

Report 16.519
Date 5 December 2016
File CCAB-15-124

Committee Wellington Regional Strategy Committee
Author Colin Drew, Project Leader, Wellington Regional Strategy Office

Wellington Regional Strategy Office – First Quarter 2016/17 Update

1. Purpose

To brief the Committee on the work of the Wellington Regional Strategy Office (WRS Office), how the office works in conjunction with the Wellington Regional Economic Development Agency (WREDA), and to provide an update on WRS Office activities.

2. Background

The WRS Office provides economic monitoring, research, facilitation and project management functions aligned to the Wellington Regional Strategy.

Since the formation of WREDA and the change of governance arrangements in late 2014, the WRS Office has continued to provide services that are both grounded in programmes that had already commenced and reflected opportunities to promote and grow the local economy. Operational engagement with the region's councils has been maintained through the economic development managers group, which includes WREDA. WRS Office activity details, data and information, and plans have been shared through this forum and thus made available to councils.

There is now a working agreement between the WRS Office (represented by the Chief Executive, Greater Wellington) and the Wellington Regional Economic Development Agency (WREDA) represented by the Chief Executive. This is designed to ensure that activities are coordinated, regional interests are taken account of, research projects inform WREDA activities, there is full transparency of activities from both parties and that there is clarity between research and delivery functions. Further details, are provided below.

3. Working Agreement with WREDA

The working agreement developed between WREDA and the WRS Office seeks to support, promote and facilitate economic growth for the Wellington

region. It ensures that work programmes are planned and delivered on a collaborative basis and that resources are used effectively for agreed shared outcomes. It covers regular communication arrangements, jointly funded projects, agreements on economic data/information provision by WRS Office and respective responsibilities.

WREDA's regional economic development activities and WRS Office activities are funded (in whole or part) through the regional economic development targeted rate. This rate contributes to the delivery of WRS objectives. For the 2016/17 year, regional rates funding is \$4.767 million of which WREDA receives \$4.167 million. This primarily funds the staff and activities of the Business Growth and Innovation team, which is responsible for the sector programmes, business support services, workforce development, student attraction and retention, and promoting government grants programmes. This funding is also used to fund the operation of Creative HQ and its incubator programmes.

The WRS Office receives \$0.6m which covers staff/office costs of \$275,000 and a \$325,000 projects budget covering economic information and research projects. Of the project budget, up to \$135,000 will be for additional joint initiatives with WREDA including:

- Wairarapa Cropping Strategy
- Skills/workforce plan
- Creative design sector research
- Wellington Regional Strategy, including future priority activities
- Techweek event

Communications and joint project work between the two agencies has improved significantly as a direct result of having this agreement in place. In future, the Committee will receive quarterly update reports from both WREDA and the WRS Office.

4. WRS Office activities update

The WRS Office programme is conducted under the three broad headings of strategic leadership (research based); project management and facilitation; and economic data, reporting and information. It also provides support services to the Committee as required, and maintains operational relationships with WREDA and the councils.

4.1 Strategic and Research projects

Sector Profiling

This research programme has been centred on quantifying emerging sectors and technologies in the region. To date it has resulted in projects (national and regional) for design and cyber security. Some analysis of the film and screen sector was also undertaken.

For cyber security the priority for business is the supply of skilled people in order to meet growth opportunities. The WRS Office published a Cyber Security Skills report following extensive engagement with industry, universities and government agencies. Data in the report was sourced internationally. Both the report and the stakeholder group established are now being used as key components of a national cyber security programme focussed in Wellington.

We are also co-ordinating the development of an intern/training programme for this sector.

The national design strategy work now led through Massey University (but originally facilitated and established through the WRS Office) will be completed early in 2017. For Wellington this will identify local industry capability and growth opportunities. For Massey University it will help provide the business case for future design course funding and programmes. We are also engaged with WREDA to identify firms exhibiting capabilities in the fusion of design and digital technologies.

Labour market planning

The WRS Office has undertaken various research exercises including on immigration as a skills supply. The need to develop (or update previous work on) a regional workforce and skills plan has been identified. This approach is also supported by MBIE as similar plans have been developed and are being implemented in other regions.

In October a survey of Wellington businesses by Victoria University Human Resources students was completed. The purpose was to identify opportunities to increase university-business links; to understand current skills recruitment practices; and promote employment opportunities in the public sector. A full report will be produced in early 2017 along with recommendations for practical ways for business and Victoria University to better engage on collaborative skills development programmes.

Water Wairarapa

The WRS Office was tasked to provide a report on the economic and community benefits potentially derived for the proposed Water Wairarapa project. This has involved a desktop research exercise on national and international irrigation schemes where post irrigation analysis has been undertaken.

Berl was commissioned to develop a land use model that included the expansion of activities such as apple orchards, sheep-dairy and horticultural cropping. This model provides direct and indirect GDP and employment numbers above a business as usual situation for a range of scenarios. It also includes the ability to alter parameters such as water price, commodity prices, land use changes and water uptake.

The model is currently being tested and refined. It is expected to be completed in late December and the subsequent economic benefits report available.

4.2 Economic information

Economic Data

The 2016 economic data set and regional profiles will be available in early February 2017. The updating of growth scenarios at a local authority level done in 2014 will be investigated at the same time. Access to the Infometrics regional database has been made available through the GWRC website.

Economic Development Conference (August)

The WRS Office organised and managed a very successful two day economic development conference in Wairarapa. This was initially designed as a professional development session for Wellington regional interests, however also attracted national attendees. Speakers included Shamabeel Eaqub, Mavis Mullins and Dale Williams. A visit to Taratahi Training Centre and Watsons Honey provided great profile for the Wairarapa.

4.3 Other Projects

WEDG

The WRS Office continues to organise and host regular sessions with the economic development managers across the region (WEDG). Proposals being developed through this group include the regional participation in Techweek, May 2017 and updating 2010 work on a register of commercial-industrial land supply and occupancy at a local authority level. This work can also be used to inform a regional response to councils' requirements under the proposed urban development legislation.

Economics of Resiliency

The WRS Office has provided input into Wellington City Council's 100 Resilient Cities strategy work and the regional business case for investment in resilient infrastructure.

Collaboration Tool

An initial prototype for an online project management and collaboration tool has been developed and will be tested. This is designed as an ongoing engagement tool with business, universities, WREDA and other stakeholders as opposed to running regular meetings. It would also make economic development project activities visible to a wider audience.

5. Communication

The matters in this report are communicated as the opportunity arises. No further communication is required for this report.

6. The decision-making process and significance

No decision is being sought in this report.

6.1 Engagement

Engagement on this matter is unnecessary as no decision is being sought.

7. Recommendations

That the Committee:

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

Report prepared by:

Colin Drew
Project Leader, WRS Office

Report approved by:

Nicola Shorten
Manager, Strategic and
Corporate Planning