee for Wellington

TIMESCALE	REF	ACTION AREAS	RESOURCES / PARTNERS
REGIONAL PRIORITY ACTION AREAS (OTHER STRATEGY ACTIONS WILL ALIGN TO THESE)			
2010		<ul style="list-style-type: none"> > First three centres of excellence established. > Develop value chain based networks where sector strengths are present or can be developed. 	Relevant private sector providers, Tertiary Institutions, Economic Development Agencies, Council, Crown Research Institutes and R&D facilities.
2010		<ul style="list-style-type: none"> > Direct long haul flights to Asia and one stop to Europe. > <i>This process is being funded seperately by all Local Authorities with the exception of Upper Hutt</i> 	Councils, Wellington Airport, Positively Wellington Tourism, Tourism NZ, Enterprise Coast, Go Wairarapa
2010		<ul style="list-style-type: none"> > Grow international long haul markets - long haul flights can fundamentally change the Wellington region as a tourism and business destination. The region will need to commit to developing visitor, business traveller and freight flows to support an air service. 	Councils, Wellington Airport, Positively Wellington Tourism, Tourism NZ, Enterprise Coast, Go Wairarapa
2007		<ul style="list-style-type: none"> > Establish a Broadband Business case. Formally endorse and resource "Wellington Regional Xchange" as the regional broadband forum with a key role to coordinate various sub-regional activities already underway and oversee a regional broadband business case. 	
DEVELOPING BUSINESSES, PRODUCTS AND SERVICES			
From 2008		<ul style="list-style-type: none"> > Attract one high value individual to the region each year with their research programme or business initiative (links to centres of excellence). 	Councils, Tertiary Institutions, CRIs, Chamber of Commerce, Economic Development Agencies, NZTE, Investment NZ
2006		<ul style="list-style-type: none"> > Working Group establishes sectors which fulfil Centre of Excellence criteria (links to priority action above). 	Relevant private sector providers, Tertiary Institutions, Economic Development Agencies, Council, Crown Research Institutes and R&D facilities.
From 2007		<ul style="list-style-type: none"> > Consolidation of existing incubators into one rebranded regional incubator programme (alignment with centres of excellence). 	Incubator Management, Victoria University and other Tertiary Institutions, Economic Development Agency, Councils, Crown Research Institutes and R&D facilities

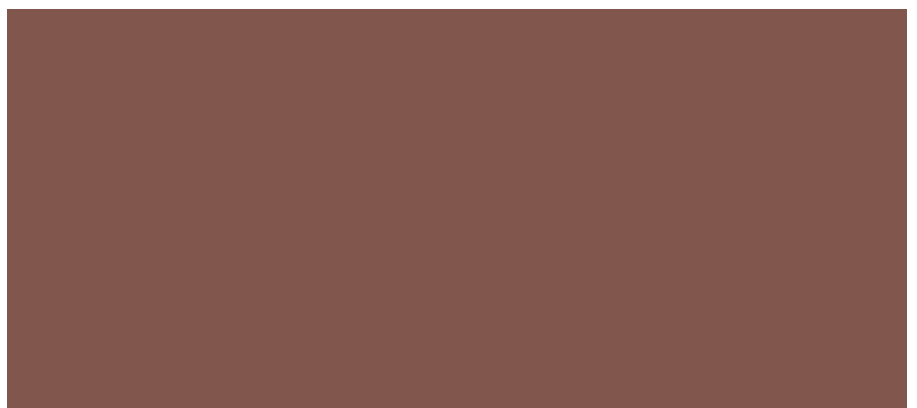
The table below shows the level of effectiveness of each strategy action at different levels of funding. Some actions require little funding and therefore are shown as effective within the lower funding packages. The table includes initial assumptions as to the relative priorities within the constraints of each funding envelope. The assumptions will be tested during consultation and be finalised by the EDA Board when it is established.

Effectiveness of WRS actions at various funding package levels

KEY TO TABLE	LIMITED EFFECTIVENESS	MODEST EFFECTIVENESS	MODERATE EFFECTIVENESS	HIGH EFFECTIVENESS	FULLY EFFECTIVE
EFFECTIVENESS OF ACTIONS AT VARIOUS FUNDING PACKAGE LEVELS					
ACTION AREAS	CURRENT FUNDING PACKAGE	\$4 MILLION P.A.	\$5 MILLION P.A.	\$7 MILLION P.A.	\$10 MILLION P.A.
CENTRES OF EXCELLENCE					
LONG HAUL*					
LONG HAUL MARKETS					
BROADBAND BUSINESS CASE					
HIGH GROWTH INDIVIDUAL					
CENTRE OF EXCELLENCE EVALUATION					
COMMERCIALISATION MAXIMISATION (INCLUDES INCUBATION)					



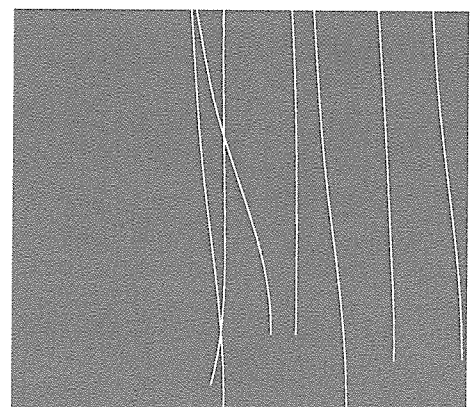
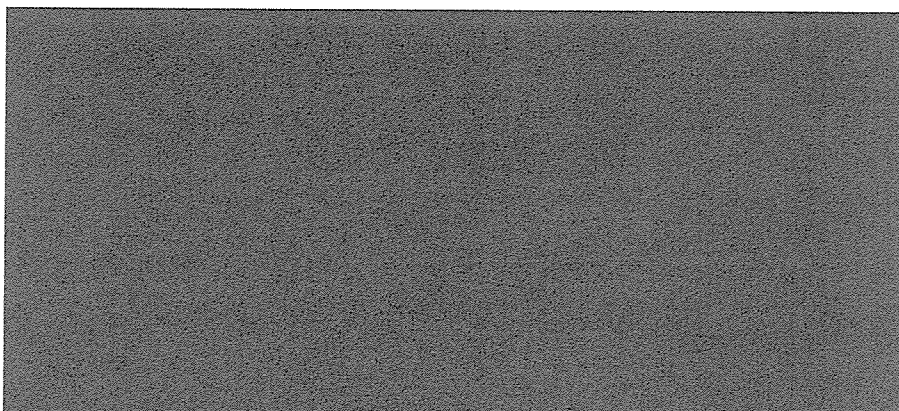
TIMESCALE	ACTION AREAS	RESOURCES / PARTNERS
DEVELOPING BUSINESSES, PRODUCTS AND SERVICES		
From 2009	> Create a Business Innovation and Advancement Academy for potential top performing export businesses producing products and services related to the identified Centres of Excellence.	Academy Forum and Talent Scout, Victoria University and other Tertiary Institutions, Economic Development Agencies, Councils, Crown Research Institutes and R&D facilities
Mid 2007	> Focus business attraction on businesses that grow exports and/or support local businesses that export, with a key focus around the centres of excellence.	Economic Development Agencies (plan development), Councils, business groups for implementation
Mid 2008	> Develop a co-ordinated and integrated regional approach to incentives - this will involve establishing a regional incentives policy with common objectives, guidelines and criteria.	Councils, Economic Development Agencies
Mid 2018	> Ten high value individuals have been attracted to the region and are contributing to the regional economy through increased exports or innovative technology.	Councils, tertiary institutions, CRIs, Chamber of Commerce, Economic Development Agencies, NZTE, Investment NZ
Mid 2020	> Five high growth business incubator 'graduates' are each generating \$50m revenue.	Councils, tertiary institutions, CRIs, Chamber of Commerce, Economic Development Agencies, NZTE, Investment NZ



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Effectiveness of WRS actions at various funding package levels

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EFFECTIVENESS OF ACTIONS AT VARIOUS FUNDING PACKAGE LEVELS					
ACTION AREAS	CURRENT FUNDING PACKAGE	\$4 MILLION P.A.	\$5 MILLION P.A.	\$7 MILLION P.A.	\$10 MILLION P.A.
BUSINESS INNOVATION & ADVANCEMENT ACADEMY					
ATTRACTING EXPORT BUSINESSES					
REGIONALLY APPLIED INCENTIVES					
HIGH VALUE INDIVIDUAL ATTRACTION					
COMMERCIALISATION MAXIMISATION					





Investment in growing our economy, especially our exports - Actions

TIMESCALE	REF	ACTION AREAS	RESOURCES / PARTNERS
SELLING AND MARKETING OVERSEAS -CONTINUED			
2008		> Contract agents to support Wellington Region businesses in target markets, which if successful, could be expanded into a network of agents supporting Wellington businesses overseas.	
2007		> Ensure Wellington is a strong advocate for tailored government assistance programmes targeted to specific industry needs.	
2007		> Maximise access by Wellington region exporters to Central Government export facilitation assistance and to services provided by other non Government entities including analysis of opportunities for establishing beachheads in offshore markets.	
From 2008		> Implement a regional marketing strategy that coordinates and aligns (where appropriate) public and private sector marketing of the Wellington region nationally and internationally.	NZTE, Tourism NZ, Economic Development Agencies, Positively Wellington Tourism, Councils, Go Wairarapa, International Business Councils, Central Government agencies, Investment NZ, Chambers of Commerce, Export education providers, CRIs, Centreport, Wellington Airport, migrant attraction and recruitment companies
From 2008		> Develop a website that provides a comprehensive picture of life in the Wellington region and be a one-stop-shop for information (with links) needed by someone considering relocation.	Go Wairarapa, Councils, Economic Development Agencies, Positively Wellington Tourism, Web design agency
From 2008		> Development of the policy for a regional approach to tourism, events and destination development.	Tourism NZ, Economic Development Agencies, Positively Wellington Tourism, Councils, tourism industry partners and operators, Enterprise Coast, Go Wairarapa
From 2007		> Working with the regional tourism organisations to identify joint venture partnerships between Positively Wellington Tourism and Councils in the region, to address specific issues in the sector.	Councils, Positively Wellington Tourism, tourism industry partners, Enterprise Coast, Go Wairarapa

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CONTRACT AGENTS					
MAXIMISE GOVERNMENT ASSISTANCE					
MARKET ACCESS (SUPPORT FOR EXPORTERS)					
REGIONAL EXPORT SUPPORT (MARKETING DESK)					
REGIONAL MARKETING STRATEGY					
SISTER CITIES					
MIGRANT ATTRACTION					
WEB PORTAL FOR REGION					
REGIONAL TOURISM					
REGIONAL TOURISM JOINT VENTURES					



TIMESCALE	REF	ACTION AREAS	RESOURCES / PARTNERS
SELLING AND MARKETING OVERSEAS -CONTINUED			
2026		<ul style="list-style-type: none"> > Regional product and services exports have doubled, supported by initiatives in the WRS. 	NZTE, Tourism NZ, Economic Development Agencies, Positively Wellington Tourism, Councils, Go Wairarapa, International Business Councils, Central Government agencies, Investment NZ, Chambers of Commerce, Export education providers, CRIs, Centreport, Wellington Airport, migrant attraction and recruitment companies

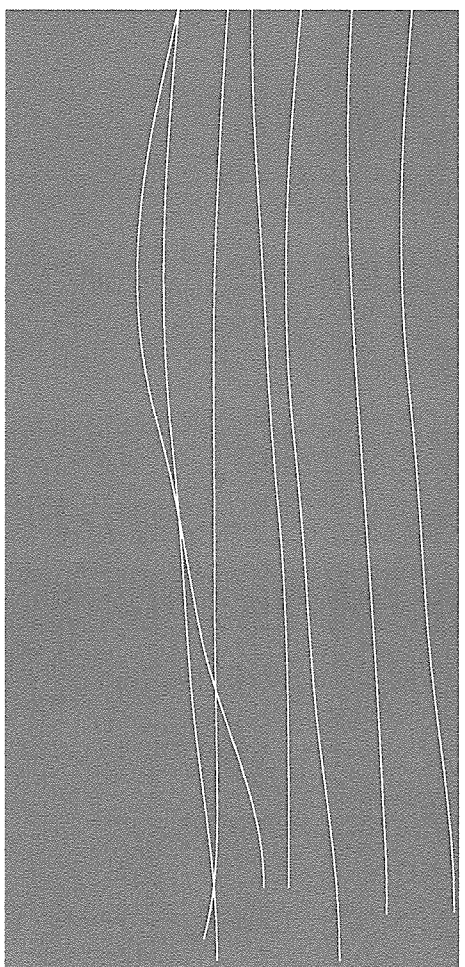
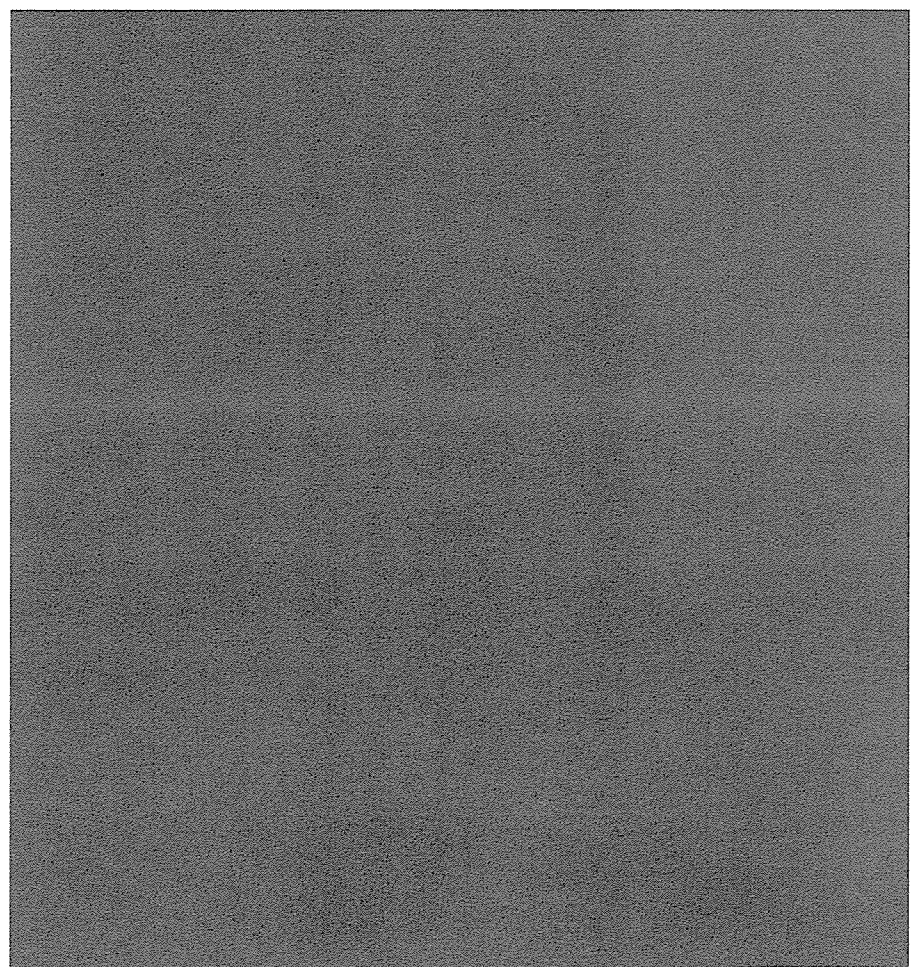


All Photos: A strength of the region is the diversity of recreational experience it offers

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Effectiveness of WRS actions at various funding package levels

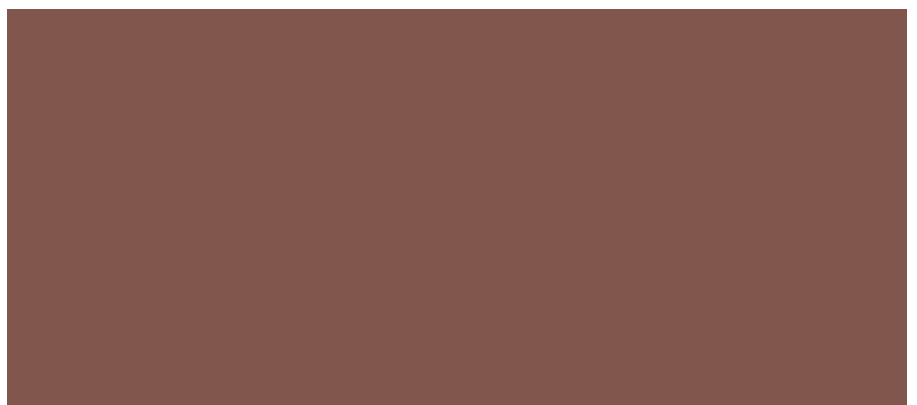
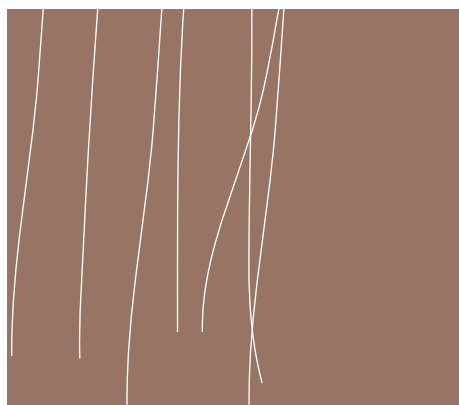
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ACTION AREAS	CURRENT FUNDING PACKAGE	\$4 MILLION P.A.	\$5 MILLION P.A.	\$7 MILLION P.A.	\$10 MILLION P.A.
EXPORTS					





Investment in growing our economy, especially our exports - Actions

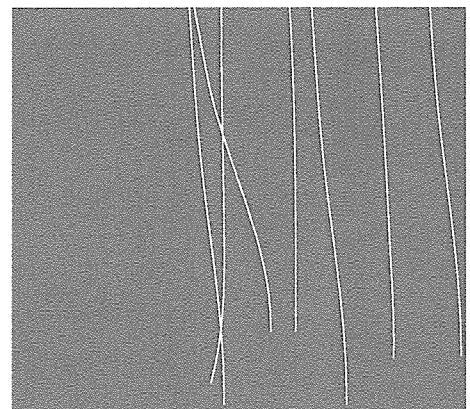
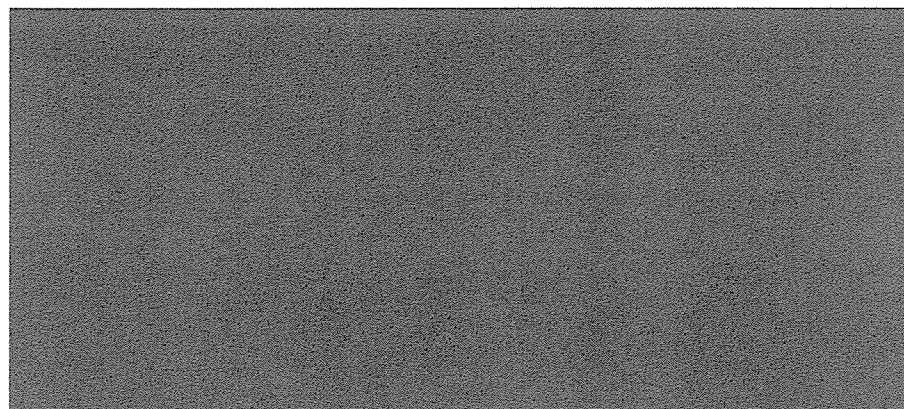
TIMESCALE	REF	ACTION AREAS	RESOURCES / PARTNERS
GETTING OUR PRODUCTS TO INTERNATIONAL MARKETS			
Timing to be finalised		<ul style="list-style-type: none"> > Develop a business case for regional public investment in infrastructure including the potential expansion of Smartlinx3 into a truly regional entity. Subject to the business case, make application to the "Broadband Challenge" for a regional project that may encompass several sub-regional initiatives. 	
Timing to be finalised		<ul style="list-style-type: none"> > Dependent on the results of the business case, Councils to decide whether to: <ul style="list-style-type: none"> – encourage/facilitate the private sector to build and operate this infrastructure on "Open Access" principles – or own and operate the infrastructure in the same way as Local Government already owns and operates other infrastructure like water, waste and roading. 	
2008		<ul style="list-style-type: none"> > Develop a common regulatory process that ensures all new development is serviced with appropriate telecommunications infrastructure and that retro-fitting of existing developed areas is encouraged. This involves the provision of suitable ducting to allow the placement of fibre optic cable to be easily and cheaply laid with minimum disruption to the community. 	



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BUSINESS CASE FOR REGIONAL PUBLIC INVESTMENT					
DIRECT INVESTMENT IN BROADBAND					
BROADBAND REGULATORY PROCESSES					





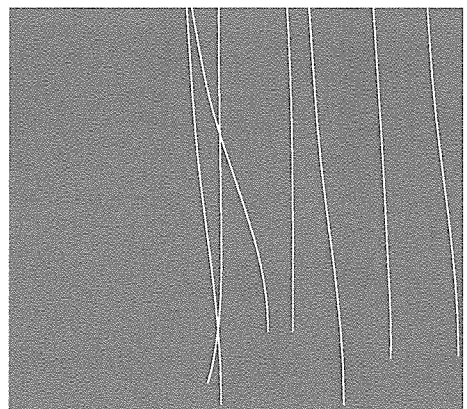
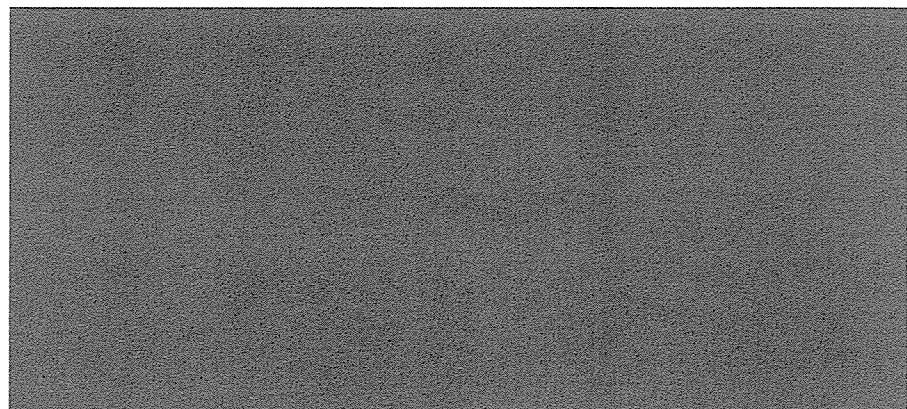
TIMESCALE	REF	ACTION AREAS	RESOURCES / PARTNERS
KEY BUSINESS GROWTH INPUTS			
2007		> Develop a more targeted investment attraction approach that outlines the level, type and how investment will be attracted to the Wellington region.	
2007		> Actively pursue opportunities for local businesses to achieve scale / export growth through joint ventures with, and sourcing investment capital from, domestic and international investors in target industries.	
2007		> Implement the solutions to improve participation contained in the Wellington Regional Labour Market Strategy (WRLMS).	
2007		> Implement the solutions to improve productivity contained in the WRLMS.	
2007		> Implement the solutions outlined in the promotional and leadership section of the WRS to ensure that the Wellington region is perceived nationally and internationally as the premier work destination in New Zealand.	
2007		> Implement the solutions outlined in the skills section of the WRS to ensure the matching and development of current and future work place skills needs with educational, training and careers programmes.	
2007		> Growing the regional skills base through business training and development.	
2007		> EDA regional representatives to link regional initiatives to local authority.	



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ACTION AREAS	CURRENT FUNDING PACKAGE	\$4 MILLION P.A.	\$5 MILLION P.A.	\$7 MILLION P.A.	\$10 MILLION P.A.
INVESTMENT ATTRACTION					
CLUSTER SUPPORT					
WRMS SKILLS & PRODUCTIVITY INITIATIVES					
REGIONAL LABOUR MARKET STRATEGY- LEADERSHIP & PROMOTION					
BUSINESS TRAINING & DEVELOPMENT					
EDA REGIONAL MANAGERS					





Investment in good regional form

Good regional form is about the physical arrangement of urban and rural communities and how they link together. It is fundamental to a successful, sustainable economic growth strategy.

A well-configured and compact community enhances the quality of life for residents and businesses. It's easier to get around, transport costs are lower and suitable housing is available. Each community not only looks good, but also works well and is cohesive. People are proud of belonging.

There are economic spin-offs from having well configured cities. For example, there are direct correlations between allowing higher density housing near city centres and increased productivity. Less time spent travelling means more time for work and leisure. Good transport connections are an essential ingredient for business success and are an investment priority.

The good thing for the region is that it stacks up well by international standards.

The good thing for the region is that it stacks up well by international standards.

In 2006 Wellington City came 12th in the Mercer Consulting world wide quality of living survey involving 350 cities.

But it's not just Wellington City. One of the region's greatest attractions is its diversity. There are few places in the world able to mix stunning harbours with cosmopolitan city centres and easy access to coasts, countryside and mountains. Not only is it possible to prosper financially, it is also possible to have a great quality of life. And there is a tremendous choice of living options including inner city apartments, homes with expansive gardens, rural lifestyles, vineyards and extensive pastoral farms.

If we are to achieve sustainable economic growth, we must continue

to look after both business and the physical form of the region.

For most people 'good regional form' represents the things that contribute to our quality of life - efficient transport, well designed cities and so on. But it's more than that. Good regional form makes smart commercial sense. The Melbourne 2030 project is similar to Wellington's Regional Strategy. We estimate Melbourne's regional form improvements will contribute 2-3% to its GDP. If you apply these same principles to Wellington that's an additional \$150 million in annual economic growth for the region.

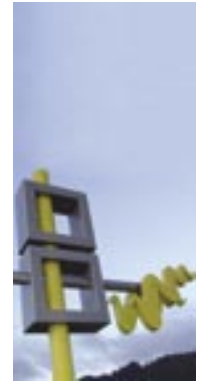
Marcus Spiller Director
SGS Planning and Economics
Melbourne

"Advances in communication and travel mean that regions compete globally. To ensure a strong economy that will attract talent and skills, our incentives will need to revolve around lifestyle, career and incomes. Wellington offers a great lifestyle, so a continuing focus on economic growth is vital to achieve our objectives."

— SIR JOHN ANDERSON



Commuting bottlenecks increase transport costs and reduce time for work and leisure



A STRONG CBD SUPPORTED BY SUB-REGIONAL CENTRES

The Wellington CBD and the sub-regional centres are the engine rooms of economic development. They are the hubs for transport movements and civic and community investment. Their continuing prosperity and resilience in the face of social and economic change are a key aspect of this strategy. Effective, viable centres should also relieve pressure on the transport system.

While the Wellington CBD is the major centre, with 73,000 people working there each day, the sub-regional centres also provide significant business, retailing and community services. There is a symbiotic relationship between the Wellington CBD and the other centres. Each complement and potentially compete with the others for people, skills and money.

The Wellington CBD and the sub-regional centres are the engine rooms of economic development

This strategy recommends an overall vision for the region’s centres, supported by locally developed strategies. This includes improving our information about what is happening in these centres. We will consider the best locations for big box retailing and more intensive housing, and review transport investment programmes. This will help local government to better engage with the business community and developers, to guide investment to the right areas.

We will also look at appropriate regional investment mechanisms to unlock development potential within a centre or the CBD where the market is not yet delivering on desired development.

QUALITY URBAN DESIGN

Quality urban design is about cities that look good, feel safe and are easy to get around. Good design is another core component of international competitiveness.

All the councils of the region are committing to be a joint signatory to

the New Zealand Urban Design Protocol by the end of this year. As a joint signatory, the region will prepare an action plan showing how we’ll give effect to the protocol. Potentially, the region will be able to provide national leadership in urban design and sustainable development standards.

INTEGRATING TRANSPORT WITH URBAN AND RURAL NEEDS

The efficient operation of the region’s road, rail, air and sea transport networks is fundamental to a well run economy.

“I love Wellington because Wellingtonians care about each other. It’s the most inclusive place on the planet.”

— DES BRITTEN



Seaview, Hutt City, is a good example of commercial/industrial land that is close to where people live, but it would benefit from improved access to main transport links



Investment in good regional form continued

Investment in land transport, especially roading, is addressed through the Regional Land Transport Strategy (RLTS). The WRS is encouraging, in particular, the importance of east-west roading links in addition to proposed investment in north-south links. For example improved access to the port and airport from Seaview will aid business growth

Analysis of the implications of transport decisions on surrounding areas needs to be strengthened. This affects our ability to ensure that the Wellington CBD and sub regional centres are properly supported, and equally, to unlock the economic potential of some areas.

For example, our research suggests economic benefits will result from better access to the port and airport, and improved east-west transport connections. This is especially relevant for integrating the eastern corridor of the Hutt Valley and Wairarapa with the western corridor of Porirua and the Kapiti Coast. We also need to ensure that the

proposed Transmission Gully road links effectively with the Hutt Valley as well as with Wellington City.

A strengthened regional transport and land use group is proposed. This will help to ensure that land use and transport decisions will be better integrated. This is especially relevant for integrating the Hutt Valley with the Western areas of Porirua and Kapiti.

LAND FOR BUSINESS GROWTH

Successful economies need an adequate and adaptable supply of land for commercial and industrial use. Many new economy businesses have particular infrastructure and amenity requirements, such as state of the art communications technology, attractive work environments and good transport links for distribution industries. They also need a good supply of skilled workers.

An important goal is to achieve more employment close to where people live. This reduces pressure on transport and strengthens each community.

Within the region, prime industrial land prices are rising, partly as a result of competition with commercial and residential demands. This is especially so in the inner city. Traditional, land-extensive manufacturing industries, are becoming a thing of the past and there are challenges in adapting existing buildings and infrastructure to suit new economy industries. While there appears to be an adequate supply of land across the region for industry, we have a limited understanding of how to utilise it in a way that achieves the wider sustainable economic growth outcomes of this strategy.

We are looking in more detail at the demand and supply of industrial land to provide accurate information on strategic locations for business investors. This is to identify if and where action needs to be taken because the market is not delivering; and to ensure that employment growth occurs where it will provide most regional benefit.



L-R: One of the region's strengths is the wide range of housing and lifestyle options





MORE HOMES CLOSE TO CITY CENTRES AND TRANSPORT LINKS

One of the region's strengths is the wide range of housing and lifestyle options available.

There is a need to encourage medium and higher density housing close to the Wellington CBD, sub-regional centres and transport links. This responds to research showing gaps in the housing types provided in the region. More residents create the vibrancy that the various centres thrive on, and it makes good sense to have people living close to public transport links. However there is also a need to protect the character of traditional low-density suburbs by managing infill housing carefully. Successful cities place a strong emphasis on good urban design and achieving balance in housing choice is an important part of this.

We propose that each Council will identify, with its own community, where and how higher density housing will be provided, and how infill development

and residential expansion will be managed. These matters will ultimately be incorporated into each District Plan. We also propose using a common set of terms for describing high, medium and low density housing, to avoid confusion for developers who work with more than one local authority.

AFFORDABLE HOUSING

There are two components to affordable housing. First, it's important to have homes at a reasonable cost available throughout the region. Second, there is an ongoing need for suitable housing for those who are unable to afford market costs, whether from social need, disability, or low income.

Currently, affordable homes tend to be located at a distance from the Wellington City CBD and other places of work. Some areas have high concentrations of public housing, others have none. Housing on the periphery comes with significant transport costs if no local work or community services are available. Where housing choice is limited, families

may need to move as the size of a household changes. Poor design can also increase winter heating costs.

We propose undertaking a detailed study about affordable housing and its relationship to the workforce, in association with a central government analysis of social housing needs. We would work with major private sector developers to explore ways to build more affordable housing, and to look at a regional investment mechanism to address deficiencies in its supply. We also propose working with central government on its investment programme for social housing.

RURAL LIFESTYLES

The Wellington region offers excellent opportunities for rural residential living. The fact you can live in the country, and still be within half an hour of the heart of the capital, is one of our competitive advantages.

There are real benefits in making such lifestyle options available in certain



Integrating transport and urban needs can unlock economic potential



Quality open spaces are fundamental to world class cities and regions



Investment in good regional form continued

areas. Not only does “lifestyle” living attract potential investors to the region, it may also make better use of poor productivity areas, strengthen smaller communities, unlock related economic development opportunities and even enhance management of special environmental features. However there are threats, like potentially taking quality soils out of rural production, or threatening sensitive ecosystems or significant landscapes. The orderly extension of urban areas and urban services also becomes more difficult if land ownership is too fragmented.

We propose to look in more detail at the regional opportunities and constraints to rural residential and lifestyle developments, with a view to identifying and managing areas suitable for long-term lifestyle development, or transitional development preceding urbanisation.

OPEN SPACES

Quality open spaces are fundamental to world-class cities and regions. Open spaces include our parks, walking tracks

and natural areas. These spaces link into a network of ecosystems and recreational experiences that may also be useful for storm water control, urban amenity and regional promotion.

There are opportunities to improve the open space network, and to gain more economic benefits from these assets. One example is the development of the Karori Wildlife Sanctuary. Another is linking the Hutt River Trail through to the Wairarapa.

We will look at ways to better integrate the region’s open spaces, particularly for recreational activities like walking and mountain biking. Some key areas may be privately owned, and we’ll need to negotiate with the landowners to gain access rights or to acquire the land. We’ll look at the best ways to manage these areas, balancing recreational values with ecological and other values.

CHANGE AREAS (SEE MAP ON PG XX)

The region has eight “change areas”, which are particularly important to the

successful implementation of the strategy. These are areas that are likely to come under development pressure, or which represent an opportunity, where it makes sense for the region’s local authorities to work together. Management of the change areas will be undertaken by the relevant Council in consultation with rate payers.

Northern Waikanae edge

There is potential for continued northern spread of development at Waikanae North. Kapiti Coast District Council proposes a northern urban edge at Waikanae. This will focus new growth around selected centres and transport nodes and in Otaki. The Wellington Regional Strategy supports the development of this concept, given the risks to containment and enhancement of centres, or general urban sprawl.

Pauatahanui

This area is important because it is close to the proposed Transmission Gully Motorway and State Highway 58 interchange. This creates pressure for development that could undermine



Pataka, Museum of Art and Culture Porirua City, is an example of high quality urban architecture



The ecological importance of Pauatahanui inlet needs protection from unsuitable development pressures



the region's quality of life objectives, especially given the ecological importance of the Pauatahanui inlet. All territorial authorities within the region have an interest in land use in this area.

Grenada to Gracefield

The Seaview/Gracefield area has significant industrial and commercial redevelopment potential, while the Petone foreshore/Jackson Street area lends itself to more intensive housing, albeit ensuring the area's character is retained.

Over the hill, there is opportunity for mixed use development in Grenada encompassing industrial-based employment and greater housing choice. There is also opportunity to link Grenada and Gracefield via an east-west link, providing traffic congestion relief, especially in the Ngauranga Gorge.

Development of the Petone foreshore and reduction in Ngauranga traffic congestion have the added benefit of providing better port access for both Grenada and the Gracefield regions.

Johnsonville to the airport - the growth spine

This area is critical because it contains a number of key regional facilities including the port, airport, regional hospital and Wellington CBD. Increasing pressure on road, rail and bus transport is resulting from business and apartment growth within the CBD. Planning needs to accommodate further growth pressures, recognising that this area is the economic engine room of the regional economy.

Paraparaumu town to Paraparaumu beach

The area from Paraparaumu town to Paraparaumu beach incorporates an industrial estate, the airport site and vacant land adjoining the town centre. It is subject to residential and retail - especially big box - development pressure which potentially undermines town centre intensification and passenger transport goals. Furthermore, the area is dissected by the proposed Western Link road, the State Highway 1 expressway and a bus/rail transport hub. Careful

planning is needed to integrate current and potential uses with the overall objectives of the area.

Porirua to Linden

This area incorporates significant development opportunities at several adjoining sites including the Aotea block, the old Porirua hospital land, Porirua city centre and industrial estates at Elsdon and Kenepuru Drive. All of these areas are potentially impacted by transport decisions, especially the location of the proposed Transmission Gully interchange with State Highway 1 and the Porirua Rail Station upgrade.

State Highway 2 / State Highway 58 interchange to Upper Hutt City centre

This area is important for a range of reasons. It contains large regionally significant sites including St Patrick's College, biosecurity at Wallaceville and the former General Motors site on Alexandra Road. There is opportunity to provide greater housing choice, including intensification around transport points in Silverstream, Trentham and the Upper Hutt CBD. The area would also benefit from the improved east-west connection arising from Transmission Gully Motorway and State Highway 2 and 58 upgrades.

Waingawa

This is a strategically important employment site for the Wairarapa and has potential as an inland port/ cargo hub, especially in relation to forestry, food and beverages.



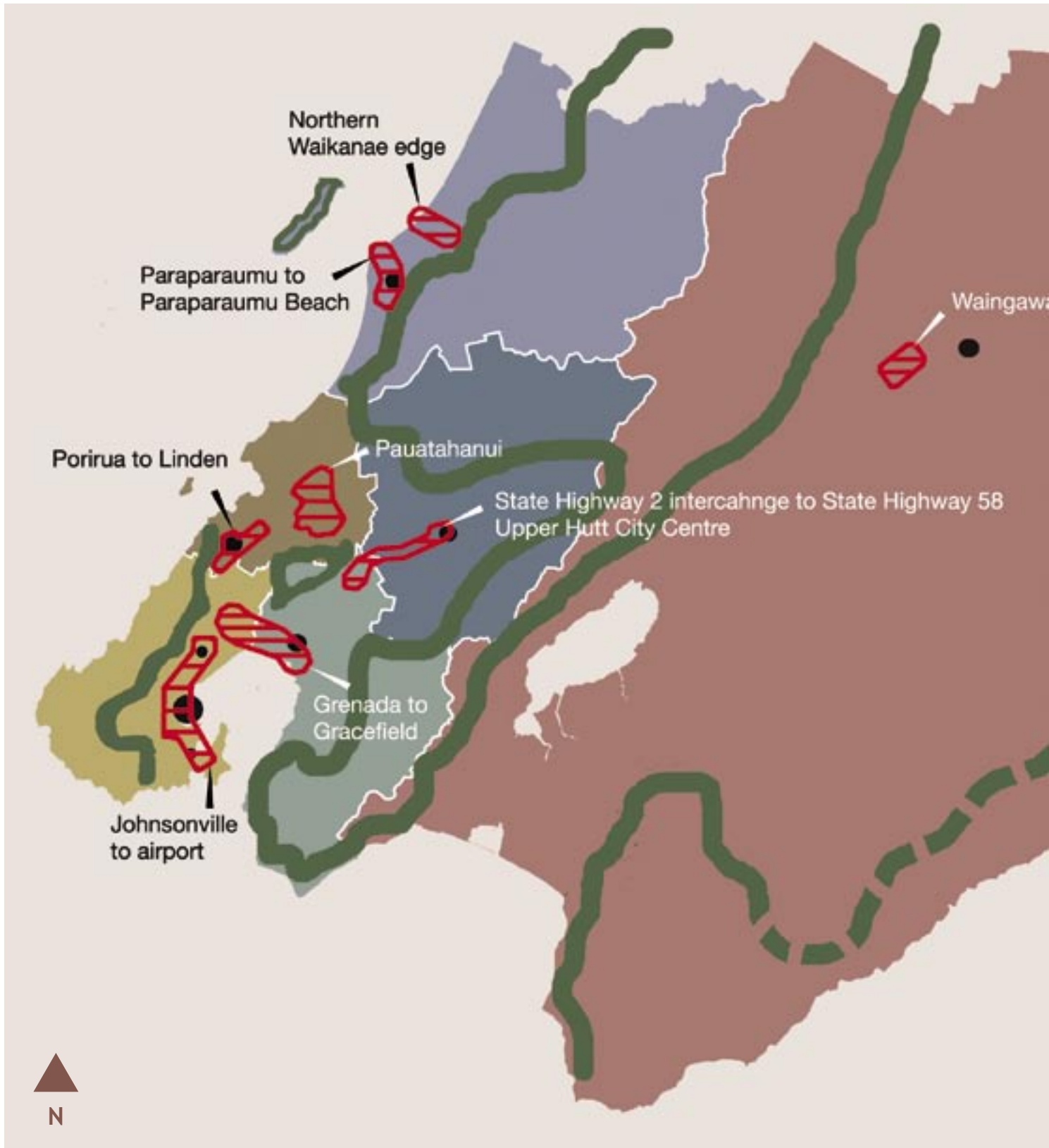
The Johnsonville to airport growth spine is critical because it contains the port, airport, regional hospital and CBD

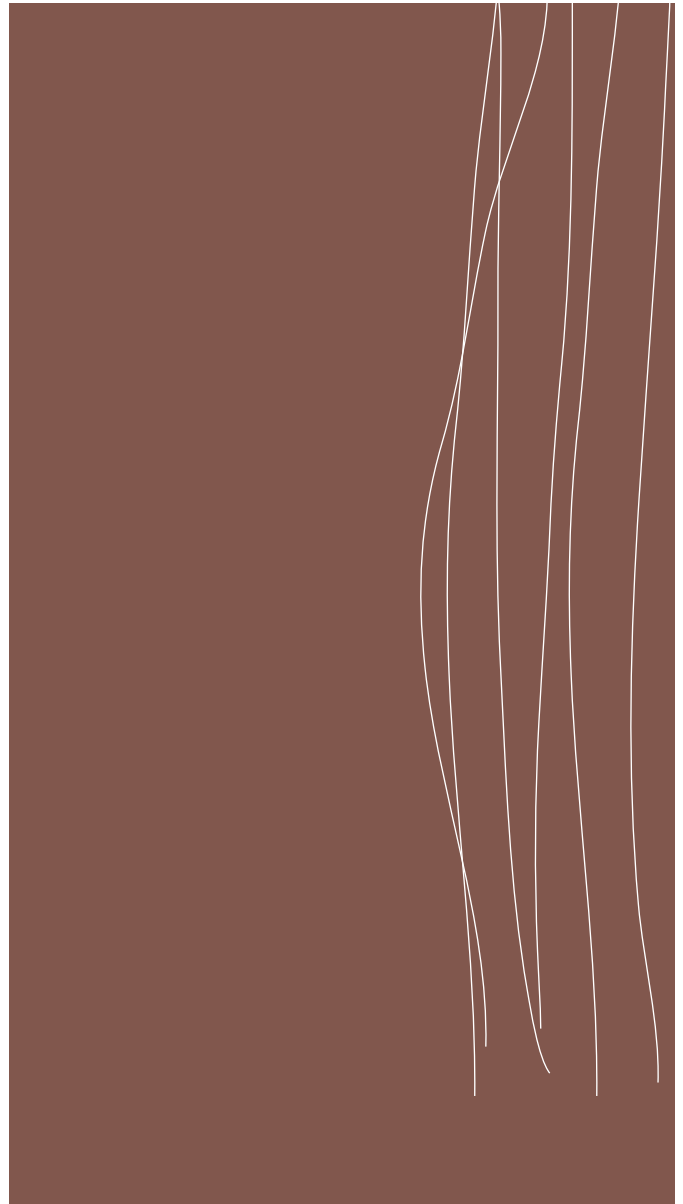


The former General Motors site has potential for small scale industrial development



Change areas: Priorities for Action

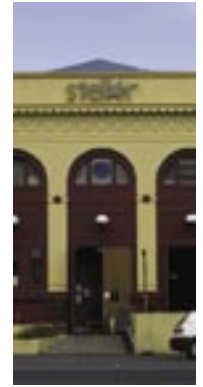




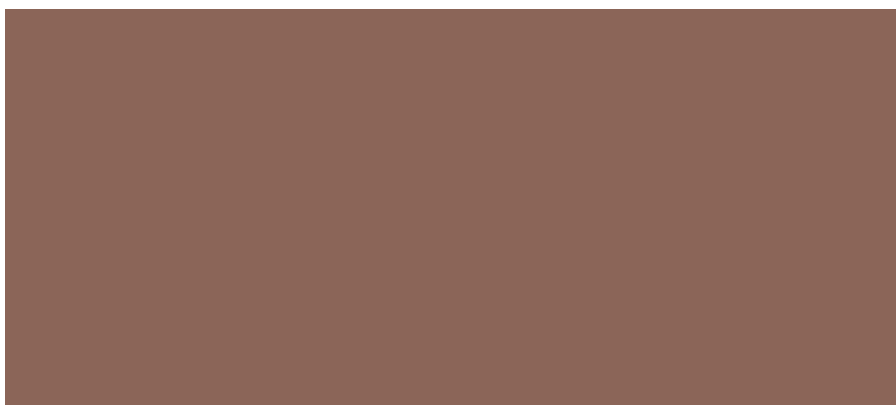


Investment in good regional form - Actions

TIMESCALE	REF	ACTION AREAS	RESOURCES / PARTNERS
CENTRES			
2009		> Complete a centres development vision for each sub-regional centre and the CBD.	All councils Regional peer review
2009		> Integrate the individual centre visions into an overall vision for the region's centres.	All councils
2008		> Develop regionally consistent principles for managing big box retail activities to minimise their potential to erode consolidation and centre development strategies.	All councils
2007		> Develop an agreed transport investment programme in relation to each of the region's centres.	All councils Transit NZ
INDUSTRIAL-BASED EMPLOYMENT LOCATIONS			
2007		> Develop a regional database providing accurate and detailed information on the supply of, and demand for, land for industrial based employment activities.	All councils Tertiary education Private sector
2007		> Complete study on factors affecting supply and demand of industrial land including: land value relative to the type of employment, proximity to transport routes and other related land uses.	All councils Private sector
2007/2008		> Identify employment locations which fit the strategic direction of the WRS.	All councils
2008		> Map and promote industrial-based employment locations with good strategic fit.	All councils



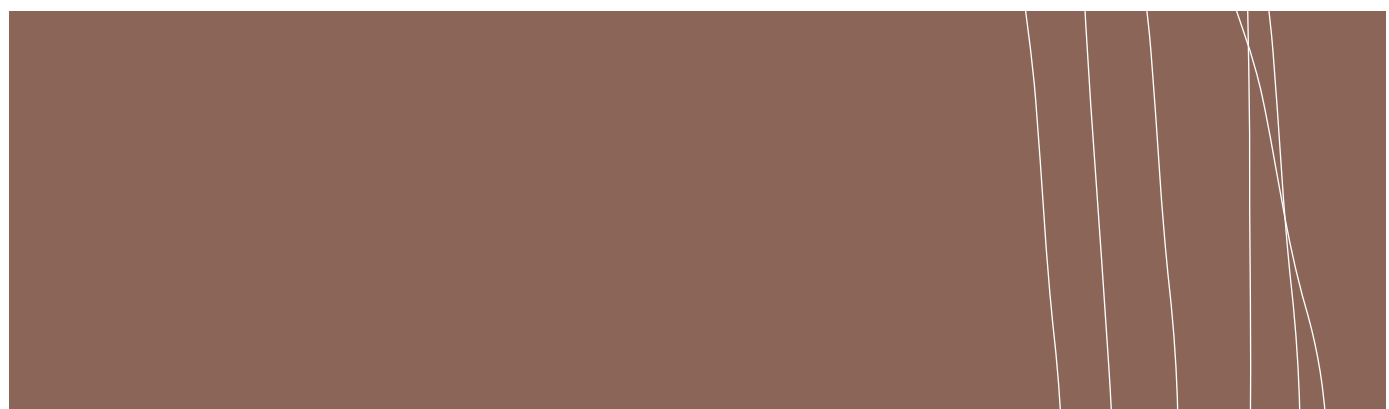
TIMESCALE	REF	ACTION AREAS	RESOURCES / PARTNERS
INTENSIFICATION			
2007		> Complete a region-wide study of housing supply to use as a reference point for managing future housing intensification.	All councils Housing NZ
2008		> All Councils will identify an intensification overlay (and associated infill management framework) with their local communities which will be drawn together into a regional 'picture'.	All councils
2009		> All District Plans will provide for targeted intensification and infill housing management.	All councils
2008		> Key local developers across the District will have signed up to the Urban Design protocol.	All councils Development sector
RURAL RESIDENTIAL DEVELOPMENT			
2008		<ul style="list-style-type: none"> > Develop regional information base. > Develop regional principles to guide identification and release of sustainable rural residential development opportunities. > Develop regional tools to facilitate and guide rural residential developments. 	All councils Federated Farmers Rural sector groups
AFFORDABLE HOUSING			
2007		> Complete a regional analysis of affordable housing availability as it relates to workforce mobility and development, integrated with central government analysis of social housing needs.	All councils Central govt
2008		> Complete a heads of agreement with major private sector developers to explore innovative housing design/ developments that increase the range of housing types in key parts of the region.	All councils Central govt Private sector





Investment in good regional form - Actions

TIMESCALE	REF	ACTION AREAS	RESOURCES / PARTNERS
2008		> Complete a central government regional social housing investment programme (including long-term land banking) clearly linked to centres and workforce development strategies.	All councils Central govt
2009		> Establish: <ul style="list-style-type: none"> - a regional investment mechanism which can assist local communities to unlock development potential for affordable housing - clear principles and criteria for triggering such investment actions. 	All councils Central govt
INTEGRATING TRANSPORT & URBAN NEEDS			
January 2007		> Strengthen the multi-disciplinary regional officer group to: <ul style="list-style-type: none"> - help develop the regional plan of action under the NZ Urban Design Protocol - provide regional peer review of the concept planning of the region's change areas - provide land use planning advice to the Regional Land Transport Committee. 	All councils Transit NZ
TIMESCALE	REF	ACTION AREAS	RESOURCES / PARTNERS
OPEN SPACES			
2007		> Using the WRS environmental constraints project as a basis, identify and map different categories of public open space, including: <ul style="list-style-type: none"> - regional parks and publicly-owned water collection areas - DOC estate, reserves and covenants - parks and reserves - walking tracks 	All councils DOC QEII
2007		> Identify major gaps and opportunities to improve regional integration of public open space.	All councils Open space sector

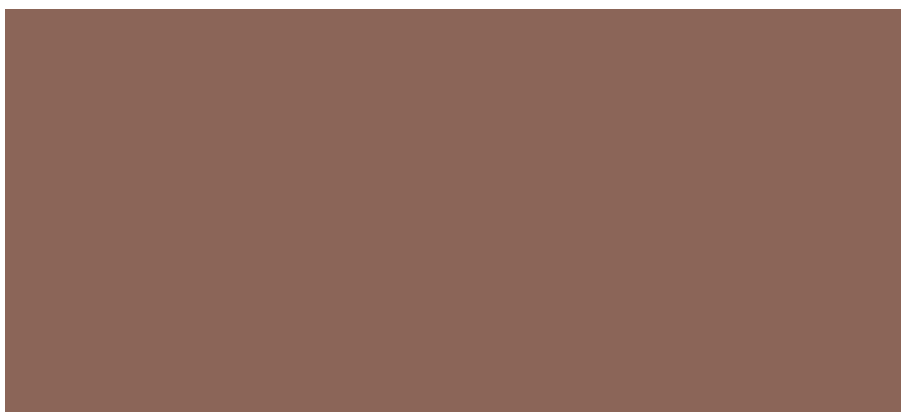




2008	<ul style="list-style-type: none"> > Develop a regionally agreed action plan for improving the integration of public open space - to consider: <ul style="list-style-type: none"> - identification of any key areas of land not in public ownership that are considered important in the overall regional opens space network - methods to better integrate existing and new areas into the open space network, including: <ul style="list-style-type: none"> • land purchase • public private partnerships • use of QEII covenants • extension of walking tracks - Management implications of using different methods. 	All councils Open space sector
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QUALITY URBAN DESIGN

March 2007	<ul style="list-style-type: none"> > Formally sign-up to the NZ Urban Design Protocol. 	All councils
2007	<ul style="list-style-type: none"> > Develop a regional action plan to implement the commitment to the Urban Design Protocol. 	All councils
2007	<ul style="list-style-type: none"> > Review existing codes of practice and subdivision design guides. 	All councils
2007	<ul style="list-style-type: none"> > Agree framework for joint code of practice. 	All councils
2008	<ul style="list-style-type: none"> > Finalise joint code of practice. 	All councils



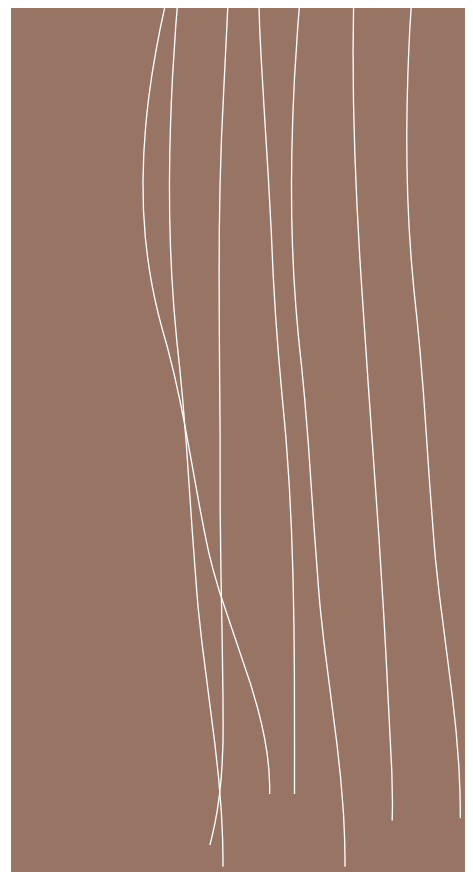


Investment in good regional form - Actions

TIMESCALE	REF	ACTION AREAS	RESOURCES / PARTNERS
CHANGE AREAS			
2007		> Complete the ongoing planning process for the Northern Waikanae edge.	Kapiti Coast District Council (lead) Regional peer review
2008		> Complete the ongoing planning process for the Paraparaumu town to Paraparaumu beach area.	Kapiti Coast District Council (lead), Greater Wellington Regional Council & Transit NZ Regional peer review
2008		> Complete a structure plan for the Pauatahanui area.	Porirua City Council (lead) All councils & Transit NZ
2010		> Complete a planning framework for the area from Porirua to Linden.	Porirua City Council (lead) & Wellington City Council Regional peer review
2007		> Commence a planning framework for the Grenada to Gracefield area.	Hutt City Council, Wellington City Council, Porirua City Council (joint leaders) Other councils & Transit NZ
2009		> Complete a planning framework for the Johnsonville to airport area.	Wellington City Council (lead) Other Councils & Transit NZ
2007		> Complete a planning framework for the area from the SH2/SH58 interchange to Upper Hutt City centre.	Upper Hutt City Council (lead) Regional peer review
2007		> Complete the ongoing planning process for the Waingawa area.	Wairarapa councils Regional peer review



Juken New Zealand timber plant, part of the Wairarapa's Waingawa change area



STRATEGY SUMMARY



A snapshot of the Wellington Regional Strategy's impact in local authority areas



Region-wide activities

- > Developing centres of excellence and key sectors
- > Getting better at commercialising our ideas
- > Affordable, high speed broadband available to all houses and businesses in the region
- > Availability of direct flights from Wellington to Asia, one stop to Europe
- > Increased energy self sufficiency
- > Attracting substantially increased tourist and convention numbers
- > A greater focus on quality urban design and sustainable development

Upper Hutt

- > Focus on the 'change area' which includes development of activity around the national biosecurity centre at Wallaceville
- > Enhancing of links with Wellington and Porirua
- > Continuing focus on a strong city centre
- > Enabling a diverse range of housing needs to be met

Hutt City

- > Focus on the 'change area' which includes strengthening of the industrial and science base in Hutt City. For example supporting the role of science in Gracefield
- > Addressing access issues from Gracefield to the State Highway
- > Strengthening of Hutt City centre
- > Providing for housing diversity

Porirua City

- > Strengthening of Porirua City centre
- > Porirua will leverage off, and manage effects of, the proposed Transmission Gully route
- > Strengthening of the local employment base
- > Providing for housing diversity

Wellington City

- > Action to maintain and enhance the vibrancy of the CBD
- > Development of a 'growth spine' along transport routes
- > Retaining existing businesses and encouraging new investment
- > Establish stronger links with the private sector, voluntary sector and central government
- > More reliable transport links between Ngauranga and the airport

Kapiti Coast

- > Better and more reliable access to Wellington
- > Managing growth sustainably
- > Strengthening the Kapiti centres
- > Investment in key public infrastructure (eg water and roads)
- > Providing for housing choice diversity

Wairarapa (including Carterton, Featherston and Masterton)

- > Better and more reliable access to Wellington
- > Tourism potential developed
- > Food and beverage potential developed
- > Strengthening of centres and greater housing choice
- > Ensuring land is available for value added processing

EXTERNAL RISKS AND PRESSURES



There are a five external trends, either at a global or national level, which present risks to any growth strategy developed for the Wellington region. The five "mega trends" or uncertainties that potentially affect the strategy are:

- > the growing costs of fossil fuels, often called "peak oil"
- > climate change
- > competition from Europe and elsewhere for the 25- 45 age group as the workforce and populations age
- > global disruption and conflict
- > major shifts in national policies - particularly relating to energy, international markets, transport, governance and immigration.

Peak Oil

There is general acceptance that the supply of oil is peaking, or indeed may have already peaked. Combined with increased demand, particularly from China, this means oil will be increasingly expensive.

Some predict a catastrophic impact as the costs of transport and production become prohibitive and markets

collapse. Others predict dislocation and significant change accompanied by a more gradual adaptation by communities to circumstances. At the very least there will be a significant increase in the cost of services and development, which will constrain the ability of communities to invest in other areas. Some assume a capacity to adapt technologies quickly, to offset the constraints on this fuel source.

The Wellington region has no capacity to influence wider impacts of "peak oil", but does have the capacity to try and "future proof" against impacts by:

- > promoting regional form which maximises use of passenger transport systems and reduces reliance on vehicles
- > promoting local centres based employment
- > promoting economic activity and businesses less reliant on fossil fuels for raw materials, production and markets
- > scrutinising investment decisions in major road transport systems
- > promoting energy efficiency and

alternative sources of energy such as wind farms

- > developing a regional risk plan to address peak oil impact
- > encouraging tolerance and social cohesion to offset the tensions and difficulties that will arise from rising costs and the processes of adaptation.

Climate Change

The use of fossil fuels and the release of greenhouse gases into the atmosphere has been identified as a significant global risk. Climate impacts include a general warming of the earth's atmosphere, increased intensity and volatility of weather events and rising sea levels. The effects vary around the globe, but in the Wellington region will have the effect of increased intensity and frequency of rainfall in the west and a drier climate in the east. Sea level rises of about half a metre will also have a significant impact on low lying areas. One immediate effect is on flood return periods and the likely increased cost of stormwater and flood management infrastructure in some parts of the region. This will require communities to consider impacts, assess the level of risk they wish to accept and



Climate change is likely to result in an increased intensity and volatility of weather events



Increased energy costs will result in greater use of public transport

make clear investment decisions. It is likely to require increased investment in some areas and less in others.

The Wellington region cannot prevent effects arising from current and past emission levels. However it can contribute to limiting future effects and ensuring adaptation to effects beyond its control by:

- > adopting programmes to reduce emissions. The region is in a good position to do so, with the transport/urban form structure that currently exists
- > contributing to the development of renewable energy
- > encouraging communities to identify local effects and adapt
- > encouraging local centres of employment
- > supporting passenger transport.

International Competition for a Skilled Workforce

The ageing of western countries around the world and the increasing “globalisation” of the workforce poses risks for the Wellington region. European

countries, for example, will face an absolute shortage of workers in the 25-45 age group, with inadequate levels to support the current level of economic activity and lifestyle expectations. Coupled with the increasing mobility of skilled workers around the world, this means that New Zealand and the Wellington region are vulnerable to competition for skilled workers.

The Wellington region already experiences an outflow of people in the 25-45 age group, although many return later. At present the region also receives much of its immigration via Auckland and other regions. This means that Wellington is dependent on the attractiveness of Auckland in particular in encouraging skilled workers to emigrate to New Zealand. The Wellington region is successful in attracting new people once they have arrived in the country.

Wellington has the ability to counter population loss and attract skilled workers directly to the region. It has the ability to retain such people once here. This depends on the level of willingness of the regional community to counter the risks by investing in:

- > the quality and attractiveness of the region’s physical and cultural environment, particularly the urban areas
- > the “new economy”, which provides opportunities for skilled workers
- > training and up-skilling of the existing workforce as well as a focus on attracting people to the region.

In addition, the region needs to be more innovative about the way work opportunities are structured and the way older people enter and leave the workforce.

Global Disruption and Conflict

There are a number of global trends that point to increased risk of disruption to communities, markets, communication and travel. These are:

- > emerging risks around global pandemics
- > ecological instability, such as climate change, pollution and bio-diversity reduction
- > geo-political instability, such as the collapse of governance systems (including international agencies like



Increased intensity and frequency of rainfall is likely





the WTO), the “war on terrorism” and emergence of small unstable democracies.

The New Zealand economy is very open to external decisions about investment and the flow of capital and international markets. While international connectedness is fundamental to this strategy it also increases vulnerability to external shocks.

The Wellington region has no direct control over these global risks. However, it can spread risk by:

- > becoming more skilled in understanding future trends and risks
- > spreading economic growth investment across sectors, value chains and external markets
- > continuing to focus on production and activity servicing markets at the local and national level
- > ensuring the region’s continued role as the centre of government, and developing economic opportunities around this sector.

Major Swings in National Policy

Stability in the policy context is essential for making decisions about investment in infrastructure, communities, the labour-force and business development. Immigration policy is particularly vulnerable to political fashion and is a major factor in economic growth initiatives. Similarly, the significant ideological shifts around the role of the state in investment and maintenance of key transport, energy and communications infrastructure have imposed major costs for communities. These shifts have led to a major shortfall in investment in maintaining and extending systems over the last twenty years. Reinvestment in these areas has a long lead-in time. Lack of certainty makes it difficult for both businesses and communities to stage investment decisions.

The Wellington region has the ability to influence the national policy context by:

- > working across and within sectors in a collegial, co-operative manner

- > collectively advocating certain policy positions that benefit the regional communities
- > requiring central government agencies to take a more holistic, integrated approach to analysis of issues and investment decisions.

These and other risks and trends have been used to inform the development of the focus areas for action that are set out later in this strategy.

TELL US WHAT YOU THINK



In developing the strategy a wide range of groups and individuals representing business, central government, local government and the voluntary sector, have provided input. The views of ratepayers and business were also sought through a quantitative survey. This document is the culmination of input received.

Although the consultation has been extensive, it is important in pulling together the threads of information that the final strategy reflects the views expressed. For this reason, we want your feedback. The form below is divided into three areas, reflecting the three broad focus areas of the strategy.

For the section on investment in effective leadership and partnerships

[pages xx to xx] please also refer to the Statement of Proposal which provides further information, including funding details.

Please be as precise as possible when making your submissions. This will help us consolidate the feedback received.

Please return your submission by **Monday 30 October 2006.**

Mr / Mrs / Ms / Miss / Dr [circle which applies]

First name

Last name

Street address

Phone

Email

1. Investment in effective leadership and partnerships

Please indicate the extent to which you agree with the general content of the section on investment in effective leadership and partnerships.

Strongly Disagree

Somewhat Disagree

Agree

Somewhat Agree

Strongly Agree

Comments / Suggestions

Page [s] to which the comments relate –

PHOTO
YET TO BE
SOURCED

Please submit this form by mailing it to

Wellington Regional Strategy
PO Box 11646
Wellington

Alternatively drop the form off at your nearest Council office.
The closing date for submissions is **30 October 2006**.

2. Investment in good regional form

Please indicate the extent to which you agree with the general content of the section on investment in good regional form.

Strongly Disagree Somewhat Disagree Agree Somewhat Agree Strongly Agree

Comments / Suggestions

Page [s] to which the comments relate –

3. Investment in growing our economy, especially our exports

Please indicate the extent to which you agree with the general content of the section on investment in growing our economy, especially our exports.

Strongly Disagree Somewhat Disagree Agree Somewhat Agree Strongly Agree

Comments / Suggestions

Page [s] to which the comments relate –

4. Do you have other Comments / Suggestions, for example on the Genuine Progress Indicator?

Page [s] to which the comments relate –

Please tick here if you also want to present your views in person

GENIUNE PROGRESS INDICATOR



How will we measure our progress?

WHAT YOU TOLD US

During consultation on the Growth Framework you told us that prosperity in the Wellington region meant more to you than monetary wealth. You told us it was about quality of life for all members of our society and that economic growth should not be sought at the expense of the community or the environment. The Wellington Regional Strategy Forum agreed that it is the quality of life that comes from sustainable economic growth that we are seeking. As a result, the Forum has decided to use a framework that measures our progress across all areas of life.

GENUINE PROGRESS INDICATOR

The Genuine Progress Indicator (GPI) measures progress across economic, environmental, social and cultural sectors. GPI is a leading edge measurement system. It will be used to measure our economic, environmental, social and cultural "performance".

INDICATORS AND MEASURES

The following chart shows the indicators we intend to use. A number of technical measures sit below each indicator, providing detailed information to help us understand how our region is changing over time, and whether we are making "genuine progress". For example, some measures of income include the median household income, the distribution of income (looking at the percentage of households in the top and bottom national household income quintiles), personal income by ethnicity, average hourly earnings and total number of benefits given out.

These indicators and measures shed light on values that the regional community considers to be important. They are specific, measurable, available regionally, relevant and can be gathered within a reasonable timeframe. Councils already report at a local level on a number of these measures. The GPI framework extends this work and aligns it to a region-wide system.

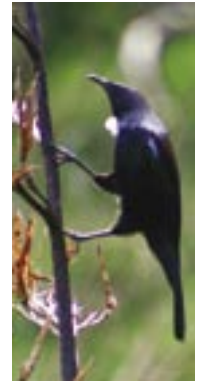
As our understanding of what is truly important for sustainable development evolves, some measures will emerge as being critical to monitor, others may be less relevant and new measures may be added. The final GPI will be tailored to the needs of the Wellington region, and flexible.

WHAT HAPPENS NEXT?

Once we have set up the initial stage we intend to create a more complex GPI "accounting system" that will examine the overall costs (economic, environmental, social and cultural) of things such as economic disparity, pollution of a particular waterway or ill health. This information will be valuable to many organisations in the region and we expect that they, along with the wider community, will be eager to be part of the GPI process. We are working in partnership with the Parliamentary Commissioners Office, tertiary education and research sectors, and Statistics New Zealand in developing our final measurement system.

ECONOMIC	ENVIRONMENTAL	SOCIAL	CULTURAL
Regional GDP per capita	Local natural environmental issues	Population/	Recreation and leisure
Income	Air quality	Demographics	Ethnic mix
Economic activity	Freshwater quality	Education	Maori language, education and culture
Employment	Soil quality	Health of the community	Taonga tuku iho
Cost of living	Biodiversity	Level of social connectedness	Heritage
Net worth	Coastal environment quality	Level of civil participation	
	Green space	Level of safety	
	Ecological footprint	Drinking water levels and quality	

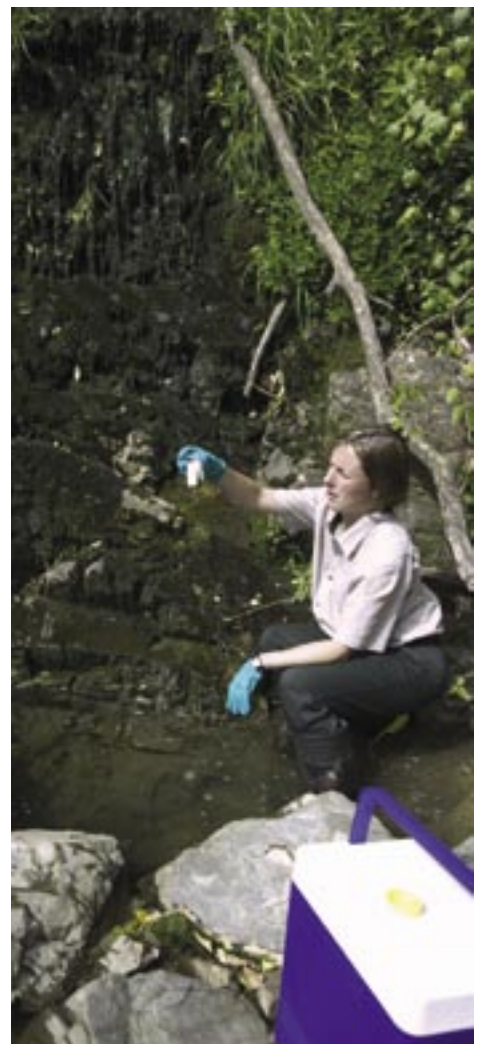
How will we measure our progress? continued



We want to know what you think about the GPI Framework and the indicators we have chosen as a starting point.

If you need more information please go to www.wrs.govt.nz

QUALITY OF LIFE



All Photos: The GPI measures progress in the things that really matter

Interim WRS Committee

<i>Sir John Anderson</i>	Consultant and company director
<i>Ian Buchanan</i>	Chairman Greater Wellington Regional Council
<i>Prof. Paul Callaghan</i>	Professor of physical sciences and director of the McDiarmid Institute for advanced materials and Nanotechnology at Victoria University
<i>Diana Crossan</i>	Retirement Commissioner and Company and Voluntary Sector Director
<i>Ken Douglas</i>	Councillor, Porirua City Council
<i>Bob Francis</i>	Mayor, Masterton District Council
<i>Wayne Guppy</i>	Mayor, Upper Hutt City Council
<i>Prof Ngatata Love</i>	Professor of business development, Victoria University
<i>Alan Milne</i>	Mayor, Kapiti Coast District Council
<i>David Ogden</i>	Mayor, Hutt City Council
<i>Kerry Prendergast</i>	Mayor, Wellington City Council
<i>Catherine Savage</i>	Managing Director of AMP Capital Investments

The Wellington Regional Strategy forum responsible for the development of the strategy, comprises:

INDEPENDENT CHAIRMAN

Murray McCaw

GREATER WELLINGTON

Cr Ian Buchanan
Cr Fran Wilde
Cr Chris Turver (alternate)

HUTT CITY COUNCIL

Mayor David Ogden
Cr Joy Baird
Cr Margaret Cousins (alternate)
Cr Deborah Hislop (alternate)

KAPITI COAST DISTRICT COUNCIL

Mayor Alan Milne
Cr Gordon Strachan
Cr Diane Ammundsen (alternate)

PORIRUA CITY COUNCIL

Mayor Jenny Brash
Cr Euon Murrell

UPPER HUTT CITY COUNCIL

Mayor Wayne Guppy
Cr Peter McCardle
Cr Nellie Gillies (alternate)

WAIRARAPA CONSTITUENCY APPOINTEES

Mayor Bob Francis
Mayor Adrienne Staples (alternate)
Mayor Gary McPhee (alternate)

WELLINGTON CITY COUNCIL

Mayor Kerry Prendergast (Deputy Chair)
Cr Andy Foster
Cr Alick Shaw (alternate)

ARA TAHI (IWI LIAISON COMMITTEE)

Jack Rikihana
Ihaia Puketapu

POSITIVELY WELLINGTON BUSINESS

Ken Douglas
Phil Lewin

CONTACT DETAILS

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OVERARCHING PRINCIPLES FOR PROMOTING SUSTAINABLE PROSPERITY FOR THE WELLINGTON REGION

1. *Efficient use of resources*

There is a high level of connectedness between settlement, transport and existing community wealth

2. *Shared benefit*

Every part of the region shares in the benefits of growth.

3. *Collaboration*

Co-operation will drive regional decision-making by Wellington civic, business and community leaders.

4. *Resilience*

Our planning and actions address the need to be able to cope with, and recover from, shocks and changes.

5. *Tangata whenua*

Tangata whenua values, including the preservation of taonga tuku iho, the protection of mauri and the exercise of kaitiakitanga, are recognised and respected. (see Glossary)

SUSTAINABLE ECONOMIC DEVELOPMENT PRINCIPLES

1. *Benefits and supports local communities*

The benefits of economic growth are available to communities in a way that supports social cohesion.

2. *Highly skilled communities capable of change*

Economic growth fosters communities that are adaptable and able to accommodate change.

3. *Innovative, diverse and adaptable*

The economy which drives economic growth is innovative, diverse and able to adapt easily to change.

4. *Open to external investment and opportunities*

The economy is open to external investment, ideas and opportunities, where these show local / regional benefit.

5. *Avoids environmental harm*

The nature, volume and scale of any economic growth does not lead to parallel levels of environmental harm. Econ-omic growth is 'decoupled' from environmental harm.

SUSTAINABLE URBAN DEVELOPMENT PRINCIPLES

1. *Well structured and designed*

Urban areas, places and spaces have a high standard of design.

2. *Delivers good access*

People and businesses are able to easily access services and facilities.

3. *Respects local sense of place and identity*

Respects cultural values, including the character, sense of place, identity of local areas, places, heritage and areas of significance to Tangata Whenua.

4. *Maintains and protects natural systems*

Urban form maintains vital life supporting functions of the environment.

5. *Mixes natural spaces and built urban areas*

There is a high degree of interweaving of natural and built urban areas.

6. *Copes with change*

Urban form is responsive to changing demands and technologies and provides a range of opportunities and alternatives.

SUSTAINABLE TRANSPORT SYSTEM PRINCIPLES

1. *Creates an integrated land transport system*

Transport infrastructure provides greater transport choice, integration and flexibility.

2. *Provides equitable access for all sectors of the community*

People have access to social, economic, educational and recreational activities and freight moves around efficiently.

3. *Supports a thriving economy*

The transport system maximises the efficient movement of people, goods and services.

4. *Copes easily with change*

The transport system is responsive to changing demands and technologies and provides a range of opp-ortunities and alternatives.

5. *Assists safety and personal security*

The transport network provides for a social environment that is safe.

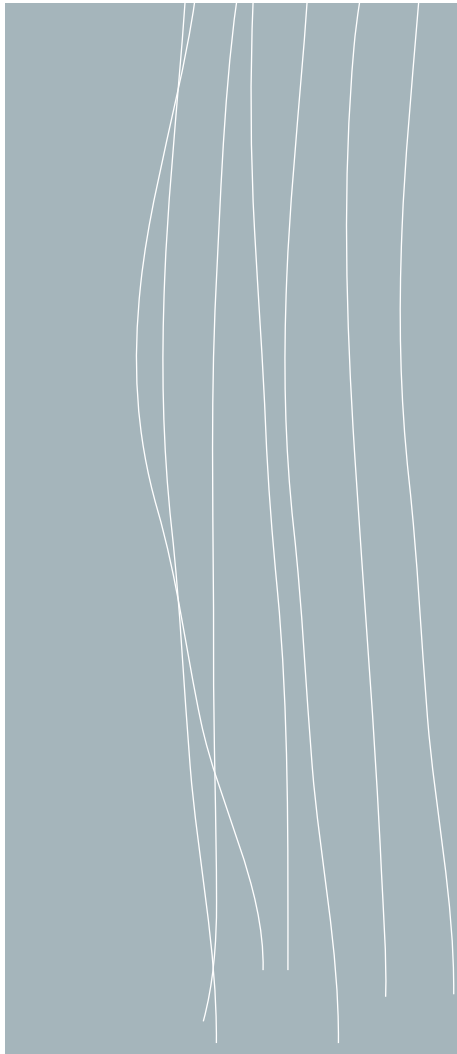
6. *Is environmentally sustainable*

The transport system is managed in a way that optimises allocation and use of resources, including non-renewable energy sources.

7. *Protects and promotes public health*

Allows for social participation and interaction and healthy communities and increases the uptake of physical activity (sport, walking and cycling).

APPENDIX TWO



WELLINGTON REGION	WELLINGTON REGION JOBS 2005	SHARE OF NZ JOBS	NZ JOBS
Property and business services	37447	16.6%	225100
Retail trade	25392	11.2%	226530
Government administration and defence	22194	32.3%	68783
Health and community services	21884	12.3%	178080
Manufacturing	17305	6.7%	257704
Education	15686	12.2%	128820
Accommodation, cafes and restaurants	12698	11.6%	109670
Finance and insurance	11409	21.9%	52020
Construction	11271	10.5%	107430
Wholesale trade	10746	9.4%	114420
Personal and other services	10221	16.5%	61760
Transport and storage	7310	9.8%	74639
Cultural and recreational services	7039	14.9%	47140
Communication services	5387	19.4%	27830
Electricity, gas and water supply	1098	14.7%	7480
Agriculture, forestry and fishing	1072	3.1%	34290
Mining	152	3.4%	4482
	218380	12.7%	1726140