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Committee Wellington Regional Strategy
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Wellington Regional Strategy Office Activities Update

1. Purpose

To update the Committee on the WRS office activities and current priorities.

2. Activities Update

2.1 Work programme resourcing

Over the December 2007 quarter the WRS office (0.5 FTE) has had its major focus on finalising setup arrangements around the required resources and work program set out in the WRS Office Business Plan.

In February 2008 Victoria McGregor took up the WRS Policy Advisor role. A further WRS office position of Team Leader remains to be filled. Work is continuing to fill this vacancy. In the meantime Graham Spargo continues to support the programme in his Project Director role.

2.2 Stakeholder engagement matters

The December quarter activities of the WRS office focused on:

- core linkages with councils around the council-led aspects of the WRS
- interaction with Regional Economic Development Agency (REDA) officials around roles and responsibilities where tasks require both councils and REDA to be involved (e.g. broadband)
- discussions with central government agencies on the alignment of programs (i.e. Ministry of Economic Development, N.Z. Trade and Enterprise, Ministry of Social Development, Department of Labour, Ministry of Transport and Ministry for the Environment).

Stakeholder engagement activities will escalate over the current quarter. In addition to ongoing steps set out above, WRS officer time will concentrate on:

- the Wellington Regional Labour Market Strategy (in particular working with Ministry of Social Development, Department of Labour, Employers and Manufacturers Association (Central) and councils);
- working with councils and Ministry for the Environment on the region-wide sign-up process to the N.Z. Urban Design Protocol;
- engaging with local and central government agencies, District Health Boards, tertiary institutions and the private sector to develop the regional Genuine Progress Indicator framework.
- development of the communications and engagement plan for the implementation phase of the WRS.

2.3 Progress on WRS Council led projects

The WRS sets out 68 action items, of which half fall to local government to take the lead (the balance are via the private sector, REDA, central government and others).

December quarter activities of the WRS office focused on:

- working with councils via the Senior Officer Resource Team (SORT) and Chief Executive Group (CEG) to prioritise deliverables for the next 12 month period in accordance with the agreed WRS actions
- allocation of tasks and initiating the development of detailed task plans and timetables by nominated team leaders. These responsibilities have been shared around the region's councils.

The March 2008 quarter focus is on ensuring implementation action across all of the areas progresses satisfactorily. It is evident that all councils have significant existing work programs which pose an ongoing challenge to maintaining momentum on council led WRS actions.

2.4 Progress on WRS Joint Projects

The major joint project to be progressed is the Wellington Regional Labour Market Strategy (WRLMS) segment of the WRS (WRS June 2007 page 31).

The WRS Office business plan includes specific time allocations to facilitate and progress the agreed actions in the WRLMS implementation plan.

The appointment process undertaken over the December 2007 to get a full time resource into the WRS office will enable the WRLMS deliverables to be tackled in earnest over the March 2008 quarter and beyond.

2.5 Trends, policy or other matters relevant to WRS

The current implementation phase of the WRS takes place against a backdrop of heightened concern over the outlook for the global economy.

Economic commentators suggest that the first 6 months of 2008 are likely to see continued volatility in global financial and equity markets.

Expert opinion is mixed as to the impact of recessionary forces in the United States and knock on effects into other economies. Views range from a recession in the United States being mild and short lived, through to severe and prolonged.

Growth driven out of China, India and other developing economies is forecast to continue, albeit potentially dropping to high single digits (8% or 9% p.a.) from previous double digit levels. While providing a degree of offset to a U.S. slowdown, the size of the U.S. economy and globalisation of financial markets does not enable a 'de-coupling' of impacts from U.S. troubles.

Access to and terms for credit have tightened and potential for further upheavals in these markets remains through 2008. This is likely to negativity impact some investment plans of New Zealand businesses.

At this stage it appears that strengthening agricultural commodity prices may help insulate the New Zealand economy to some extent over the next one to two years. Unemployment rates are at historic lows.

The New Zealand dollar looks set to remain at current levels or higher against the \$US. Interest rates look unlikely to decline in the near term, and pressures to the upside remain.

3. Recommendations

1. *Receives the report.*
2. *Notes the content of the report.*

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