

Uncertainty and Risk Strategy

Officers' Comments

The section on uncertainties and risks that is set out in the Growth Framework Document (prepared by the Wellington Regional Strategy forum) is provided on page 2 of this attachment. The Wellington Regional Strategy, including the uncertainties and risks component, will not be completed until mid-2006.

It seems there may have been some confusion over the uncertainties and risks component of the Wellington Regional Strategy. While the Wellington Regional Strategy document will contain a section on risks and uncertainties, which lists the criteria against which all of the strategy actions are assessed, this will not in itself equate to a uncertainties and risks strategy.

UNCERTAINTIES AND RISK

Our strategy faces a number of external trends, either at a global level or a national level. These present risks to strategy development for our region. Five 'mega trends' or uncertainties are identified that may call into question some of the assumptions or directions of our strategy over time.

These are:

- Impacts of natural disasters e.g. earthquake, flooding, climate change.
- Growing costs of fossil fuels, often called 'peak oil'.
- Competition from Europe and elsewhere for the 25–45 workforce, as global populations age.
- Global disruption and conflict.
- Major swings in national policies – particularly relating to energy, international markets, transport, governance and immigration.

In addition it must always be recognised that forecasts are predictions from a point in time and are inherently uncertain.

A few examples of ways the Wellington region could try and 'future proof' against impacts are:

- Ensuring recovery and post disaster restoration plans are in place.
- Promoting local centre based employment.
- Promoting energy efficiency and alternative sources of energy production;
- Developing regional risk plans to address identified issues.
- Becoming more innovative about the way work opportunities are structured, and the way older people enter and leave the workforce.

These and other risks and trends have been used to inform the development of the focus areas for action that were set out earlier in this document.



WANT TO KNOW MORE?

If you wish to know more see www.wrs.govt.nz and also see the Research Report Delaney and Associate "Global Volatility, Lifestyles & Livelihood Trends: To 2025", Working Paper 7, 2004